

## **Race and Equity Pocket Questions**

### **Title and purpose of this initiative:**

The purpose of this agenda item is to provide a response letter for planned corrective actions relating to the audit findings presented to Council on January 9, 2024

**Department:** Finance

### **What are the racial and equity impacts?**

The State LGC requires a response to certain findings from the annual independent audit. Although unlikely, non-response to these findings could levy additional strain on staff time and potential uses of unanticipated Town resources, which could adversely affect individuals within the community.

### **Who is or will experience community burden?**

The Finance department does not anticipate any community burden based on the recommendation; as stated above, delay in response could have both a minor financial and Town resource burden if not filed in compliance with State laws.

### **Who is or will experience community benefit?**

The Town stakeholders will benefit from adopted practices to increase the accuracy and transparency of financial reporting, including garnering higher credit ratings that would lead to lower borrowing rates due to stronger financial controls and fully staffed department.

### **What are the root causes of inequity?**

As related to this agenda item, some root causes of inequity could be access to the financial reports as they are housed online, historical lack of inclusion for dis-advantaged businesses in the independent auditor space, and lack of education to interpret the findings presented to the Council from the Independent Auditor.

### **What might be the unintended consequences of this action or strategy?**

Unintended consequences to approve the response to the audit findings could be rushing into a response to meet state deadlines without adequately explaining intended restorative practices. The Finance Department feels this risk is mitigated due to current staffing levels, segregation of duties, and collaborative review of recommended action items based on audit findings.

### **How is your department planning to mitigate any burdens, inequities, and unintended consequences?**

To proactively mitigate these potential consequences, the Finance Department has put deliberate efforts into corrective measures because of the audit findings to ensure efficient operations to allow staff time spent on other matters critical to the successes of the Town. Furthermore, the



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department is committed to attracting traditional and disadvantaged businesses when it comes to contracts with the Finance Department.