



**DATE:** May 1, 2024  
**TO:** John Thompson, Chief of Police  
**FROM:** Internal Audit Division  
**SUBJECT:** Police Department – Confidential and Flash Funds Review  
Petty Cash Fund Review  
(No Response Required)

The Internal Audit Division conducted a scheduled cash count and review of the cash-handling/operations at the Greensboro Police Department's Confidential and Flash Funds operation at 2305 Soabar Street, 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 \$5,300.46 was tested. This facility provides services in protecting the general public in the city of Greensboro. The goal is to be accessible to the people they serve. Policies and procedures are important to follow for the Police Department especially when it comes to carrying out law and order within the community. One of the examples that pertain to executing and solving cases is Crime Data. The city considers crime rates when making budgeting decisions, developing long-term plans, attracting businesses and tourism. There is a website for residents to visit and analyze the many divisions that are available to address any concerns. It presents details on the types of resources to best describe the assistance needed. Take a moment to review the Core Values of Honesty, Integrity, Stewardship, Trust, Respect and Accountability in addition to their mission by "Partnering to make Greensboro safe for all people." One of the programs offered such as the "Take Me Home" program. This rewarding project involves a database of people that may need special assistance if they are alone or in times of emergency. The system includes a current digital picture, demographic information and caregiver contacts. So you see the Greensboro Police Department not only protects the community, it also gives back to the residents.

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 location identified above. It is essential to define the purpose of a petty cash fund. The primary requirement is understanding to establish the fund and replenish the fund when it becomes necessary. It has been determined that Lieutenant Danny Farrish and staff fully understands the responsibility for obtaining original receipts in the event petty cash fund incidents occur. In brief conversation with recent appointed custodian Lieutenant Farrish who replaced Lieutenant Wayne Redfearn, although no recent activities occurred during the scheduled compliance review visit, use of the Confidential Funds are currently with a number of undercover detectives.

Upon visiting, Internal Audit reviewed written maintenance and accountability of department property policies regarding cash-handling, receipting and reviewed prior years' compliance report. We were also able to analyze the Greensboro Police Departmental Directives by categories 9.3 – Confidential Funds and 9.6 – Departmental Purchase Policy to identify that it is within compliance regulations.

Although the cash disbursement journals are carefully recorded, the auditor observed and verified 4 bags that amounted to \$3,826.46 which is not the expected total of \$22,500 in Confidential Funds. Informed the difference in \$18,673.54 is with the detectives for undercover use.

Otherwise, the security of the petty cash fund is well secured and balanced.

It has been confirmed the \$40,000 in Flash Funds regarding the above-referenced audit period was in placed and accounted for.

The auditor witnessed by examination the Cash Disbursement Journals, transaction receipts, and other various supporting documentation for the period under review. It consisted of a lead sheet describing the amounts and cash handlers. The journals were logged and traced from the point of origin to validation with records and to the final recording in the general ledger. In discussion with lead custodian it was confirmed that four cash bags are secured and locked up. The auditor witnessed and saw a floor safe holding the contents.

The safe normally keeps tills of \$5,000 that total the policy amount of \$22,500 when funds are not in use.

Each representative in the Vice Narcotics office is authorized when it comes to the cash handling process. Other documents reviewed consisted of disbursements and corresponding receipts showing replenishments to the Confidential and Flash currency. Internal Audit formed a thorough evaluation of the internal control structure to ensure strong accountability and stewardship over the funds.

As a result of our review, we found there were no discrepancies of concern or recommendation.

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



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Internal Auditor



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