

**AUDIT SERVICES OVERSIGHT COMMITTEE**  
**Monday, September 26th, 2022**  
**Virtual Meeting via Zoom 3:30 P.M.**

The Audit Services Oversight Committee met at the above date and time with the following members present: Chair Nick Long, Vice-Chair Matthew Ruterbories, Resident Member Emily Yeatts, and Council Member Jillian Johnson.

Also present: Wanda S. Page, City Manager; Tim Flora, Finance Director, John Allore, Director, Budget and Management Services, Andrew Holland, Assistant Director, Budget and Management Services; Christina Riordan, Assistant Director, Budget & Management Services; Bo Ferguson, Deputy City Manager of Public Safety; Al Walker, Facilities Operations Manager, General Services; Jina Propst, Director, General Services; Sonal Patel, Assistant Director, Audit Services Department; the Audit Services Department Staff; and other guests.

**SUBJECT: APPROVAL OF MINUTES – August 22nd, 2022**

**Motion** was made and it was properly seconded to approve the minutes of the August 22nd, 2022, Audit Services Oversight Committee meeting.

The motion passed unanimously.

**SUBJECT: EXCUSED ABSENCE**

**Motion** was made and properly seconded to approve the excused absence of Mayor O’Neal.

The motion passed unanimously.

**SUBJECT: ADJUSTMENTS TO AGENDA**

There were no adjustments to the agenda.

**SUBJECT: PARTICIPATORY BUDGETING PROCESS PERFORMANCE AUDIT – SEPTEMBER 2022**

Sonal Patel, Assistant Director of the Audit Services Department gave a presentation on the Participatory Budgeting Process Performance Audit September 2022. This audit was important because examining whether the goals of this process were met will enhance the positive outcomes for residents in the upcoming PB Cycle 3. City leadership were intentional about engaging Durham residents in the budget process via this first-time participatory budget initiative. Knowing if the PB process was a success will be insightful for PB Cycle 3.

Assistant Director (AD) Patel discussed the objectives of the audit: 1) to review if the Participatory Budgeting (PB) Cycle 1 met the established goals set fourth at the beginning of the process; 2) to verify the status of the projects funded by PB Cycle 1; and 3) to review the voting process of PB Cycle 1.

AD Patel summarized the findings as follows: Sixty-seven percent of the PB Cycle 1 projects were implemented as of September 1, 2022. PB staff established some performance metrics; however, the metrics were not sufficient to track attainment of program goals. The Funding strategy for PB Cycle 1 may not be the most appropriate method of ensuring the goal of building greater equity throughout the City of Durham. Scope changes occurred for two projects that were deemed not to be feasible during the implementation period. Controls around the voting process could be tightened. Also, data collected for Participatory Budgeting Cycle 1 was not properly retained.

**Recommendation 1 (Management Concurred)**

The City Manager’s Office with assistance from the Budget and Management Services staff and Other City departments involved in the PB process should work together to ensure all relevant parties are involved in the decision-making process after the voting phase has been completed to determine reasonable project timelines; and guarantee project completion occurs according to the stated timeframes.

**Value Added:** *Risk Reduction; Efficiency*

**Recommendation 2 (Management Concurred)**

The Budget and Management Services Department staff should revise their performance metrics to ensure they support the evaluation of the goal accomplishments outlined for the participatory budgeting process. The Budget Department staff should also ensure that evaluation occurs at each phase of the Participatory Budgeting process.

**Value Added:** *Risk Reduction; Efficiency*

**Recommendation 3 (Management Concurred)**

The Budget and Management Services Department PB Staff should reevaluate funding by wards and determine the best approach to making these projects equitable while also providing some benefit to the community through its implementation.

**Value Added:** *Risk Reduction; Efficiency*

**Recommendation 4 (Management Concurred)**

The City Manager’s Office in collaboration with all City departments involved in the PB process should ensure that the appropriate technical City staff are involved in the feasibility assessment process. The City Manager’s Office should encourage better coordination and buy-in from City staff involved in the Participatory Budgeting process, including the Project Development phase.

**Value Added:** *Risk Reduction; Efficiency*

**Recommendation 5 (Management Concurred)**

The Budget and Management Services Department staff should implement controls over the voting process such as requiring voters to attest that they have not exceeded the number of votes per the rules established for the process. Such a control would attempt to instill integrity in the process.

**Value Added:** Risk Reduction; Efficiency

**Recommendation 6 (Management Concurred)**

Data collected for Participatory Budgeting Cycle 1 was not properly retained.

**Value Added:** Risk Reduction; Efficiency

**Questions/Comments:**

Questions by ASOC members:

Council member Jillian Johnson asked how the PB team would implement these recommendations with PB Cycle 3; particularly the interplay with staff and the Steering Committee. We are trying to ensure this community driven process but still follow best practices. How would you navigate any potential problems that might come up?

John Allore, Director for Budget and Management Services, stated broadly that a presentation on PB Cycle 3 is on an upcoming agenda for Council members. Director Allore stated that there were a lot of bottlenecks in the first cycle that they learned from. He stated they had a lot of long and tedious project scope meetings between the delegates and City staff on issues that they had not envisioned. The entire process provided great learning for the staff. Director Allore stated that the buy in from top management was extremely important and he stressed the need to include the City Manager in two of the recommendations in this audit so they can ensure going forward to treat all departments equitably. He stated the PB process is important but it's also a requirement; and it is a type of budget process and every bit as important as the normal annual budgeting process. Broadly he stated the Budget staff have learned a lot from the experience.

Assistant Director Andrew Holland commented that the new PB Steering Committee has fourteen (14) new members. The City's PB staff have done a great job at conducting research and performing benchmark analyses of other organizations that have implemented participatory budgeting. We have partnered with our Department of Equity and Inclusion and have also partnered with the Office of Performance and Innovation. We have discussed some of the gaps from the lessons learned, and as such have extended the timeline. By extending the timeline staff are assured of being able to bring equity into the process by educating the community more about PB.

Council Member Johnson asked did we foresee any conflicts over these recommendations from folks on the Steering Committee?

Assistant Director Holland stated he did not. We agree with the recommendations and may take a closer look to make sure they fit within the implementation, but we agree.

Council member Johnson stressed to the Budget staff the need to be intentional about finding balance between staff and community members running the process. Council member Johnson stated that she and Council know it is tricky. However, making the process community led but also spending City money wisely must be a goal.

Director John Allore commented that he, Andrew Holland, and Carmen had a meeting and discussed the importance of striking that balance.

Vice-Chair Ruterbories asked what sort of participation rates have we seen from eligible members of the community in the voting process? Has that changed at all from Cycle 1 and 2? Do we collect any data on who is partaking in the voting process, and do we know if that is a representative group of Durham as a whole?

Assistant Director Holland answered that it was a good question but regarding municipal elections I do not have data to show any correlation. I can say several of our delegates have been appointed to City boards and Commissions. To me that is the beauty of PB because we want to ensure people that do participate in the program do have direct access to City government and City processes. We have several delegates who have served in that capacity.

Vice-Chair Ruterbories asked as far as people voting, do you have a scale of how many people voted in Cycle 1 versus Cycle 2?

Assistant Director Holland stated as far as Cycle 1 we did push a goal of reaching 9700 votes in the process. As far as PB staff the goal was to deploy our resources in those underserved neighborhoods. We also partnered with NIS to help us get out into those underserved communities. As far as PB Cycle 2 we did see a dip due to COVID. But at the same time as far as staff we wanted to ensure that we didn't just have online voting, so we also set up shop at Durham Bus Stations to try to reach those marginalized communities in Durham.

### **SUBJECT: Update of Recommendation Status – Cemetery Operations**

Assistant Director Patel played a five-minute video created by Audit Staff with a summary of the Cemetery Operations Performance Audit presented in June 2021.

Facilities Operations Manager Al Walker presented a PowerPoint on the status of recommendations and updates. The Cemetery Maintenance and Burial team have updated the Standard Operating Procedures (SOP) for Burial Service Support. They have proposed ordinance revisions to provide clarity on Cemetery activities, like new cemetery signage installed. The Cemetery Operations staff have updated the SOP for the revenue collections process. They have synced sales agreements/contracts with the Statement of Accounts. They have a new check reader to help with the revenue collection process. Another SOP was updated to have the Manager of customer accounts review that activity monthly to minimize large outstanding

account balances. Funeral service providers are now on par with individual customers. The Cemetery Operations staff have reconciliation/separation of duties with several different departments. They have updated record keeping procedures. They now use Plotbox for data recording of plots. They should have all card stock/paper burial records entered into Plotbox by December 31<sup>st</sup>. All payments are also recorded in Plotbox for acknowledgement and is attached to the customer record. Documentation is visible to the Operations Supervisor and his/her designees to begin preparing the site through work order management. The Diary (a calendar) located in the Plotbox system is open/accessible to the Business Office staff and the Operations Supervisor and Crew Chief. This module can be updated up to the time of the service as needed. Plotbox also has great monitoring tools. Weekly Record Audit reviews are conducted by the Business Office Manager. Monthly reports are compiled by the Cemetery Administrator and Administrative Assistant to confirm burials, services, and payments.

### **Questions/Comments:**

Questions by ASOC members:

Chair Nick Long wanted to congratulate Mr. Walker on the amount of work, they have been able to do within a short amount of time, to get these recommendations implemented. He asked if the department is now sufficiently staffed to be able to maintain the measures and new controls put in place?

Operations Manager Al Walker stated he thinks they are fully functional and staffed inside of the office and with recent promotions on the maintenance side, there are only one or two vacancies there. We are in a much better place, and we continue to make progress. He thanked Audit Services for coming out and entertaining their suggestions to look at a couple of enhancements. Having their independent consultative expertise to discuss ideas with was really helpful.

Vice-Chair Ruterbories stated he loved the video of the Audit instead of reading through another document with open recommendations; and second, he loved the interactivity of General Services to come back and give the update on the recommendation. He thanked Mr. Walker for the updates.

### **OTHER BUSINESS**

There was no other business to discuss.

The next meeting is scheduled for October 24th, 2022. The meeting will begin at 3:30 p.m. and it will be virtual.

Chair Nick Long adjourned the meeting at 4:39pm

Respectfully submitted,  
Francisca Fabian