



DATE: January 31, 2024

TO: Phil Fleischmann, Director of Parks & Recreation

FROM: Internal Audit Division

SUBJECT: Parks and Recreation – Smith Active Adult Center
Petty Cash Fund Review
(No Further Response required)

The Internal Audit Division conducted a scheduled cash count and review of the cash-handling/operations at the Smith Active Adult Center, for the period of July 1, 2022 through June 30, 2023. A section of incoming revenue receipts were selected and sampled totaling an amount of \$52,514.48 was tested. This facility operates as a recreation center which provide programs for the general public in the age range of 50 years and older. Activities consist of year-round programs meeting the social, physical and cultural needs for adults residing in the Greensboro and surrounding areas. There are fitness instruction, swimming pool access and other interest for participation. The center collects money for the various programs and classes they offer and as well as facility rental and membership fees.

The scope of this review was limited to determining if funds are being properly accounted for, whether adequate internal controls are in place to safeguard cash, and accounting policies and procedures are being adhered to. In order to accomplish this, Internal Audit conducted a scheduled cash count at the above-referenced recreation center identified above. Upon visiting, reviewed written Parks and Recreation policies regarding cash-handling, receipting, and making deposits, and reviewed prior years' review report. We requested and reviewed a selected sample of Revenue Deposit Forms (Cost Center GL Reports), receipts, and other various supporting documentation for the period under review. The Revenue Deposit Forms were logged and deposits traced from the point of origin to validation with Collections and to the final recording in the general ledger. Internal Audit also obtained and reviewed a selected sample of refunds requested by customers for various reasons. Only the cash handling custodian and supervisor are approved to perform this function. Other documents reviewed consisted of program registration forms and corresponding cash receipts. Internal Audit performed a thorough evaluation of the internal control structure to ensure strong accountability and stewardship over the funds. It has been determined that supervisor, Teania Jackson fully understands the responsibility for obtaining original receipts from employees in the event petty cash incidents occur. No such activity occurred during the scheduled compliance review visit.

As a result of our review, we found the following areas of concern and offer our recommendations:

Finding:

- Staff generally appears to adhere to the G.S. 159-32 daily deposit requirements, however deposits from the selected sample more often than not, exceeded the cash limitation amount without a daily deposit being made. G.S. 159-32 requires collections and receipts to be deposited daily, unless the moneys on hand amount to less than \$500. Internal Audit detected seven instances out of 25 selected samples (28%) for the Smith Active Adult Center, in which the cash receipts exceeded the \$500 cash limitation and a deposit was not made the same day the limitation was exceeded. Of the referenced instances identified above, cash receipts exceeded the cash limit of \$500 on funds received near business closing and deposited on average one to three days later.

Recommendation:

- Smith Active Adult Center should make a deposit every Friday afternoon with collections or the bank prior to close of business, so that there are minimal cash receipts on hand for the start of the weekend. If cash receipts exceed the G.S. 159-32 cash limitation amount during weekend activities, Internal Audit recommends that Smith Active Adult Center make a deposit with the bank's drop box.
- Additionally, Internal Audit recommends that Smith Active Adult Center consider making deposits more frequently than just when the cash receipts on hand exceed the limitation amount set forth by G.S. 159-32. More consistent deposits would ensure cash receipts on hand are minimal and diminishes the risk for any loss or misappropriation of funds.

Internal Audit would like to thank the staff at the Smith Active Adult Center for their cooperation during the course of this review. No further response is required. If you have any questions or comments, please call us at 373-2203.



Arnie Brown
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Larry Davis, Assistant City Manager
Nasha McCray, Assistant City Manager
Kobe Riley, Deputy Director, Parks and Recreation
Charles Jackson, Community Recreation Services Division Manager
Tonya Williams, Business Services Division Manager
Chamreece Diggs, Special Programs Superintendent
Jennie Matkins, Division Coordinator Facilities, Parks and Recreation
Teania Jackson, Supervisor, Smith Active Adult Center
Deanna Shoe, Principal Analyst

Parks and Recreation
City of Greensboro



DATE: January 30, 2024
TO: Internal Audit Division
FROM: Phil Fleischmann, Director of Parks and Recreation
DEPARTMENT: Parks and Recreation
SUBJECT: Response to Smith Active Adult Center Petty Cash Fund Review

Thank you for conducting a review of the cash handling operations at the Smith Active Adult Center for the period of July 1, 2022 through June 30, 2023. Please find below the department's responses to the recommendations provided in the review.

Internal Audit Recommendations:

- Smith Active Adult Center should make a deposit every Friday afternoon with collections or the bank prior to close of business, so that there are minimal cash receipts on hand for the start of the weekend. If cash receipts exceed the G.S. 159-32 cash limitation amount during weekend activities, Internal Audit recommends that Smith Active Adult Center make a deposit with the bank's drop box.
- Additionally, Internal Audit recommends that Smith Active Adult Center consider making deposits more frequently than just when the cash receipts on hand exceed the limitation amount set forth by G.S. 159-32. More consistent deposits, would ensure cash receipts on hand are minimal and diminishes the risk for any loss or misappropriation of funds.

Parks & Recreation Response:

- Deposits are typically made at least once a week, preferably by Friday afternoon regardless of how many funds have been collected. Funds do not regularly reach the \$500 daily threshold per G.S. 159-32 but deposits are usually made prior to reaching that amount. All cash and checks are maintained in a secured location until deposits can be made.
- We will make every effort to make deposits more frequently to ensure that funds are accounted for more accurately. We understand that this will also help to reduce any possible issues of loss or other inconsistencies regarding funds.

Thank you for taking the time to review our operations and provide feedback to assist with making improvements regarding our petty cash fund and handling deposits. We will continue to work on enhancing internal controls, adhering to policies and procedures, and upholding compliance standards.

Cc: Larry Davis, Assistant City Manager
Nasha McCray, Assistant City Manager
Kobe Riley, Deputy Director
Charles Jackson, Community Recreation Services Division Manager
Tonya Williams, Business Services Division Manager
Chamreece Diggs, Special Programs Superintendent
Jennie Matkins, Active Adults Program Coordinator
Teania Jackson, Smith Active Adult Center Supervisor
Deanna Shoe, Principal Analyst