



# City of Greensboro

Date: November 24, 2009  
To: Tim Bellamy, Chief of Police  
From: Internal Audit Division  
Subject: Petty Cash Review – Vice/Narcotics Division

We conducted a review of the Petty Cash Funds maintained by the Vice/Narcotics Division of the Greensboro Police Department due to the pending retirement of the division's Commanding Officer at the request of his successor. The division maintains three separate Petty Cash Funds:

1. The "Flash" Fund (\$40,000) is utilized as "bait" in large undercover operations involving narcotics. Cash in this fund is never expended; therefore, the fund does not require replenishing.
2. The Vice/Narcotics Confidential Informant Fund (\$10,000) is utilized to pay informants, purchase contraband or stolen property; or otherwise maintain and finance undercover or investigative operations approved by the Chief of Police. This fund is shared equally between the Vice and Narcotics units of the division.
3. The Vice TNT Confidential Informant Fund (\$1,750) is utilized to pay informants for information regarding "street-level" narcotics activity. Currently, \$1,000 from this fund is shared equally between two Tactical Narcotics Teams. The remaining \$750 is unused, but will possibly be transferred within the Police Department for use.

The objectives of our review were to determine whether:

- Controls over Petty Cash exist.
- Disbursements are properly documented and made in accordance with written *Departmental Directive 9.3* and *Standard Operating Procedure 21.8*.
- An adequate segregation of duties exists over the Petty Cash Fund.

On October 20, 2009, we began our review by verifying the contents of the bags containing the "Flash" funds. We verified there was currency of \$22,000 on hand and a properly authorized voucher for \$18,000; which totals the fund's balance of \$40,000. Access to "Flash" funds is limited to the division's Commanding and Executive Officers.

Also, we verified that the Confidential Informant Fund which contained \$4,098.40 of currency on hand. The remaining \$5,901.60 had been distributed to detectives for use in

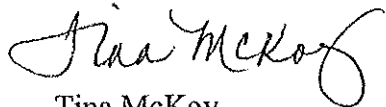
current operations (\$1,558.29) or already expended (\$4,343.31). This totals the fund's balance of \$10,000. Each squad (Vice and Narcotics) maintains its portion of the Petty Cash in separate secured deposit bags, with access limited to the Sergeant and Corporal from each squad.

On October 26, 2009, we verified that the Vice TNT Fund had \$770 currency on hand and \$330 in month-to-date expenditures; which totals the \$1,000 currently utilized by the two teams. Each team ("A" and "B") maintains its own separate deposit bags, with access limited to the TNT Sergeant and TNT Corporal from each team.

Next, we requested and reviewed documentation supporting Petty Cash disbursements from March 1, 2009 – September 30, 2009, which totaled \$24,242.50. As a control, money distributed to officers to pay informants, informants' expenses, and controlled buys are signed by a witnessing officer. All disbursements made during the period under review were within the authorization limits of the Commanding Officer as stated in *Standard Operating Procedure 21.8*.

Overall, controls over Petty Cash and adherence to *Departmental Directive 9.3* and *Standard Operating Procedure 21.8* appear adequate.

We would like to thank the Vice/Narcotics Division of the Greensboro Police Department for their courtesy and cooperation shown during this review. If you would like to make a response to our review, please do so by Tuesday, December 8, 2009. Any questions or concerns will be gladly addressed by contacting us at 373-4528.



Tina McKoy  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Rashad Young, City Manager  
Bob Morgan, Deputy City Manager