



City of Greensboro

Date: March 27, 2009
To: Bob Morgan, Interim City Manager
From: Internal Audit Division
Subject: Safety Town Program Review

The Internal Audit Division has performed a review of the Safety Town Program. Attached you will find our review report; the departmental response; and our replies to their responses. We feel that our recommendations have been sufficiently addressed as we move forward. If you have any questions or need additional information, please let us know. Thanks.

Len Lucas
Internal Audit Director

Cc: Andy Scott, Interim Assistant City Manager for Economic Development
Tim Bellamy, Chief of Police



City of Greensboro

Date: March 4, 2009
To: Tim Bellamy, Chief of Police
From: Internal Audit Division
Subject: Safety Town Program Review

The Internal Audit Division has completed a review of the Safety Town Program for the period June 5, 2007 through December 2008. Safety Town is an educational program for kids aged 5 to 6 that is designed to teach children "safety lessons on strangers, traffic, pedestrians, fire, bicycles, bus, poisons, water and guns." The program is set-up in six sessions; each lasting two hours daily for two weeks. Safety Town is run by the Police Department and the help of student volunteers aged 12-16 years old.

Safety Town is registered as a not-for-profit with the State of North Carolina and is funded through donations. The budget is kept apart from the Departmental budget and the funds are fully segregated. Safety Town also receives revenue from the sale of t-shirts and group photos. From June 5th to the end of 2007, there were total expenditures of \$7,070.33, total revenue of \$7,209.37 and net proceeds of \$139.04. During 2008, there were total expenditures of \$7,469.94, total revenue of \$9,073.89 and net proceeds of \$1,603.95.

The objectives of our review were to:

- Obtain program descriptions to determine the goals and basic structure of the program.
- Verify that revenue and expense statements reconcile to the bank statements.
- Compare receipts from program sales with the list of participants to ensure that those listed match the list of session participants.
- Verify that volunteers received the accurate number of rewards based on session attendance.
- Determine if the list of supplies and equipment are in use for purposes of Safety Town.
- Verify that there are controls for handling of funds and written procedures for handling of money and program operations.

Goals and Structure of Safety Town

Safety Town is a registered not-for-profit and has articles on file with the Secretary of the State. The program is administered by Cpl. Robyn McDonald and Lt. George Hunt is the Acting Commanding Officer. The structure and goals of the program are set forth on the Departmental website; the goals are in accordance with the Articles of Incorporation as filed with the Secretary of State.

While preparing for the initial meeting, we checked the general ledger to verify that it truly was separate from the City's budget. We discovered a budget of \$22,808 for FY 2009 in an account for Student Outreach and Recruiting (SOAR) that was also run by Cpl. Robyn McDonald. SOAR was a program that was finished in 2006 and once it was dissolved, the remaining money from the bank account was gifted to the Old North State Council, the local chapter of Boy Scouts of America, per the original agreement. We advised them of this budget in our preliminary

meeting. The account, as of the date of this review, had received a mail charge, which will be reversed per Marlene Druga, Deputy Director of Financial and Administrative Services; it would be in the best interest of the Department to close this unit and transfer the budget to a different section.

Revenue and Expense Ledger Reconciled to Bank Statements

We received notebooks from Cpl. McDonald with expense and revenue sheets starting with June 5, 2007, the opening of the account at Greensboro Municipal Credit Union, and copies of the corresponding bank statements. For each expense that was listed in 2007 and 2008, there was an applicable receipt. The same applied to revenue with the exception of a donation received from Rosemary Andrews on July 31, 2008. We have advised Cpl. McDonald to make copies of the checks received as donations.

To verify that the ledgers matched the bank statements, we performed a reconciliation of both 2007 and 2008. Both reconciliations matched the bank statements. The only item that did not appear as a separate entry on the ledger was monthly interest earned. We do recommend that it is recorded, but each month's interest earned was less than \$5.00 and does not appear to be a significant finding.

Program Participants

We received the receipts for 2007 and 2008 from Cpl. McDonald. There were only a few receipts for 2007 and we were unable to match the receipts to the list of program participants because there were no names written on the receipts. Prior to our review and in the beginning of 2007, the program was administered by Sgt. David Moore and there were no receipts written for sales of t-shirts or photos. With the start of 2008, receipts were written for sales and we were able to match the names written on the receipts with the participants in each session. It may be helpful going forward to attach the yellow copies of the receipts for each session to the corresponding deposit entry page.

Volunteer Rewards

Cpl. McDonald compiled a list of program volunteers with their attendance for each session and rewards received. For a volunteer to receive a reward, they must attend a session in its entirety. A volunteer can receive a reward for each session attended, with a total possibility of six rewards. The typical reward is a \$5.00 gift certificate to Friendly Center. We compared the sessions attended with the number of rewards given. The first list that we were given had a few errors resulting in a difference of nine. We notified Cpl. McDonald who corrected the listing, resulting in a difference of five. The five differences were as a result of the volunteer only partially attending a session; this is notated by a number under the session instead of an "X".

Supplies and Equipment

Upon receiving a list of supplies and equipment we tested the supplies and equipment located in the Safety Town trailer, located at the Southern Division, and at the Safety Town campus, located at Jaycee Park and Lewis Recreation Center. All of the supplies and the TV, DVD, printer, igloo cooler and nonfunctioning HP computer were found in the trailer. The Toshiba laptop was located in Cpl. McDonald's assigned vehicle and the Dell computer and external hard drive are kept at Cpl. McDonald's residence strictly for program use. The HP Photosmart Printer is in the office of Sgt. Heard for program use.

We made a visit to the campus of Safety Town which includes several miniature homes, two storage buildings, and a working traffic signal. The roads are paved and maintained by the City as the town is located on City property. One storage building contains maintenance equipment and the grill while the other building contains the kettler cars. We do not know the exact number of kettler cars, but there appeared to be about 30. We have advised Cpl. McDonald to find out the exact number of cars during Safety Town 2009. The storage buildings are going to be replaced in the near future by donation of the Greensboro chapter of the Kiwanis.

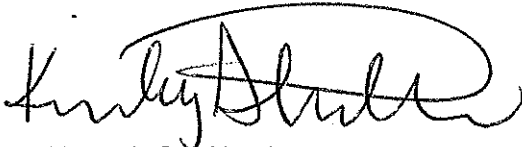
Internal Controls and Written Procedures

Funds for Safety Town are handled by Cpl. Robyn McDonald. The Corporal keeps a receipt for all purchases and attaches them to an entry page in the Safety Town notebook. Both Cpl. McDonald and Lt. Hunt have access to

the bank account and both of their signatures are required for writing checks. Cpl. McDonald reconciles the account and gives a copy of the reconciliation to Lt. Hunt. We have recommended that in addition to giving Lt. Hunt a copy of the reconciliation, the reconciled statements be signed and approved by Lt. Hunt.

During the sessions, money is collected and receipts are written by Officers Johnson and Sanchez. The Officers count the money and then give it to Cpl. McDonald who double counts the money and prepares the deposits. The funds are normally deposited the same day of collection since they average around \$1000 or more per session. As of the date of this review, there are no written procedures; however, we have advised Cpl. McDonald to develop a set of written procedures for handling of funds and for program operation.

We would like to thank the staff of the Police Department for their courtesy and assistance during this review. We request a response by Wednesday March 17, 2009. If there are any questions or comments concerning this review, please call us at 373-2230.



Kimberly Strickland
Internal Auditor



Len Lucas
Internal Audit Director

cc: Mitchell Johnson, City Manager
Bob Morgan, Deputy City Manager



City of Greensboro POLICE

Date: March 17, 2009
To: Internal Audit Division
From: Lieutenant G. A. Hunt, Support Bureau, Operational Support Division
Subject: Response to Safety Town Program Review

On March 4, 2009, the Internal Audit Division completed a review of the Greensboro Police Department's Safety Town Program for the period June 5, 2007 through December 2008. In their finished report, several recommendations were made for improved accountability and better documentation. The following is a list of those recommendations as well as the police response:

- 1). "The account, as of the date of this review, had received a mail charge, which will be reversed per Marlene Druga, Deputy Director of Financial and Administrative Services; it would be in the best interest of the Department to close this unit and transfer the budget to a different section." Response: Concur- documentation from our department's fiscal management section indicates that the account was officially closed on 3/5/09.
- 2). "We have advised Cpl. McDonald to make copies of the checks received as donations." Response: Concur- we have now implemented this practice.
- 3). "The only item that did not appear as a separate entry on the ledger was monthly interest earned." Response: Concur- we will ensure that this is consistently documented on a monthly basis.
- 4). "It may be helpful going forward to attach the yellow copies of the receipts for each session to the corresponding deposit entry page." Response: Concur- we have now implemented this practice.
- 5). "We have recommended that in addition to giving Lt. Hunt a copy of the reconciliation, the reconciled statements be signed and approved by Lt. Hunt." Response: Concur- we have now implemented this practice.
- 6). "As of the date of this review, there are no written procedures; however, we have advised Cpl. McDonald to develop a set of written procedures for handling of funds and for program operation." Response: Concur- Cpl. McDonald is currently in the process of developing said procedures.

We would like to thank the staff of the Internal Audit Division for their assistance and guidance during this review. We feel their input and recommendations make for a more efficient and accountable program and look forward to working with them in the future.

G. A. Hunt

G. A. Hunt, Lieutenant
Operational Support Division

J. J. Papp 3/17/09

R. E. Rogers 3/16/09



City of Greensboro

Date: March 24, 2009
To: Tim Bellamy, Chief of Police
From: Internal Audit Division
Subject: Safety Town Program Review

We have received your response concerning the Safety Town Program Review. We agree with your response and implementation of our recommendations. If there are any questions regarding our response, please call us at 373-2230.

Kimberly Strickland
Internal Auditor

Len Lucas
Internal Audit Director

cc: Bob Morgan, Interim City Manager