

Location:
401 Adams Avenue, Suite 280
Montgomery, AL 36104-4338



Mailing Address:
P.O. Box 302251
Montgomery, AL 36130-2251
Telephone (334) 242-9200
Fax (334) 242-1775
www.examiners.alabama.gov

Rachel Laurie Riddle
Chief Examiner

May 6, 2026

Honorable Mayor Carletta Davis
City of Prichard
216 E. Prichard Ave
Prichard, AL 36610

Dear Mayor Davis:

In response to the City of Prichard's request for assistance, the Department noted certain activities that were occurring at the City of Prichard ("City") during the period of October 1, 2024 through September 30, 2025. During this time, additional matters were identified that required further review of certain transactions and activities occurring after September 30, 2025. Based on these observations, the Department notes the following items of concern and offers the following recommendations:

Council Minutes

The Open Meetings Act, contained in Section 36-25A-1, et seq., *Ala. Code* 1975, requires the deliberative process of governmental bodies to be open to the public during meetings. "A governmental body shall maintain accurate records of its meetings, excluding executive sessions, setting forth the date, time, place, members present or absent, and action taken at each meeting. Except as otherwise provided by law, the records of each meeting shall become a public record and be made available to the public as soon as practicable after approval." Section 36-25A-4, *Ala. Code* 1975. Minutes of the council's meetings were requested for the period October 1, 2024, through September 30, 2025. The following issues were noted:

- Council meeting minutes obtained for the January 30, 2025 meeting were identical to those approved for the February 6, 2025 meeting;
- Two separate versions of council meeting minutes were provided for the February 6, 2025 meeting with conflicting information; and
- Certain council meeting minutes were not readily available and were only produced after repeated request and an on-site visit.

The City should ensure that accurate and complete council meeting minutes are prepared, approved, and maintained for all council meetings. Council meeting minutes should be readily available for review within a reasonable time following approval and should be retained in an organized and consistent manner. This is of utmost importance for documentation and public record of actions taken by the body. Minutes are the official record of activities of the council.

Public Works Law

the council meeting minutes and that supporting documentation is properly maintained and readily available for review. It is important the city has contracts with clear approvals in the council minutes stating what is taking place.

Financial Policies and Procedures

A financial policies and procedures manual is a critical component of a strong internal control environment. A manual should establish clear expectations for financial operations, define roles and responsibilities, and outline standardized processes for handling public funds.

During this process, the Department made multiple requests for the City to produce copies of its policies and procedure manual to determine whether formal written policies and procedures existed and were being followed. However, no documentation was provided. In the absence of a formal written policies and procedures manual, the Department was only able to inquire about and observe certain financial processes in place at the City. The Department notes the following areas where strengthened controls and formalized procedures would be beneficial:

- Financial reports should be prepared and made available to City leadership, including the council, on a timely basis. Supporting documentation for financial activity, including invoices, receipts and reconciliations, should be organized and maintained in a manner that allows for efficient review; and
- Funds received through federal or state grants should be monitored to ensure compliance with applicable grant requirements, including uniform guidance procedures. All related contracts should be formally approved by the council and properly recorded in the official minutes.

The City should develop and implement formal, written financial policies and procedures. Establishing and adhering to written policies and procedures will promote consistency, strengthen internal controls, and reduce the risk of errors, misuse of funds, or noncompliance with applicable requirements.

Purchasing Card Controls

The review identified weaknesses in the City's oversight of purchasing card activity. Purchases made using purchasing cards were not tracked by employee, and transactions lacked evidence of approval. The City does not currently maintain a formal process to document authorization, usage, and review of purchasing card transactions. Upon review of purchasing card transaction the Department noted numerous expenditures that may have been unallowable due to lack of process and supporting documentation, the Department could not determine the allowability of such purchases.

The City should establish written procedures governing the issuance, use, and monitoring of purchasing cards. These procedures should clearly outline authorization requirements, documentation standards, supervisory approval expectations, and controls to prevent shared or unauthorized use of card information. Strengthening these procedures will enhance financial accountability and promote consistent, transparent purchasing practices.

Business License Administration and Controls

City Ordinance No.1967, adopted November 23, 2009, establishes requirements for the City's issuance of business licenses, requires that business licenses shall be renewed annually on or before January 31, and provides for the waiver of penalties only upon a showing of reasonable cause. "Reasonable cause" is defined as "serious personal hardship, business disruption, or reliance on incorrect official advice." Additionally, City Resolution No. 2290-26 authorized a temporary business license amnesty program from March 1, 2026 through March 30, 2026 to waive all penalties and accrued interest associated with delinquent business license accounts.

Business licenses paid after the conclusion of the amnesty period were reviewed to determine whether applicable late fees were properly assessed. The following issues were noted:

- The City's business license office does not maintain formal, written standard operating procedures governing its daily operations, employee responsibilities, segregation of duties, or required documentation for account maintenance.
- A business remitted payment for its business license on April 1, 2026; however, no late fees were assessed. Documentation provided indicates this action was taken at the direction of official in upper management.
- Business license accounts were deleted from the system rather than being properly closed. In some instances, employees deleted their own business license accounts, which presents a significant internal control weakness.

The City should ensure that fines and penalties are assessed in accordance with Ordinance No. 1967. Additionally, the City should develop and implement formal written policies and procedures governing business license operations. These policies should include clearly defined roles and responsibilities, segregation of duties, documentation requirements, and proper procedures for closing accounts. System access controls should also be strengthened to prevent unauthorized or inappropriate account modifications.

Capital Improvement Funds

According to Section 11-66-6, *Ala. Code 1975*, capital improvement funds shall be expended solely for capital improvements and the renovation of capital improvements determined by the municipal government body. On November 20, 2024, the City transferred \$40,000.00 from the capital improvement fund to the general fund to cover payroll expenses.

The City should ensure that capital improvement funds are only expended for allowable purposes in accordance with Section 11-66-6, *Ala. Code 1975*. Transfer or expenditures for operating expenses, including payroll, are not permissible uses of these funds and should be replaced.

Gasoline Tax Funds

According to Section 40-17-359(j)(3), *Ala. Code 1975*, when gasoline tax proceeds are distributed to a municipality, they shall be used for "transportation planning, the construction, reconstruction, maintenance, widening, alteration and improvement of public roads, bridges, streets and other