

Camden County ABC Board

Performance Audit Report



Alcoholic Beverage Control Commission
400 East Tryon Road, Raleigh, NC 27610
p: 919-779-0700 | f: 919-661-5927 | <http://abc.nc.gov>



ABC
COMMISSION
NORTH CAROLINA

TABLE OF CONTENTS

ABC Commission Statement	3
Objective, Purpose & Background Information	4
Financial Analysis, Observations & Findings	6
Recommended Actions & Additional Considerations	17-19
Appendix A- Camden County ABC Board Response Letter	20



ABC

COMMISSION
NORTH CAROLINA

Alcoholic Beverage Control

February 5, 2025

CHAIRMAN:

Hank Bauer

Camden County ABC Board
Wayne Walston, Chair
395 W. 158 Camden Causeway
Camden, NC 27921

COMMISSIONERS:

La'Tanta (L.T.) McCrimmon
Raleigh

David Sherlin

Raleigh

Chairperson Walston,

DEPUTY COMMISSIONER:

Mike DeSilva

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Camden County ABC Board. The report consists of an overview of the objectives & background summary, financial analysis and findings, and a summary of actions recommended based upon your board's performance and related findings. Additional considerations are listed as well to provide further guidance and enhance awareness to promote ABC board success.

LOCATION:

400 East Tryon Road
Raleigh NC 27610

MAILING:

4307 Mail Service Center
Raleigh NC 27699-4307

PHONE: (919) 779-0700

<http://abc.nc.gov/>

Please reach out if you have any questions or require assistance in implementing any of the statute requirements, Commission rules, or other recommendations included in the report. On behalf of the North Carolina ABC Commission, I thank you and your staff for your assistance and cooperation in conducting this periodic review. We appreciate the continued efforts by your board to comply with the performance standards, as well as the board's commitment to increase profitability and reduce expenses.

If we can be of assistance in the future, please do not hesitate to reach out to the Commission staff.

Respectfully,

Michael DeSilva
Deputy Commissioner

OBJECTIVE, PURPOSE & BACKGROUND INFORMATION

In addition to regular and special financial audits, G.S. 18B-705(a) authorizes the NC ABC Commission to conduct performance audits of all local ABC boards in the state. Performance audits are examinations of existing operating policies, practices, controls, and activities to determine those areas in which there may be a need for improvement.

The audits are designed to ensure that all local ABC Boards comply with established performance standards pursuant to G.S. 18B-203(a)(20). The audit's scope addresses compliance with ABC laws and rules, store appearance, operating efficiency, solvency, and customer service.

To achieve the objectives of the audit, auditors:

- Review applicable General Statutes, ABC Commission Rules, Reports, and Administrative Policies
- Verify compliance with Commission and Board policies
- Verify results of previous performance audit recommendations
- Review ABC Board annual independent financial audits
- Review ABC Board reporting and documentation reports
- Visit the store(s)
- Interview key ABC Board personnel

Camden County is in northeastern North Carolina bordering Currituck, Pasquotank, Perquimans, and Gates Counties. It shares its northern border with Virginia and its southern with the Albemarle Sound. It became the first consolidated City-County entity in North Carolina in 2006. The county's population per the 2020 Census was 10,355 residents which was an approximate 3.8% percent increase from 2010.

Chapter 49 of the 1937 Session Law authorized Camden County to hold an election for an ABC store. The referendum was held on August 1, 1970, and passed 425 to 363. The first sale occurred on April 1, 1972. A mixed beverage election held on November 8, 2016, and passed 3,367 to 1,351. Upon election of an ABC store, Camden County Commissioners were authorized to create an ABC Board consisting of a chairman and two members to serve for three-year terms. Current board members are Wayne Walston (Chair), Michael McLain, and Durward Medlin.

The Camden County ABC Board operates two (2) retail stores and is the only board in Camden County. The board currently staffs twenty (20) total employees with only the general manager being full time. The general manager is responsible for the oversight of all daily operations pertaining to the store, inventory control, ordering, human resources, ordering, and cross-training. The finance officer is responsible for all things accounting including payroll, billing, taxes, and distributions. Each store has a manger responsible for training, inventory, scheduling, and general store upkeep. Store employees are primarily responsible for providing friendly customer service, general store upkeep, and stock maintenance.

The last performance audit for the Camden County ABC Board occurred in 2014. The Commission audit serves as a continuous way to provide local boards with information and best practices that target areas for improvement.

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On Wednesday, October 23, 2024, ABC Commission Program Analyst Edwin Strickland visited the Camden County ABC Board and interviewed the General Manager, Beth Martin, and Finance Officer, Audrey Fox. Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.



395 Camden Causeway-US 158. Camden, N.C.



US 17 Business 704. South Mills, N.C.

FINANCIAL ANALYSIS

INVENTORY TURNOVER

The inventory turnover rate is calculated by dividing the cost of liquor by the average inventory in the system (Cost of Liquor/Average Inventory). The Commission has set goals for determining an effective rate based on the frequency of deliveries. Below are the turnover rates based upon the delivery schedule:

- Once a week deliveries target at 6 times or more per year
- Twice a month deliveries target at 5 times or more per year
- Monthly deliveries target at 4.5 times or more per year

The Camden County ABC Board received shipments 2 times a month with a target inventory turnover rate of approximately 5. The inventory rate in (FY) 2023-2024 was 6.2, which is above the goal.

PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

In fiscal year (FY) 2023-2024, the Camden County ABC Board had a profit percentage to sales of 8.9%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than \$2M is 6.5%. The Camden County ABC Board's gross sales totaled \$2,875,664, which was an approximate 8% increase from the previous fiscal year. The board's sales have grown an impressive 46% over the last five completed fiscal years.

Camden County ABC Board operates two retail stores with mixed beverage sales. The operating cost ratio for the board was .61 in FY 2023-2024. The NC ABC Commission standard for ABC Boards with one or two stores and no mixed beverage sales is .85 or less.

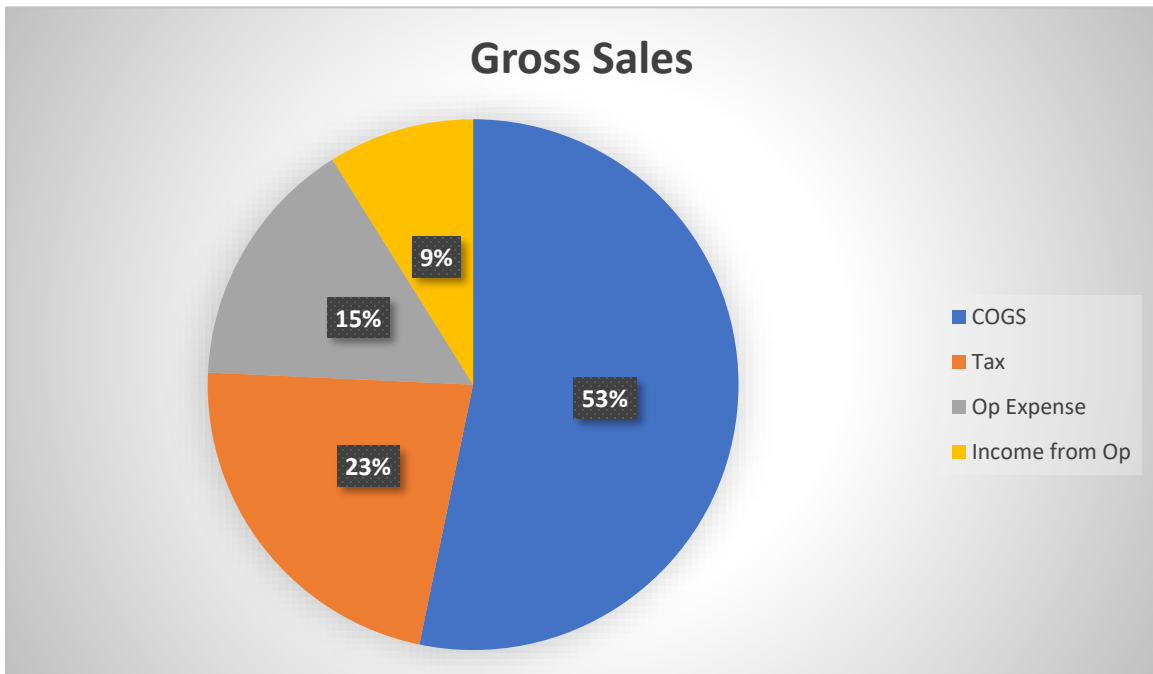
Thus, the Camden County ABC Board meets both the profitability standard and the operating cost standard set by the NC ABC Commission. Below is a chart showing gross profit on sales and income from operations for the previous two years.

	FY 2023-2024	FY 2022-2023
Gross Profit on Sales	\$696,843	\$647,544
Income from Operations	\$251,891	\$230,240

➤ *Factors affecting profitability and cost include:*

- Surrounding areas with other ABC Boards operating stores within an approximate thirty (30) mile range of Camden County ABC: Currituck County, Pasquotank County, Gates County, and Hertford (city).
- A 3.7% unemployment rate in Camden County in June of 2024 with a .4% increase from the previous year.
- The board currently has zero (0) active mixed beverage customers. *In FY 2023/2024 mixed beverage accounted for approximately three (0%) percent of sales.*

➤ The chart below shows where portions of gross sales are expended or retained as income. COGS and primary distributions (Taxes) usually account for approximately seventy five percent (75%) of a board's gross receipts, with the remainder used to operate the system and as income. In turn, the income is then used to satisfy other statutory distributions and as working capital, capital improvements, or as additional distributions beyond the minimum requirement.



BUDGET ANALYSIS

	FY 2023-2024 <i>Budget Projections</i>	FY2023-2024 <i>Actual</i>	Variance	Variance %
Sales	\$2,896,040	\$2,875,664	(\$20,376)	(.7%)
Revenue over or (under)				
Expenditures		\$37,561		

In reviewing the budget to actual analysis of the FY 2023-2024 financial audit, actual sales revenues were .7% below final budget amendment. In addition, the net income change during the fiscal year was \$12,200. *The board's collective net position on June 30, 2024, was \$702,007; the net position has increased approximately 153% in the last five (5) fiscal years.*

DISTRIBUTIONS

G.S. 18B-805 (b) requires the board to pay from gross receipts, all expenses, excise, and rehabilitation taxes. G.S. 18B-805(c)(2) requires the board to *typically* distribute at least five percent (5%) of applicable gross receipts to law enforcement and *typically* at least seven percent (7%) for alcohol education. *Before assigning these percentage distributions, G.S. 18B-805(c)(1) requires the board to first make a minimum quarterly distribution of the 3.5% markup & relevant bottle charges to certain county/municipal recipients. Some of these distribution percentages are designated by an official local enabling act (and thus distribution requirements and recipients are subject to vary).*

In FY 2023-2024, Camden County ABC made other statutory distributions totaling \$253,931 (Net profit distribution recipients received \$231,750 of this). The amount of \$646,301 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), and the county commissioners of Camden County.

Per the local enabling act, the distribution formula for recipients of net profits is as follows:

- 100% to Camden County General Fund

DISTRIBUTIONS (cont.)

➤ STATUTORY DISTRIBUTIONS:

- Net Profit Distributions – The Camden County ABC board has made net profit distributions over four (4) of the last five (5) fiscal years at or above the minimum mandatory distribution in reference to NCGS 18B-805(c)(1). **The table below references distributions calculated on the left and total distributions made by the ABC Board for the last five (5) years on the right.**
- Law Enforcement Distributions: Have been properly disbursed at or above the standard 5% statute amount for each of the last five (5) FYs.
- Alcohol Education Distributions: Have been disbursed at or above the standard 7% statute amount for each of the last five (5) FYs.

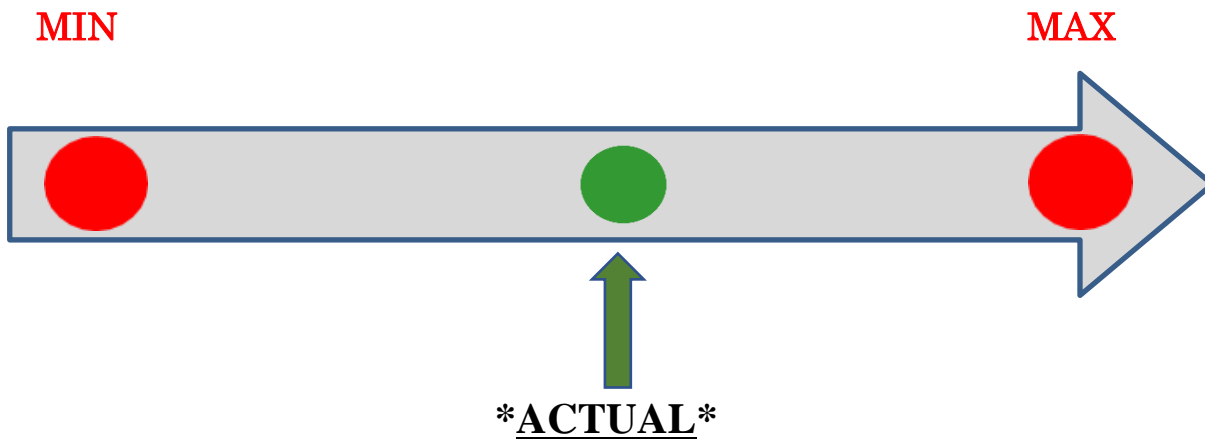
NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients		Camden County ABC Board Net profit distribution made annually by fiscal year	
<i>Note: Referencing CPA Audit Reports</i>			
Calculated Amount		Total paid to recipient(s)	
FY-2024	\$81,287	FY-2024	\$231,750
FY-2023	\$75,606	FY-2023	\$202,602
FY-2022	\$75,413	FY-2022	\$239,382
FY-2021	\$73,348	FY-2021	\$56,612
FY-2020	\$56,443	FY-2020	\$129,371

WORKING CAPITAL

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. The NC ABC Commission has set a working capital maximum standard for boards with annual gross sales greater than \$1.5M as an amount equal to three (3) months of sales revenue.

Based upon the existing rules, as of June 30, 2024, the Camden County ABC Board is required to maintain a minimum working capital of \$85,745 with a maximum working capital amount of \$557,341. The Camden County ABC Board had a working capital balance of \$265,519 which is greater than the minimum and less than the maximum Commission requirements for this section (*).

*** FY 2023-2024: Working Capital (WC) graphic**



Under 18B-805(d), with approval of the appointing authority for the board, the local board may set aside a portion of the remaining gross receipts as a fund for specific capital improvements whenever working capital is exceeded.

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

The findings for personnel, operational & administrative compliance are as follows:

- The board generally holds meetings quarterly with date(s) decided at meetings. They record regular meeting minutes and provide public notification and awareness for these meetings. The meeting minutes are organized by session and kept in files. 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. *The minutes reviewed did not include a conflict-of-interest statement, did not approve minutes from last meeting, and were they signed by the chairperson.* Board member terms are appropriately staggered with no more than one term end date per year.
- Oaths of Office: Board members should take an oath before taking office or before the execution of the office per G.S. 11-7. *Written copies of oaths should be available at the board's administrative office.*
- Training records review: Board members and board personnel are not in compliance on ethics training referencing NCGS 18B-706(b). *One recently reappointed member and the newly hired finance officer will need to complete training in the coming months.*
- Board member compensation & General Manager (GM) salary: Board members receive compensation for their services below the maximum \$150.00 per meeting. The General Manager has updated their salary for Commission records. *Any future salary changes should be relayed to the ABC Commission for record retention. Board members terms are appropriately staggered with one term ending date annually.*
- Board website review: The board's login website was updated by the Commission in 2022 for board member term tenure information (*begin dates & end dates*). **Special note**: As part of a revalidation effort, the Commission has worked to revalidate term tenure information for all ABC boards across the state, working directly with the appointing authorities. As a value-added measure for all ABC boards and Commission records tracking in summer 2022, the term begin dates as well as term end dates were entered on all individual ABC board websites.
 - *The expectation going forward is that ABC boards will routinely manage this information online, and work to communicate with the Commission particularly when new members are added, or whenever any current serving members resign before a term has ended.*
- Board Personnel & Board Members: Board personnel provide board members financial reports, for the board's review at meetings to include P & L, sales comparisons, and bottle sales. Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld especially on payroll; also, boards should routinely review any notes and recommendations provided by the CPA firm on annual audits.
- POLICIES: The board currently has only a mixed beverage and mixed beverage delivery policy on file in Commission records.
 - The board has a personnel handbook and should provided a copy at Commission for approval and record retention.
 - Additional policies could be considered and provided to the Commission for record retention including but not limited to, tastings and employee tastings, overage and shortages, price discrepancy, social media, lotteries, or any others.
 - For travel policy, the board adheres to the state's policy, with no recent travel expenses. *Should the board want to follow their county's travel policy in the future, an annual approval for the appointing authority is required.*

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)

- **BUDGETS**: In FY 23/24, the board's actual sales were .7% less than the final amended budgeted sales. *Based on sales trajectory for the current fiscal year with three months (25%) of the budget year completed, the board is a little above forecast at 27.5% of annual budgeted sale.*
- **FINANCIAL INSIGHT**: Invoices for liquor are processed by board personnel once monthly. Copies of the invoices are retained at the board's administrative office. Invoice records for recent liquor purchases reflect them as being paid within 30 days. Other payments, taxes and distributions are paid either monthly or quarterly by the finance officer.
 - Full bank reconciliation is completed monthly by the finance officer.
 - All checks have the required disbursement approval and are signed by the general manager and a board member with all board members as bank registered signees.
 - Pre-audit stamp verification is being properly implemented on each liquor invoice; however, board should consider placing the pre-audit stamp verification signed by the finance officer before the order is placed. *Board could also consider using purchase orders for non-liquor purchases and having them pre-audited.*
 - Bank deposits are made three times a week by the general manager for both stores. Personnel review deposits and finance officer compares deposit slips with bank statements, and again at monthly reconciliation. *Board should discuss provisions described in NCAC 15A .905 and ask Commission for guidance as needed for compliance.*
 - Tills start with \$300.00, and each store operates out of one till on Monday through Wednesday and two on Thursday through Saturday. Clerks are collectively responsible for funds. An additional \$100.00 is kept for petty cash with the general manager only, having access.
 - Payroll is biweekly and processed by the finance officer using QuickBooks. The General manager verifies employee hours by reviewing and comparing reported time versus the schedule.
 - Employee files are kept in a locked portion of their administrative office and include copy of ID, original application, personnel manual acknowledgment, banking documents, and tax information.
 - All board members, General Manager - Finance Officer are each bonded for \$50,000 per G.S. 18B-700(i). *Board could consider insuring bonds cover other applicable staff to include other employees per G.S. 18B-803(b)(c).*
 - Board keeps thorough records for unsaleable merchandise reports but does not send reports to the Commission quarterly. *Commission requests unsaleable reports be sent quarterly and by email.*
 - The annual CPA audit was received and by the Commission on September 25, 2024.
- **LAW ENFORCEMENT (LE) CONTRACT**: The board has a law enforcement contract with the Camden County Sheriff's Department on file with the Commission.
- **LAW ENFORCEMENT (LE) REPORTS**: Reports are being submitted routinely by board personnel and contain complete data.
- **INVENTORY**: The board has a running inventory with full categories counted at each store monthly. Multiple staff members participate. Final discrepancies are reviewed by general manager and adjustments are made.
 - General manager has strategies for slow moving stock including moving around in store, putting product in front displays, and moving product between stores.

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)

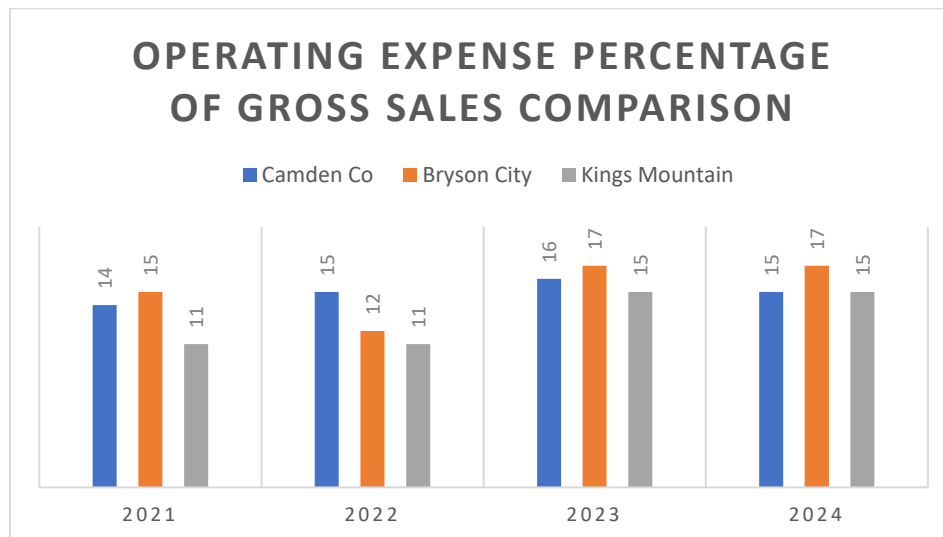
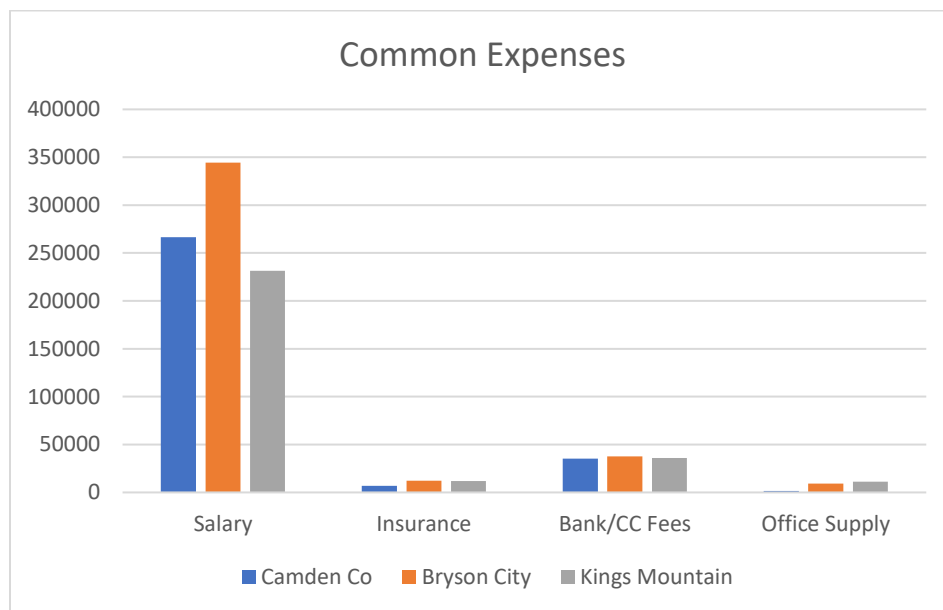
➤ INTERNAL CONTROLS:

- The general manager has worked for the board for approximately six years and was formerly a store manager. She has significant additional experience in retail store management, the service industry, and other accomplishments.
- The finance officer is new to the board and has a lot of experience in variety of fields and was previously a retail permittee.
- The board members and chairperson have extensive professional experience in fields including, finance, politics, farming, and one was the previous general manager for the board. They have a good mixture of longer tenures and a recent appointee.
- The board does receive an annual report describing expenditure of funds from their alcohol education and rehabilitation recipients. *Board should retain report for the year in their administrative records.*
- All employees are subject to RASP training and various behavioral standards.
- Full time employees are enrolled in LGERS.
- General manager makes liquor order by analyzing recent sales history and current inventory levels and adjusts for season and occasion.
- Board receives two deliveries monthly. Counts are made using off load sheets and any variances are recounted, and actual discrepancies are reported to LB&B.
- Board does not have a credit card and some purchases are made by the general manager or other personnel with their personal funds. Reimbursements are issued to the card holder making the purchase with proper documentation and approval for items *Board could consider a credit card or other means to limit personal expenditures for board purchases.*
- Board does not currently utilize purchase orders for non-liquor purchasing. *Board could consider requiring purchase orders for irregular purchases and having them pre-audited. A template is available on the Commission public website.*
- Board does not have Positive Pay with their bank but could consider for combatting potential fraudulent checking issues.
- Stores do not have pens or other means to prevent counterfeit bills.
- No conflicts pertaining to nepotism found and per discussion with general manager.
- Board has a code of ethics policy on file with the Commission.

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE (cont.)

➤ EXPENSES:

- Total operating expenses increased around six percent (6%) from the last fiscal year and are roughly fifteen percent (15%) of total annual sales in FY-23/24.
- Board salaries were approximately nine percent (9%) of total annual sales. Salaries and benefits increased by around thirteen percent (13%) from the previous fiscal year.
- Cost of Goods Sold (COGS) was roughly 53.3% for the fiscal year with a normal range being 52% to 54%.
- A common expense report and operating expense comparison shows Camden County ABC Board is comparable to other ABC boards with similar sales ranges.



STORE INSIGHT & OVERVIEW

- The board's store in Camden is a free-standing building owned by the board. The store has good exterior signs, and the outside is well maintained and free of trash and debris. Retail space is approximately 1,350 sq. ft. and the warehouse and administrative offices are approximately 750 sq. ft. The interior is well lit and has recently had some major cosmetic updates. *The board has purchased land beside the store which will be used for additional parking and allow for truck deliveries. Additionally, the board is in the process of adding new exterior signs for both stores.*
- The board's South Mills store is also free-standing and owned by the board. It is near a major thoroughfare and has easy access and ample parking. The exterior is well maintained, and the interior is well lit, organized, and aesthetically pleasant.
- Deliveries from LB&B are usually the second and fourth Tuesdays of each month. Currently, all deliveries are shipped to the South Mills store. *With future updates to the Camden store, board will have the option of staggering truck delivery locations.*
- The store displays the required Fetal Alcohol Syndrome poster required by G.S. 18B-808, and the quarterly price book is available.
- Sales associate interactions with customers are attentive, courteous, welcoming, and all are eager to meet the needs of the customers.
- Products are placed within the designated categories; premium products are generally found at eye-level or top shelf. Bottles were fronted and dusted, and shelf space is maximized. While shelf management practices were often followed, some shelves had bottles decreasing in size from left to right.
- Product knowledge growth is accomplished through broker rep provided literature, magazines, and by searching the internet.
- General manager indicates the board tries to order most customer requests for special orders.
- The board keeps a list of interested customers for distribution of limited and allocated products and contacts them sequentially.
- The board does not have a web page.
- The board does not currently have any mixed beverage accounts but does have a MXB policy and delivery policy on file with the Commission. *Currently, there is one permittee with mixed beverage permits in the county who is purchasing from a neighboring board. General manager and Commission staff will work to bring compliance and establish the permittee as an account for the board.*
- A random sample of approximately 100 items were selected to determine if uniform pricing is displayed. Of those selected, all items across both stores reflected the current quarterly or monthly SPA price.
- A random sample of approximately 20 items was selected to verify accurate current inventory. All but one item's actual quantities matched with system data correctly.
- General manager indicates price discrepancies are not handled in the customers favor if the shelf price is lower than the cash register and the customer objects. Board puts a sign on door notifying customers while price changes are being conducted. *The board should craft a price discrepancy policy that complies with NCAC 15A .1705 and submit a copy to the Commission.*
- The board's stores are generally open from 9:00 am until 9:00 pm Monday through Saturday, with the South Mills store closing at 8:00 pm Monday through Thursday. They are currently closed every Sunday, and the five (5) previously required annual holidays.
- Security systems are in place and functional in all designated areas to include motion sensors.
 - *Currently eight cameras operating and panic buttons behind the registers and in office.*

RECOMMENDED ACTIONS (PER STATUTES OR COMMISSION RULES)

- Board members should take an oath before taking office or before the execution of the office per G.S. 11-7. *A written account of the oaths should be available through board administration.*
- Board meeting minutes must have a conflict-of-interest disclosure statement, for proper adherence to G.S. 18B-201 (f)(k) and referencing G.S. 18B-700(h). Minutes should also include approval of the previous meeting's minutes. Additionally, the chairperson or alternate board member in their absence, should sign the board meeting minutes for record retention.
- Daily cash bank deposits should be conducted or a waiver request from the Commission should be sought in compliance with NCAC 15A .0905 (a)(d).
- When applicable, ensure unsaleable merchandise (breakage) reports are submitted to the Commission quarterly. NCAC Rule 15A .1701(c) requires quarterly reports be submitted for any unsaleable merchandise and retain original copies for three (3) years. *Since Commission visit board personnel have submitted destruction of unsaleable merchandise reports.*
- In accordance with NCAC Rules 15A .1006 and 15A .1102 the board should craft and approve or send currently approved copies of their Personnel Manual to the Commission for approval and records retention: Additional policies for consideration include tastings or employee tastings, social media, overtime, employee purchases, or any others. Board could consider referencing the *personnel manual template on Commission website that covers many of the aforementioned suggested policies.*
- The board should craft a price discrepancy policy that adheres to NCAC 15A .1705(b). *Management should work to make sure all staff is fully aware and attends to this policy.*
- In connection with the periodic audit, a Certificate of Accountability attestation form should be reviewed and signed by board members and applicable personnel. A signed copy would then only need to be emailed to Commission personnel for recordkeeping.

Please network with the ABC Commission whenever needed for guidance and assistance to support local ABC board mission and success.

ADDITIONAL CONSIDERATIONS & GUIDANCE

- The Commission's primary focus for ABC board members:
 - ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at beginning of next month, providing annual budgets, budget amendments, miscellaneous financial reporting to Commission following timelines, and ensuring Commission has annual CPA audits by Oct 1st.
 - ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc. *Moreover, liaising with the Commission when new members are appointed or when member resign early before term has ended is very important for recordkeeping efforts of the Commission.*
- ABC boards are highly encouraged to find straightforward ways to lower any recurring expenses. *A very tangible way to lower operating costs is to fully maximize monthly special purchase allowance (SPA) liquor products that routinely sell well in the store to lower cost of goods sold (COGS).* Other ways to try to improve expenses include requesting bids annually from various vendors to get the best rates possible on financial audits, various utilities, maintenance contracts, and credit card processing companies.
- The board could consider additional contributions to the working capital fund as distributions far exceed the minimum mandatory requirement. *As a starting point or suggestion, the board can consult their appointing authority for an anticipated distribution schedule.*
- ABC boards are encouraged to closely review financial statements monthly, comparing with the annual budget forecast, approving budget amendments when necessary and submitting copies to the Commission for anticipated sales increases as well as other adjustments for budgeted accounts.
- ABC board members must complete ethics training within one (1) year of each appointment and again following all reappointments following NCGS 18B-706(b). *General managers, finance officers (and any applicable deputies) have a one-time training requirement for ethics training yet are highly encouraged to complete training periodically as a good refresher along with any other personnel interested. Additional training to include meetings and webinars is encouraged.*
- As a reminder, remove all faded posters and replace with new ones when applicable. Reach out to the Commission to provide fetal alcohol syndrome posters, NC Dept of Labor can provide wage & hour posters, and OSHA can provide some applicable federal posters if any are needed.
- Cross training opportunities for personnel should be maximized to ensure solid continuity of operations occurs for ABC boards. Also, training opportunities can work well to develop store employees for increased responsibility roles and serving to make both the routine operations and employee morale stronger.

- ABC boards can explore additional training opportunities periodically available through the ABC Commission Education Outreach as well as partnering with other ABC boards or the Association of ABC Boards on specific areas such as best retail and marketing practices.

PREVIOUS PERFORMANCE AUDIT RECOMMENDATIONS (2014)

- Consider the following to increase inventory turns: Utilizing end caps and shelf space as much as possible to highlight slow moving and new products.
- Incorporating a shelf management plan that analyzes sales data to target shopping patterns.
- Moving stock within store and between stores to increase visibility and to encourage more impulse shopping.
- If you are planning to stay at current Camden location, consider renovating the entire store.
- Replace all faded signs as clear visible signage is more appealing to customers.
- Consider replacing old style plastic numbers with more modern looking shelf tags.
- Consider these alternative product placement strategies: • Brand blocking products with bottles with mid-price at eye level and premium products on top shelf and lower priced items on lower shelf.
- Increasing cross merchandising by placing products that mix together on the shelves • Reallocating shelf space from declining categories to those showing growth.
- Aligning cordials by flavor profile rather than code number.
- As a reminder, request approval annually from appointing authority to adopt the county's travel policy.
- Update the employee manual to include current practices and policies. Once adopted, distribute to all employees so that they will know what has been implemented. Have an acknowledgement of receipt signed by all employees and place in personnel files.
- To ensure strong internal controls credit card purchases, adopt a written credit card usage policy.
- Update the Commission website to reflect current information on board members and the general manager. The Commission relies on information provided by boards to create reports.
- 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.

While having addressed most considerations from previous Commission review (2014), the board should still monitor and strive to satisfy previously noted recommended actions.

Hi Edwin, I hope you are well.

Regarding our Audit the following measures have been put in place.

A conflict-of-interest statement with Board Minutes for each Board Member.

Approval of minutes is signified by Wayne Walston's signature (chairman).

An oath of office is on file for each board member.

Ethics training has been completed for Audrey Fox, CFO.

An increase in Salary began on January,1, 2025 for Beth Martin Now [REDACTED] per year.

I have picked up one additional day in the office moving me to four days a week.

We have had no change in board members since our audit.

We are following the county's travel policy. We have no travel expenditures currently other than the movement of alcohol between stores.

- *We will request and provide the Commission the approval from the county.*

Bank Deposits are being done on a daily basis Monday Through Friday.

A Card has been issued to Camden ABC for expenditures With the general manager and finance officer as authorized users.

- *The board will craft and approve a credit card policy.*

This takes the burden off me and will be conducive to changes in management in the future.

Money markers have been issued to both stores.

Update of signage has been completed at both locations.

The parking area adjacent to the Camden store has been approved by CAMA and will be completed after the bid process has closed.

ACH has been utilized for bill payment to all vendors/suppliers that accept it.

SPA savings will continue to be targeted when available.

The price discrepancy issues have been addressed. All clerks know that the price on the tag is the price that we sell that item for.

- *The board will approve a price discrepancy policy at the next meeting.*

The CFO pre-audit stamp is being used on the first page of orders going to LB&B.

I hope this is what you needed! Please reach out with any needs that I have not addressed. Please accept my sincere apology for getting this to you later than stated.

Sincerely,

Beth Martin

--

General Manager

Camden ABC

395 US Hwy 158 W. Camden Causeway,

Camden NC. 27921

252-335-1830