

MINUTES

Audit Services Oversight Committee (ASOC)

Monday, November 17, 2025

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:

Nick Long, Chair, Resident Member
Emily Yeatts, Vice-Chair, Resident Member
Lolita Wynn, CPA, Resident Member
Carl Rist, Council Member
Mayor Leonardo Williams, Council Member

Also present:

W. Bowman Ferguson, City Manager – City Manager’s Office
Bertha Winbush, Deputy City Manager – City Manager’s Office
Tim Flora, Director – Finance
Sheilah Faucette, Assistant Director – Finance
Montique McClary, Acting Director – Human Resources Department
Jim Reingruber, Assistant Director -- Human Resources Department
James O’Donnell, Manager -- Human Resources Department
Lesley Watson, HR Analyst – Human Resources Department
Danice Taylor, HR Analyst – Human Resources Department
Paola Roland, Deputy City Clerk – City Clerk’s Office
Germaine Brewington, Director – Audit Services Department
Sonal Patel, Assistant Director – Audit Services Department
Dredlin Rodriguez, Auditor Principle – Audit Services Department
Marcus Mundy, Auditor Principal – Audit Services Department
Alisha Neblett Thompson, Trainer/Instructional Designer – Audit Services Department
Audrey Eisenstein, Office Manager – Audit Services Department
Scott Anderson, Engagement Director -- Cherry Bekaert LLC

Chairman Nick Long called the meeting to order at 3:31 p.m.

MOTION: **Approval of Minutes of the September 22, 2025 Meeting**

Resident Member Vice-Chair Emily Yeatts made a motion to approve the minutes of the September 22, 2025 Audit Services Oversight Committee Meeting. **Mayor Leonardo Williams** seconded the motion. The motion passed unanimously.

There were no adjustments to the agenda.

SUBJECT: DeDreana Freeman

Germaine Brewington thanked DeDreana Freeman for her long service to the Audit Services Oversight Committee.

SUBJECT: City of Durham Annual Comprehensive Financial Report Executive Summary by Cherry Bekaert Partner

Scott Anderson, Engagement Director of the City's external auditing firm, Cherry Bekaert, made a presentation regarding their recent audit of the City's Fiscal Year 2025 financial statements. The auditors reported a material weakness regarding grant revenue recognition. A lengthy discussion about this situation followed.

SUBJECT: ASOC Calendar for Calendar Year 2026

Vice-Chair Emily Yeatts made a motion to approve the calendar as presented. Resident Member Lolita Wynn seconded the motion. The motion passed unanimously.

SUBJECT: Hiring Practices Performance Audit

The objectives of this audit were to: 1) review the timeliness of the hiring process; 2) assess the effectiveness of application screening procedures; and 3) assess the development of the job description phase of the hiring process. The following recommendations were made:

The Human Resources Department staff

1. should conduct a formal review of its 85-day time-to-fill target to determine whether it remains realistic and appropriate. As part of this review, the staff should consider incorporating input from departmental stakeholders as well as evaluating historical hiring data and external benchmarks. If necessary, the time-to-fill goal should be revised to better reflect operational realities – potentially by establishing different targets based on position type, department, or level of recruitment complexity.
2. The Human Resources Department staff, in collaboration with department hiring managers, should identify and address the underlying causes of bottlenecks in the evaluation and interview phases of the hiring process. To facilitate timely progress throughout the hiring process, staff should perform several steps.

3. The City Manager's Office should establish and enforce clear accountability for department directors and the Human Resources Department in meeting hiring expectations. Department directors/designees must be directed to actively monitor hiring milestones within their department, promptly report any obstacles that could impede progress, and take action to ensure the hiring process stays on schedule.
4. The Human Resources Department, as part of the new applicant tracking system implementation, should establish clear data entry standards for all hiring phases and provide targeted training for the Human Resources staff and hiring managers. Where feasible, system prompts or controls should be implemented to ensure requisitions are closed and key activities are documented.

Chairman Nick Long asked whether we were getting more applications, causing delays in the hiring process, or whether the process was just taking longer. **Human Resources Manager James O'Donnell** responded that they have been receiving more applications since the pandemic, but he didn't know if that correlated with the amount of time the hiring process takes. **Chairman Nick Long** then asked about the NEOGOV data being inaccurate and whether it is possible to go back and retroactively fix the hire dates and inaccurate data or whether that data will remain inaccurate. **James O'Donnell** responded that often start dates change, and those are updated by Human Resources staff.

SUBJECT: 1Q FY26 Quarterly Reports

Follow-up Audit Recommendations Report

At the start of Fiscal Year 2026 (July 2025) there were 21 open audit recommendations. At the end of 1QFY26, seven recommendations were implemented. One recommendation that had been on the report for over 30 months (Community Development Procurement Process) was implemented at the end of 1QFY26. In addition, the City hired an ADA Coordinator, implementing the recommendation related to that deficiency which brought the City into compliance with Title II requirements.

Fraud, Waste, and Abuse Report

In the first quarter of FY26, the Audit Services staff received a total of 15 cases of which two (2) cases had sufficient information for full investigations, four (4) cases were classified as referrals, and nine (9) cases were classified as consultations. The two cases that were investigated were not substantiated. Consultations have been steadily increasing over the past three or four years, which we attribute to better outreach to employees about the services the Audit Services Department provides.

The next ASOC meeting is scheduled for Monday, January 26, 2026 at 3:30 p.m..

Chairman Long adjourned the meeting at 4:42 p.m.

Respectfully submitted by Audrey C. Eisenstein