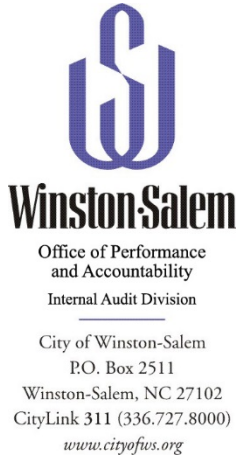


Memorandum



TO: Toneq' McCullough
FROM: Francesca Adams
DATE: August 1, 2019
SUBJECT: Review on Powell Bill Expenditures Report for Fiscal Year
Ending June 30, 2019
CC: Damon Dequenne, Lisa Saunders, Angie Fisher, Brenda King,
Ben Rowe, Scott Tesh

The City of Winston-Salem is granted Powell Bill funds from the North Carolina Department of Transportation (NCDOT) to assist in maintaining, constructing, reconstructing, repairing and improving streets or public thoroughfares, bikeways, greenways, and sidewalks within corporate limits. In July 2019, Internal Audit reviewed the Powell Bill Expenditures Report for Fiscal Year Ending June 30, 2019.

Scope: The purpose of the review was to determine the accuracy of Powell Bill expenditures to be reported to the NCDOT. The scope of work performed included agreeing expenditure line item totals to supporting documentation. A sample of individual expenditures were examined to verify the following:

- The activity was allowable.
- The cost was allowable and the basis of allocating the cost was reasonable.
- The cost was accurately recorded and adequately documented.
- The rate for labor, equipment, or materials was appropriate.
- The disbursement had appropriate supporting documentation and approvals.
- The purchase adhered to the City's competitive bid process.
- Parties awarded were not suspended or debarred.

Findings: The following items could not be verified as Powell eligible and were removed from the Expenditure Report:

- Approximately \$1,157,956 in Vegetation Maintenance work orders.
- Approximately \$1,436 in Traffic Control work orders.
- Approximately \$2,854 in Vegetation Management Payment to Contractors.
- Approximately \$4,090 in Vegetation Management salaries.
- Approximately \$24,829 in Traffic Operations and Safety salaries.

No material weaknesses were noted on the revised Expenditure Report to be submitted to NCDOT. It should be noted that Internal Audit was unable to examine approximately \$1.16 million of Vegetation Maintenance work orders. Internal Audit will review these and recommend a revised Powell Bill Expenditure Report be submitted.

Conclusion: Powell Bill expenditures are properly recorded for Fiscal Year Ended June 30, 2019.



Francesca Adams

CityLink311

Call 311 or 336-727-8000
citylink@cityofws.org

City Council: Mayor Allen Joines; Vivian H. Burke, Mayor Pro Tempore, Northeast Ward; Denise D. Adams, North Ward; Dan Besse, Southwest Ward; Robert C. Clark, West Ward; John C. Larson, South Ward; Jeff MacIntosh, Northwest Ward; Annette Scippio, East Ward; James Taylor, Jr., Southeast Ward; City Manager: Lee D. Garrity