

Internal Audit Division  
City of Greensboro



May 7, 2010

**TO:** Rashad Young, City Manager

**FROM:** Internal Audit Division

**SUBJECT:** "Solving Cold Cases with DNA" Grant - \$310,800

The Internal Audit Division has completed our review of The "Solving Cold Cases with DNA" Grant. Attached you will find our review report; the departmental response and our replies to their responses. We feel that sufficient corrective actions have been implemented to our recommendations as we move forward. If you have any questions or need additional information, please let us know. Thanks.

Len Lucas  
Internal Audit Director

cc: Bob Morgan, Deputy City Manager  
Michael Speedling, Assistant City Manager for Public Safety & Human Resources  
Timothy R. Bellamy, Chief of Police

Internal Audit Division  
City of Greensboro



April 13, 2010

**TO:** Tim Bellamy, Chief of Police

**FROM:** Internal Audit Division

**SUBJECT:** "Solving Cold Cases with DNA" Grant - \$310,800

On September 13, 2007, the National Institute of Justice (NIJ) awarded the Greensboro Police Department \$310,800 for a project entitled "Solving Cold Cases with DNA". NIJ is the research, development, and evaluation agency of the U. S. Department of Justice (DOJ) and a component of the Office of Justice Programs (OJP). The objective of the project is to identify, review, and investigate "violent crime cold cases" that have the potential to be solved through DNA analysis, and to locate and analyze biological evidence associated with these cases.

An executed Cooperative Agreement between the NIJ and the Greensboro Police Department was finalized on September 19, 2007. The granting period was initially from January 1, 2008 to June 30, 2009; but upon request was extended to June 30, 2010 with the approval of the granting agency. Grant funds were budgeted as follows: Overtime (\$285,800), Business and Meeting Expenses (\$20,000), and Seminar/Training Expenses (\$5,000). The work performed under the agreement was to be conducted by members of GPD's Criminal Investigation and Forensic Services Divisions. However, with the authorization of the granting agency, other GPD personnel became engaged in project (as needed) upon completing the required training.

Internal Audit was asked to perform a review on this project by the designated project manager. The objective of our review was to determine if the Greensboro Police Department (GPD) administered the grant within the parameters of the Cooperative Agreement, which included ensuring that:

- All required grant reporting was prepared and submitted to the granting agency in a timely manner;
- Grant reimbursements were recorded in the correct General Ledger account;
- Grant-related expenditures/revenues were reported in accordance with the *Financial Guide*;
- Proper documentation supporting project expenditures was maintained.

During our review, we noted findings in the following areas and offer our recommendations:

#### Adopted Budget Ordinance

In the Grant Abstract (proposal), and as a condition of the Cooperative Agreement, the Greensboro Police Department stated they would “dedicate 25% of the participants’ on-duty time to pursue the project; compensated through the normal appropriated annual operating budget.” They estimated that 25% of the salary of involved personnel would translate to approximately \$291,031 in investment from the City of Greensboro regarding the project.

As an aid for award recipients, the OJP publishes the *Financial Guide*, which serves as a primary reference manual to assist award recipients in fulfilling their fiduciary responsibility to safeguard grant funds and ensure funds are used for the purposes for which they were awarded. The provisions of the Guide apply to all grantor agency awards. The Guide states: “Accounting for all funds awarded by the Federal agency shall be structured and executed on a “total program cost” basis. That is, total program cost, including Federal funds, State and local matching shares, and any other fund sources included in the approved project budget or received as program income shall be the foundation for fiscal administration, accounting, and audit.”

#### Finding:

In the adopted budget ordinance for this grant, the proposed local in-kind match to be provided by the City was omitted; only the Federal portion of the project was presented to City Council. Therefore, the financial records do not reflect total project activity as required by generally accepted accounting principles (GAAP), as well as the granting agency.

#### Recommendation:

In the future, for all grants requiring any type of matching funds or services to contributed by the City, such matches should be included in the proposed budget ordinance presented to City Council. For in-kind services matches, as grant-related expenditures are recognized in the financial records, a portion of the City’s match relating to these expenditures should also be recognized via journal entry debiting the grant account’s .5928 *In-Kind Services* (expense) and crediting .8695 *Local In-Kind Services* (revenue) for the cash equivalent of the services performed.

Also, we recommend that all personnel involved in the administration of any OJP grant awards should obtain a current copy of the *Financial Guide* as reference from the OJP’s website at [www.ojp.usdoj.gov](http://www.ojp.usdoj.gov).

#### Overtime Payroll Expenditures

As mentioned earlier, a portion of the Federal award was budgeted for overtime at \$285,500. Since this allocation represents 91% of the total grant award, these expenditures were the focus of our review. To date, the City has charged \$261,687.61 in overtime-related expenditures to the

grant account (220-3540-01) over a 21-month period. We selected and thoroughly reviewed all overtime-related expenditures for a 14-month period beginning April 2008 and ending May 2009, which represents expenditures of \$125,780.32 (48% of the total payroll expenditures).

The objectives of our review of payroll were to determine if: (1) all payroll expenditures directly related to the grant's purpose; (2) all payroll expenditures were properly documented and maintained; (3) employees were paid for actual hours documented; (4) overtime hours were assigned on a basis which allowed any personnel who was willing to work in excess of their normal work schedules, completed the necessary training, and capable of performing the work to meet the grant's objectives were given an equal opportunity to do so; and (5) all overtime hours charged to the grant were performed by non-exempt personnel.

### Methodology

Beginning with the original source documents (i.e. individual employee timesheets), we recalculated the "off-duty" (overtime) hours and compared it to the employee's summary timesheet if provided. (The summary timesheet is used by the authorizing supervisor in the preparation of the *Overtime Authorization Form*, which is submitted to Police payroll personnel for processing.) Next, we traced the hours reported on the employees' summary timesheets to the hours reported on the *Overtime Authorization Form*. Finally, we traced each employee's hours reported on the *Overtime Authorization Form* to the processed payroll or the *Fund 220 Payroll Distribution Detail Report*.

### Finding:

We noted the following discrepancies in the overtime payroll over the 14 months reviewed:

- One employee received another employee's overtime pay for four consecutive months in error.
- Several instances where employees were paid for hours in excess of actual hours recorded due to miscalculations by employees or lack of documentation for all hours paid (i.e. missing timesheets).
- Several instances where the sum of the hours reported on employees' timesheets was more than the hours authorized for payment (i.e. not paid enough) due to miscalculations by employees.
- Two instances where employees submitted timesheets, but their hours were omitted from the *Overtime Authorization Form* in error (i.e. not paid for hours worked).

We provided a detailed list of all discrepancies noted to the appropriate Police personnel for further research. Also, we suggested that they contact the City's Financial & Administrative Services Department for guidance on the any adjustments to be made. Collectively, we feel that the financial impact as a result of these adjustments will be minimal.

Recommendation:

Prior to the submission of the *Overtime Authorization Form* to Payroll for processing, the authorizing supervisor should recalculate all employees' timesheets to ensure that hours authorized for payment are for actual hours documented.

As stated earlier, this Cooperative Agreement with the NIJ ends June 30, 2010. We would like to remind the GPD staff of the following as the granting period closes:

- Funds not obligated by the last day of the grant award period will not be reimbursed by the granting agency;
- The City's full matching in-kind share provided towards the project must be reported on the Financial Status Report submitted at the end of the grant period. If the matching share is not reported, the Office of the Chief Financial Officer (OCFO) will assume the City did not meet the required match and will initiate collection of the cash match;
- Final reports (both financial and program) are due at the time of grant closeout, which should be completed no later than 90 days after the end of the award period; and
- All financial records, supporting documents, statistical records, and all other records pertinent to this agreement should be retained for at least 3 years following notification by the awarding agency that the grant has been programmatically and fiscally closed or at least 3 years following the closure of its audit report covering the entire award period, whichever is later.

We would like to thank the staff at the Greensboro Police Department for their courtesy and cooperation shown during this review. We ask that you address our findings and recommendations with your responses of corrective action, and promptly forward it to our office no later than Tuesday, April 27, 2010. If you have any questions or concerns, please do not hesitate to call us at 373-4528.



Len Lucas  
Internal Audit Director



Tina McKoy  
Internal Auditor

Cc: Bob Morgan, Deputy City Manager  
Michael Speedling, Assistant City Manager for Public Safety & Human Resources

Police Department  
City of Greensboro



April 30, 2010

**TO:** Internal Audit Division – Tina McCoy  
**FROM:** Timothy R. Bellamy, Chief of Police  
**SUBJECT:** Response to Audit Cold Case Grant

The Internal Audit Division was asked to perform a review of a federal grant to solve cold cases. The grant was awarded to the Greensboro Police Department on September 13, 2007. The federal agency awarding the grant was the National Institute of Justice. During the review the Internal Audit Division noted several findings and recommendations.

I will address the findings and recommendations brought forth in the review.

Adopted Budget Ordinance

Findings:

In the adopted budget ordinance for this grant, the proposed local in-kind match to be provided by the City was omitted; only the Federal portion of the project was presented to City Council. Therefore, the financial records do not reflect total project activity as required by generally accepted accounting principles (GAAP), as well as the granting agency.

Recommendation:

In the future, for all grants requiring any type of matching funds or services to be contributed by the City, such matches should be included in the proposed budget ordinance presented to City Council. For in-kind services matches, as grant-related expenditures are recognized in the financial records, a portion of the City's match relating to these expenditures should also be recognized via journal entry debiting the grant account's .5928 *In-Kind Services* (expense) and crediting .8695 *Local In-Kind Services* (revenue) for the cash equivalent of the services performed.

Also, we recommend that all personnel involved in the administration of **any** OJP grant awards should obtain a current copy of the *Financial Guide* as reference from the OJP's website at [www.ojp.usdoj.gov](http://www.ojp.usdoj.gov).

Response:

I concur with the recommendations as stated. I will ensure the police department's grant coordinator and any other personnel mentoring or applying for federal grants follows the audit report's recommendations. A copy of audit's review will be provided to the department's grant coordinator for future guidance.

Overtime Payroll Expenditures

As mentioned earlier, a portion of the Federal award was budgeted for overtime at \$285,500. Since this allocation represents 91% of the total grant award, these expenditures were the focus of our review. To date, the City has charged \$261,687.61 in overtime-related expenditures to the grant account (220-3540-01) over a 21-month period. We selected and thoroughly reviewed all overtime-related expenditures for a 14-month period beginning April 2008 and ending May 2009, which represents expenditures of \$125,780.32 (48% of the total payroll expenditures).

The objectives of our review of payroll were to determine if: (1) all payroll expenditures directly related to the grant's purpose; (2) all payroll expenditures were properly documented and maintained; (3) employees were paid for actual hours documented; (4) overtime hours were assigned on a basis which allowed any personnel who was willing to work in excess of their normal work schedules, completed the necessary training, and capable of performing the work to meet the grant's objectives were given an equal opportunity to do so; and (5) all overtime hours charged to the grant were performed by non-exempt personnel.

Finding:

We noted the following discrepancies in the overtime payroll over the 14 months reviewed:

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We provided a detailed list of all discrepancies noted to the appropriate Police personnel for further research. Also, we suggested that they contact the City's Financial & Administrative Services Department for guidance on any adjustments to be made. Collectively, we feel that the financial impact as a result of these adjustments will be minimal.

Recommendation:

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Response:

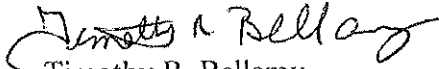
I concur with the findings and recommendations in the audit's report. Regarding the issues noted in the findings section, I will assign Sergeant Kevin Moore to work with City's Finance Department to make any adjustments. Further, I will assign Assistant Ronald Rogers to provide oversight and correct any time management issues.

With regards to the recommendations, I will assign Sergeant Kevin Moore and Captain Janice Rogers to correct all issues in the recommendations section and follow the recommendations listed in the review.

I will provide a copy of this review to Sergeant Moore, Captain Rogers, and Assistant Chief Rogers.



I would like to thank the Internal Audit Division for this outstanding review and providing guidance in this matter.



Timothy R. Bellamy  
Chief of Police

Cc: Bob Morgan, Deputy City Manager  
Michael Speedling, Assistant City Manager

Internal Audit Division  
City of Greensboro



May 4, 2010

**TO:** Timothy R. Bellamy, Chief of Police  
**FROM:** Internal Audit Division  
**SUBJECT:** Department Response to Cold Case Grant Review dated April 30, 2010

Thank you for your response to the above mentioned review completed on April 13, 2010. We appreciate your willingness to accept our recommendations, and concur with your corrective actions to be taken.

If you have any questions or concerns, please do not hesitate to call us at 373-2823.

Len Lucas  
Internal Audit Director

Tina McKoy  
Internal Auditor

Cc: Bob Morgan, Deputy City Manager  
Michael Speedling, Assistant City Manager for Public Safety & Human Resources