

# Lumberton ABC Board

## Performance Audit Report



Alcoholic Beverage Control Commission  
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**ABC**  
COMMISSION  
NORTH CAROLINA

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# ABC COMMISSION NORTH CAROLINA

## Alcoholic Beverage Control

CHAIRMAN:  
JAMES C. GARDNER

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COMMISSIONERS:  
JOEL L. KEITH  
Wake Forest

KEVIN M. GREEN  
Greensboro

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ADMINISTRATOR:  
MICHAEL C. HERRING

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LOCATION:  
400 East Tryon Road  
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**Moniqua S. McLean**  
ABC Board Auditor

September 4, 2014

Lumberton ABC Board  
Mr. John W. Armstrong, Chairman  
150 Wintergreen Drive  
Lumberton, NC 28358

Dear Chairman Armstrong,

We are pleased to submit this performance audit report on the Lumberton ABC Board. The objective of this audit was to examine existing policies, practices, and controls and to provide recommendations on methods to improve operating efficiency at the ABC Board in accordance with new legislative mandates.

The report consists of an executive summary, background information, operational findings and recommendations along with your response to our recommendations. This report will be posted on the Commission's public web site.

We would like to thank you, the ABC Board and your staff for the assistance and cooperation provided to us during the audit. Additionally, we appreciate the efforts your Board has made to comply with the new performance standards.

If we can be of assistance in the future, please advise.

Respectfully,

Michael C. Herring  
Administrator

CC. North Carolina Association of ABC Boards

## **EXECUTIVE SUMMARY**

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By state law, the ABC Commission shall ensure that all local ABC Boards comply with established performance standards by conducting regular audit or performance evaluations. Performance standards shall include, but are not limited to, standards that address enforcement of ABC laws, store appearance, operating efficiency, solvency, and customer service. Performance audits are examinations of existing operating policies, practices, controls, and activities to determine those areas in which there may be a need for improvements. This audit was conducted in accordance with Government Auditing Standards. This report details findings and recommendations with regard to organizational and operational issues.

To achieve the objectives of the audit, ABC Commission staff

- Reviewed applicable General Statutes, ABC Commission Rules, and administrative policies;
- Reviewed applicable reports and studies of ABC boards with similar size and geography;
- Verified compliance with Commission and Board policies;
- Reviewed organizational chart and job descriptions;
- Reviewed ABC store annual audit for the fiscal year 2013;
- Visited the stores;
- Interviewed key ABC board personnel.

## **BACKGROUND INFORMATION**

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Chapter 405 of the 1967 Session Laws authorized the City of Lumberton to hold an election based on a written petition of at least twenty-five percent (25%) of registered voters. The referendum was held on June 3, 1986 and passed 2,415 to 1,782. The first sale occurred on November 8, 1986. A mixed beverage election occurred on January 11, 2000 and passed 2,857 to 1,560. The first mixed beverage sale occurred on January 20, 2000.

Upon election of an ABC store, the city was authorized to create an ABC board consisting of a chairman and two board members to serve three year staggered terms. The board has since increased to five members. Current board members include John Armstrong, board chairman, Abraham Marshall, Erica Whitaker, Alan Avant, and Lillian Hardin, board members.

The Lumberton ABC Board operates two retail stores. The board staffs sixteen full-time and part-time employees. The board recently hired an administrator and finance officer. The administrative staff consists of the administrator, administrative assistant, and assistant manager. The administrator's duties consist of overseeing the operations of both stores, policy implementation, inventory management, human resource implementation, customer service, and budget maintenance. The administrative assistant/finance officer is responsible for accounts payable, human resources, cash management, store operations, and customer service. The board has hired an external accountant to assist with monthly reporting and bank reconciliation. The assistant manager is responsible for daily oversight for the second store, inventory management, stock maintenance, and customer service. Store clerks' primary duties are to provide friendly customer service to all customers and store upkeep.

## **OPERATIONAL OBSERVATIONS, FINDINGS, AND RECOMMENDATIONS**

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On May 21, 2014, ABC Board Auditor, Moniqua S. McLean, visited the Lumberton ABC office and stores and interviewed James Freeman, general manager, and Lori Legett, finance officer. Below is a financial analysis followed by operational observations, findings, and recommendations related to the performance audit.

### **FINANCIAL ANALYSIS**

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#### **PROFIT PERCENTAGE TO SALES**

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The profit percentage to sales is calculated by dividing the total income from operations by the total liquor sales (Total Income from Operations/Total Liquor Sales). The Commission has set goals based on the following breakdown:

- Gross sales greater than \$10M – target rate at 9%
- Gross sales between \$2M to \$10M – target rate at 6.5%
- Gross sales less than \$2M – target rate at 5%

In fiscal year 2013, the Lumberton ABC Board had gross sales of \$3,579,720; income from operations was \$258,876, a 7.23% profit percentage to sales.

Factors affecting profitability:

- Surrounding towns with ABC stores within the county include Saint Pauls, Red Springs, Pembroke (reopened 5/13), Maxton, Fairmont, and Rowland;
- Population of the City of Lumberton is 21,823 in 2013, a 1.3% increase from 2010;
- Increased focus on customer service and product availability to mixed beverage and retail customers;

## DISTRIBUTIONS

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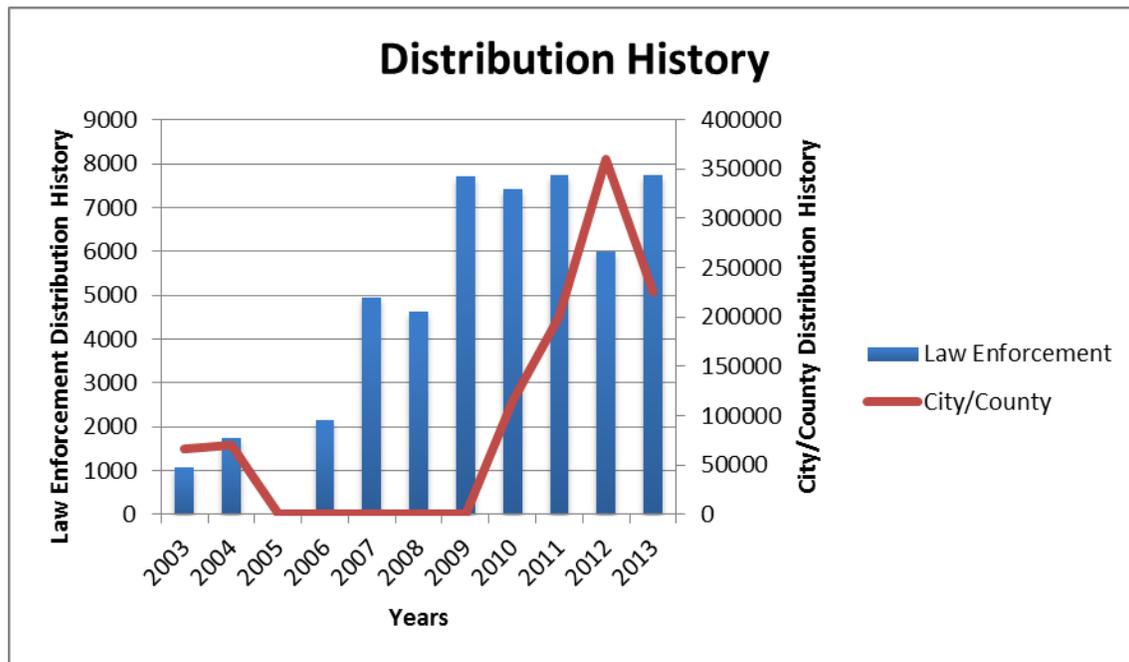
G.S. 18B-805 (b) requires the board to pay from gross receipts, all expenses, excise, mixed beverage, and bottle tax. G. S. 18B-805 (c) (1) requires the board to make a minimum quarterly distribution of the 3½% markup rate to the appointing authority. In FY2013, Lumberton ABC made the required minimum distribution to the city totaling \$103,809, plus additional distribution of \$122,191. \$826,054 in excise and other taxes were paid to the NC Department of Revenue, the Department of Health and Human Services, and the city and county.

G.S. 18B-805 (c) (2) requires the board to distribute at least five percent (5%) of profits to law enforcement. The board is not required to distribute toward alcohol education based on the local enabling act. The remaining profits are to be distributed as follows:

- Sixty-five percent (65%) to the Lumberton General Fund
- Thirty-five percent (35%) to the Robeson County General Fund

In FY2013, the Lumberton ABC Board distributed to the city \$7,742 for law enforcement. A law enforcement contract has been signed with the City of Lumberton.

Below is a distribution chart analyzing the high-low trend of the Lumberton ABC Board for the past ten years.



## NO RECOMMENDATIONS

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## **WORKING CAPITAL**

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G.S. 18B-805 (d) allows the board to set aside a portion of the remaining gross receipts, within the limits set by the rules of the Commission, as cash to operate the ABC system. Working capital is total cash, investments, and inventory less all unsecured liabilities. Gross sales means gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805 (b), (2), (3), and (4). The Commission has set efficiency goals based on the following breakdown:

- Four months for boards with gross sales less than \$1.5M
- Three months for boards with gross sales less than \$50M and greater than or equal to \$1.5M
- Two months for boards with gross sales equal to or greater than \$50M

In FY2013, the Lumberton ABC Board had a working capital of \$687,105, which is less than three months gross sales and is within the limits of NCAC 02R .0902.

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## OPERATING COST RATIO

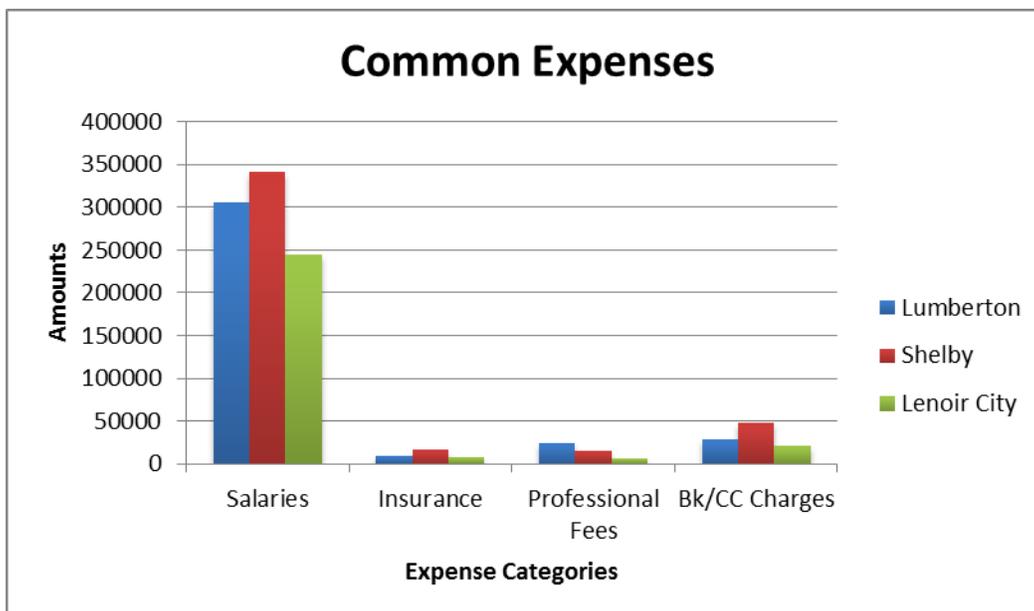
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Operating costs are calculated by dividing total operating expenses less depreciation by the gross profit on sales (Total Operating Expenses less Depreciation/Gross Profit). Below are the average cost ratios for boards with and without mixed beverage sales (MXB):

- Single store boards with MXB sales that are equal to or greater than 25% of gross sales – cost ratio 0.75
- Single store boards with MXB sales less than 25% of gross sales – cost ratio 0.85
- Single store boards without MXB sales – cost ratio 0.85
- Boards with 2 stores with and without MXB sales – cost ratio 0.74
- Boards with 3 or more stores with and without MXB sales – cost ratio 0.64

The Lumberton ABC Board operates two retail stores with mixed beverage sales; the operating cost ratio is 0.67. Mixed beverage sales make up 9.7% of total gross sales. In fiscal year 2013, sales increased 3.2% over fiscal year 2012 while expenses increased 2.7% over the same time period.

A common expense analysis shows that Lumberton ABC Board expenses, excluding professional fees, compared to other similar size boards are not out of line. The board contributes to significant savings in overhead expenses as a result of owning both stores.



## RECOMMENDATIONS

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1. To minimize excess spending and to ensure the best price is offered on services, request bids annually from various vendors to get the best rates possible on financial audits, specific utilities, maintenance contracts, and credit card processing fees.

## **INVENTORY TURNOVER**

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The inventory turnover is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory).

The Lumberton ABC Board receives deliveries two times a month: the inventory turnover rate is 3.5. The average inventory turnover rate for similar boards with the same deliver schedule is 5.6.

## **RECOMMENDATIONS**

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1. Consider the following to increase inventory turns:
  - Incorporating a shelf management plan that analyzes sales data to targeted shopping patterns;
  - Utilizing end caps and empty shelf space as much as possible to highlight slow moving and new products;
  - Moving stock within the store and between stores to increase visibility and to encourage more impulse shopping;
  - Splitting cases with other boards or taking advantage of the Special Purchase Allowance and the Boutique collections will increase variety;
  - Eliminating poor performing items to drive category sales and increase shopper satisfaction;

## **STORE APPEARANCE AND CUSTOMER SERVICE**

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The Lumberton ABC Board operates two retail stores with an average shelf space of 1,144 feet and an average of 1,000 product codes per store.

- Both stores appeared clean and free of trash. Counter areas were clear making supplies easily accessible to staff.
- Both stores' signage was worn and faded. However, the required Fetal Alcohol Syndrome poster is displayed and visible to the public.
- Landscaping around the stores is clean with no evidence of trash.
- A basic shelf management plan is utilized/in use that exhibits a strategy following the highest priced product on the top shelves and lowest priced product on the bottom shelves. Product placement is consistent with sizes going from largest on the right and smallest to the left.
- The state price book is available in both locations should customers ask for specific product. Sales clerks often refer to the price book for verification of product and pricing. Monthly sales information is shared with mixed beverage and retail customers on a consistent basis.
- Sales clerk's interaction with customers is attentive, courteous, and all are eager to meet the needs of the customers.

## **RECOMMENDATIONS**

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1. Replace all faded signs with clear visible signage.
2. Consider replacing old style plastic numbers with more modern looking shelf tags.
3. Consider developing a strategy for product placement utilizing up-to-date marketing and industry standards. An efficient shelf management plan focuses on the growing market. Consider the following practices:
  - Brand blocking products with higher priced at eye level, premium products on top shelves, and value priced items on lower shelves;
  - Cross-merchandising by placing products that mix together on the same shelves. Intermingle North Carolina products within their specific category as well as having a designated area;
  - Reallocating shelf space from declining categories to those showing growth;
  - Optimizing the floor space and end caps to incorporate valuable displays;
  - Allowing more space for your more popular brands and re-allocating space when eliminating underperforming brands.

## **PERSONNEL AND TRAINING**

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- Current board members have completed the initial ethics training. However, the general manager and finance officer have not completed the ethics training. Board members have not yet been reappointed and have not yet completed the online/webinar training.
- Cross training opportunities are being extended to key employees in the event the general manager was suddenly unavailable on key administrative duties.
- Since a change in management, no formal training has been provided to existing staff, however, management plans to provide formal and informal training on product knowledge, customer service, and clerk responsibilities on a continual basis

## **RECOMMENDATIONS**

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1. Board members appointments are for a maximum of three years. Inquire from the appointing authority on whether board members have been reappointed. Once known, have board members, general manager, and the finance officer complete the required ethics training. *Refer to Appendix B (1) for statute.*
2. Consider additional training opportunities through the Commission and the ABC Officers Association on specific areas. The Commission offers Responsible Alcohol Sellers Program, RASP, training for ABC boards and mixed beverage permit holders. The NC ABC Officers Association offers ABC Inspection training for local law enforcement officers.

## **ABC BOARD POLICIES**

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- Policies adopted and submitted to the Commission include:
  - Code of Ethics
  - Law Enforcement Contract
  - Travel Policy (City of Lumberton approval submitted FY2012)
  - FY2013 Annual Audit
  - FY2014 Budget (Proposed and Adopted)
  - Employee Manual
  - Mixed Beverage Policy
  
- Policies not adopted include:
  - Price Discrepancy Policy

## **RECOMMENDATIONS**

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1. As a reminder, request approval annually from appointing authority to adopt the town's travel policy. *Refer to Appendix B (2) for statute.*
2. Adopt the above policies that incorporate customer friendly practices. Once adopted, communicate to all employees should the need arise. *Refer to Appendix B (3) for rule.*

## **INTERNAL CONTROL PROCEDURES**

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- Neither time sheets nor time clock cards are used to log what hours are worked. Internal controls on payroll are minimal. Management plans to increase internal control procedures by establishing a new time entry system.
- Cash drawers are counted by all clerks. All clerks are responsible for their own cash drawer. Although understood, a written policy has not been adopted detailing the processes for handling shortages and overages.
- Cash handling processes are secured and properly controlled.
- Bank deposits are made regularly as required by the ABC Commission rule. Bank notification is received and matched with corresponding daily register reports. Bank reconciliations are completed monthly by the accountant.
- Physical inventory counts have not been conducted on a routine basis, but instead are conducted on a yearly basis by staff along with the auditor.
- A credit card is issued to the board with the general manager as the only authorized user. The accountant/auditor reconciles all transaction purchased with the card. Although rarely used, a credit card policy has not been implemented.
- Out of an average of 1,000 product codes per store, approximately 160 product codes were sampled to ensure accurate pricing and fifteen percent (15%) were incorrect.
- Travel expense records were viewed. Prepayment for spousal/guest attendance to the ABC Association Summer Conference was not evident. Reimbursements were paid and included spousal/guests expenses.

## **RECOMMENDATIONS**

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1. Have a written policy in place for cash drawer overages and shortages. Present to clerks so that they will know what is expected.
2. Establish a regularly schedule inventory count with frequent spot checks in between the next routine schedule.
3. To ensure correct pricing on the store shelves and in the computer system, audit shelf tags on a regular basis by incorporating this practice during or in between the regularly scheduled inventory counts.
4. As a reminder, prepay conference fees for spouses and/or non-employees must be pre-paid without using ABC board funds. To have a proper audit trail, require all employees and board members fill out a reimbursement form for travel expenses incurred.

## **ADMINISTRATIVE COMPLIANCE FINDINGS AND OBSERVATIONS**

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- Board meeting minutes were viewed and followed the order of proceedings, providing sufficient detail that a reasonable person would be able to follow what transpired. Board meeting minutes included a conflict of interest statement asking board members if conflicts existed with items on the meeting agenda.
- Board member appointment dates and general manager compensation is current on the Commission website.
- Board member and general manager compensation is in compliance with G.S. 18B-700 (g) and (g1).
- Law enforcement activity reports have not been submitted to the Commission for the following months: December 2013, January – April 2014.
- Nepotism – The board is in compliance with G.S. 18B-700 (k) whereas there are no immediate family members employed.
- All board members, the general manager, and the finance officer are bonded for \$100,000, more than the required amount.
- Orders for liquor and other miscellaneous orders do not bear the pre-audit certificate as required by G.S. 18B-702 (m).
- All checks bear the approved certificate indicating that the item has been approved by the finance officer for payment. Two signatures are located on all paid checks, that of the finance officer and general manager.

## **RECOMMENDATIONS**

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1. Complete all law enforcement activity reports for the months specified. *Refer to Appendix B (4) for statute.*
2. Place the pre-audit certificate with the finance officer's signature on the order to LB&B. When ordering supplies, have a purchase order or order confirmation that will have authorization from the finance officer before the transaction takes place. *Refer to Appendix B (5) for statute.*

## **AUDITOR'S SUMMARY**

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ABC Board Auditor, Moniqua S. McLean, presented to the board the performance audit recommendations on August 28, 2014. The board has since responded to the performance audit recommendations and strives to implement strategies to maintain profitability while reducing costs and meeting budget appropriations. Policies and procedures have been implemented to ensure compliance with statutes and Commission rules and to ensure efficient operations while maintaining sufficient checks and balances.

# Lumberton ABC Board

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150 Wintergreen Drive, Lumberton, NC 28358 | 91-736-1540 | lumbertonabc@bellsouth.net

**August 26, 2014**

Moniqua Mclean  
ABC Board Auditor  
Alcoholic Beverage Control Commission  
4307 Mail Service Center  
Raleigh, NC 27699-4307

**Dear Mrs. Moniqua Mclean:**

Thank you for your recent visit to the Lumberton ABC Board. The Performance Audit and the report from the Alcoholic Beverage Control Commission was greatly appreciated. The Lumberton ABC Board has considered the recommendations by you and has taken actions to complete each recommendation in a timely manner. As you know, James Freeman (General Manager) and his staff had completed many of the recommendations before we received the audit report. The Lumberton ABC Board Members received a document presented by Mr. Freeman which stated all the recommendation that had been made prior to the Audit Report being received. Since receiving the report the Lumberton Board Members, Mr. James Freeman and his staff have continued to complete the necessary changes that the Alcoholic Beverage Control Commission requested. Hopefully the attached response is adequate. We appreciate the professional manner in which you conducted this audit. The Lumberton ABC Board looks forward to working together in the future and developing a closer relationship with the Alcoholic Beverage Control Commission.

**Sincerely,**



John W. Armstrong

**Chairman**

**Lumberton ABC Board**

Lumberton ABC Board  
Performance Audit Report  
Review by Management  
James Freeman  
June 30, 2014

Page 6:

What the Lumberton ABC Board needs to work on:

Management has been in contact with all vendors, maintenance contracts, utilities companies and credit card processing fees?

What request the Lumberton ABC Board has already completed from Performance Audit Report:

a. Vendors: All supplies vendors have been consolidated to three vendors. Office Depot, Walmart and Harold's office supplies. This allows the Lumberton ABC Board to compare prices within each vendor and pick up an item immediately if needed.

b. Maintenance Contracts: All maintenance contracts have been reviewed. Some contracts we cannot change until the contract expires.

Such as:

1. The FSI South Carolina Company whom changes the air filters:

Suggestion: When contracts expires I recommend not to resign and complete the change of air filters myself. We will save \$65.50(per store)(per month).  $\$131.00 \times 12 = 1,572$

2. Coeco Office Systems:

Suggestion: We are in review with this company as there is no contract in house but monthly statements show we are under contract. We pay 151.32 per month which equals \$1,815.84 per year.

This copier printer has many different options such as a fax, scanner, printer and a copier. We only use the copier options. We are expected any day now for service tech to connect each option to our network so we can eliminate the printer from Carolina Data which cost 132.30 plus the black ink toner which cost \$123.00 every two months. We can save \$889 per year by using the Coeco Printer for everything.

Other contracts will continue because of price, the service of equipment and outstanding service or relationship with maintenance provider.

C. Utilities & Credit Card Processing Fees:

Utilities such as electricity, water, waste management are under contract and we have no control over change of services. The utilities services are provided by the city and are the norm for all business within the city.

Credit Card Processing Fees have been reviewed. I have contacted Electronic Payments and they supply over 80% of the North Carolina ABC Boards across the state. Their services are the best and cannot be beat.

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What the Lumberton ABC Board needs to work on:

Inventory Turnover?

- a. Shelf management plan
- b. Utilize end caps and empty shelves
- c. Move stock within store
- d. Eliminate poor performing items

What request the Lumberton ABC Board has already completed from Performance Audit Report:

- A. Shelf management plan:
  - 1. We have developed a plan that consist of analyzing sales data and reviewing customer's patterns for sales. We have noticed that many customers come in and go directly to their favorite product. So we relocated many items to entice customers to look around the store more before purchasing products.
- B. Utilize end caps and empty shelves:
  - 1. At both store we have changed each end cap. We have a management plan that notices sales within the end caps. Each week change the end caps to keep introducing new items and to introduce cross merchandising of products.
- C. Eliminate poor performing items
  - 1. We have eliminated many of the poor performance items by delisting the items, moving the items upfront and taking some items from Store 2 to Store 1. We also have contacted Lori Lee from the ABC Commission about locating other ABC Boards if they need any of the items we are over stocked on.

Page 8:

What the Lumberton ABC Board needs to work on:

Store Appearance and Customer Service?

- a. Replace signs
- b. Replace old style plastic numbers
- c. Developing a Strategy for product placement

What request the Lumberton ABC Board has already completed from Performance Audit Report:

- A. We have already replaced all signs that are required by the ABC Commission.
- B. I have been in contact with Carolina Data about updating our software so we can print and reprint new labels when needed. We have the options in the system but not the right software to use the program. Needs to be updated.
- C. We have considered brand blocking. This is a goal for the future. We have delisted items to make room for other items. This will allow us to stack products in the form of brand blocking. We have already cross-merchandised items to increase sales of mixers and liqueurs. The changes we have made has created space for us to now have displays of products from vendors in which we have multiples at each store.

Page 10:

What the Lumberton ABC Board needs to work on:

ABC Board Policies?

- a. Request updated City of Lumberton Polices
- b. Adopt policies and communicate them to employees

What request the Lumberton ABC Board has already completed from Performance Audit Report:

- A. I have called the City of Lumberton and requested an updated policy and it is in the mail.
- B. The new policy has a section on Price Discrepancy.

Page 11:

What the Lumberton ABC Board needs to work on:

Internal Control Procedures?

- a. Time clocks
- b. Cash drawers and Cash handling
- c. Physical Inventory Count
- d. Credit Card Policy
- e. Product Codes

What request the Lumberton ABC Board has already completed from Performance Audit Report:

- A. Need to create a policy for employees whom handle cash drawers.
- B. Time clocks have be installed. Employees are required to use time clocks and times are written in the updated policy.
- C. Daily inventory is being completed now an adjustments are being made daily if needed.
- D. All employees are required to complete a daily walk through on prices. The new labels will help prevent any prices being adjusted without the right causes.

## APPENDIX A

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*Illustration 1*



*Exterior area of Store 1*

*Illustration 2*



*Counter area of Store 2*

*Illustration 3*



*Product placement view in Store 1*

*Illustration 4*



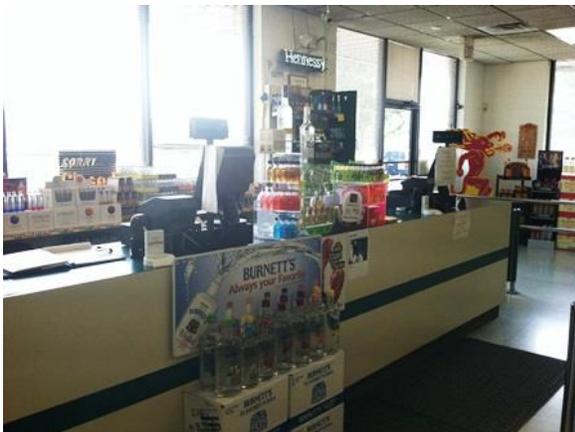
*Exterior view of Store 2*

*Illustration 5*



*Shelf view at Store 2*

*Illustration 6*



*Counter view at Store 2*

## APPENDIX B

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- (1) *G.S. 18B-706 (b) states, "Each member of a local board shall receive a minimum of two hours of ethics education within 12 months after initial appointment to the office and again within 12 months after each subsequent appointment to the office."*
- (2) *G.S. 18B-700 (g2) states, "...The local board shall annually provide the appointing authority's written confirmation of such approval to the Commission and a copy of the travel policy authorized by the appointing authority."*
- (3) *NCAC 02R.1706 (b) states, "If a local board has a price discrepancy between the price on the shelf or bottle and the cash register, and the price on the shelf or bottle is lower, the local board shall sell the item at the shelf or bottle price and correct the shelf or bottle price to match the Commission's published uniform price."*
- (4) *18B-501(f1) states, "To ensure accountability to the appointing authority and the Commission, every local board's ABC officers and those law enforcement agencies subject to an enforcement agreement entered into shall report to the local board, by the fifth business day of each month, on a form developed by the Commission, the following:*
- (a) The number of arrests made for ABC law, Controlled Substance Act, or other violations, by category, at ABC permitted outlets,*
  - (b) The number of arrests made for ABC law, Controlled Substance Act, or other violations, by category, at other locations,*
  - (c) The number of agencies assisted with ABC law or controlled substance related matters,*
  - (d) The number of alcohol education and responsible server programs presented,*
- The local board shall submit a copy of the enforcement report to the appointing authority and the Commission not later than five business days after receipt of the enforcement report by the local board.*
- (5) *18B-702 (m) states "...the contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been pre-audited to assure compliance. The certificate, which shall be signed by the finance officer or any deputy finance officer approved, shall take substantially the following form:*

*"This instrument has been pre-audited in the manner required by GS 18B-702."*

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*(Signature of finance officer)*

## APPENDIX C

RECOMMENDATION	REQUIRED BY STATUTE	IMPLEMENTATION STATUS
<p><b>Ethics training:</b></p> <p>Have all newly appointed and reappointment board members, general manager, and finance officer complete the ethics training.</p>	<p><input checked="" type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> <b>No</b></p>	<p>(Please provide documentation supporting implementation status.)</p> <p><input checked="" type="checkbox"/> Fully Implemented</p> <p><input type="checkbox"/> Partially implemented ___% complete. (Explain below.)</p> <p><input type="checkbox"/> Not implemented (Explain below.)</p> <p>Board members, the general manager, and the finance officer have completed the ethics training as required.</p>
<p><b>ABC Board Policies:</b></p> <p>Request approval from the appointing authority as to adopt their travel policy.</p> <p>**Adopt other policies that incorporate friendly customer service practices.</p>	<p><input checked="" type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> <b>No</b></p> <p>**Note: Required by rule</p>	<p>(Please provide documentation supporting implementation status.)</p> <p><input checked="" type="checkbox"/> Fully Implemented</p> <p><input type="checkbox"/> Partially implemented 50% complete. (Explain below.)</p> <p><input type="checkbox"/> Not implemented (Explain below.)</p> <p>A travel approval from the City of Lumberton has been forwarded to the Commission. An employee handbook has incorporated such policies and a copy has been forwarded to the Commission.</p>

RECOMMENDATION	REQUIRED BY STATUTE	IMPLEMENTATION STATUS
<p><b>Administrative Compliance:</b></p> <p>Complete all law enforcement activity reports before the 10<sup>th</sup> of the next month.</p> <p>Affix the pre-audit certificate with the finance officer's signature on all orders before the transaction occurs.</p>	<p><input checked="" type="checkbox"/> <b>Yes</b></p> <p><input type="checkbox"/> <b>No</b></p>	<p>(Please provide documentation supporting implementation status.)</p> <p><input checked="" type="checkbox"/> Fully Implemented</p> <p><input checked="" type="checkbox"/> Partially implemented ___% complete. (Explain below.)</p> <p><input type="checkbox"/> Not implemented (Explain below.)</p> <p>Management has implemented procedures to ensure compliance with the ABC statutes and Commission rules.</p>