



City of Raleigh

Internal Audit Office

Date: July 26, 2013

To: Perry James, Interim City Manager; Mitchell Silver, Chief Planning and
Development Officer; Martha Lauer

From: Martin Petherbridge, Internal Audit Manager

Re: Follow-up to Raleigh Historic Development Commission Audit, February 2012

The Internal Audit Office has performed follow-up procedures on findings from the Raleigh Historic Development Commission Audit completed in February 2012. This letter should be read in conjunction with the original report.

The purpose of an audit follow-up is to determine if corrective actions have been taken and are achieving the desired results. Follow-up procedures include interviewing staff and examining data and documentation.

Our procedures found that corrective action has been taken for the one finding identified in the original report, and the finding is now resolved.

Internal Audit Office
Raleigh Historic Development Commission Audit
Follow-Up Results, June 2013

	Audit Finding	Recommendation	Resolved	Partially Resolved	Not Resolved	Risk Accepted
1	<p>A Process does not exist to Monitor Covenants on Loans Issued</p> <p>One outstanding loan has a clause that requires the principal to be immediately repaid if one of three conditions is no longer being met. From a review of public records we determined that one of the conditions was no longer being met, and full repayment of the loan is now due.</p>	RHDC should better monitor loan covenants so as to ensure that the City's interests are always protected. A process should include clear lines of responsibility and outline steps to identify borrowers in default.	X			