




DATE: March 6, 2024

TO: Larry Davis, Assistant City Manager

FROM: Internal Audit Division

SUBJECT: Environmental Services – Transfer Station Change Fund Review
(No Response Required)

The Internal Audit Division has completed our review of The Change Fund at Environmental Services as administered by the Transfer Station Staff. Attached you will find our review report; the departmental response and our replies to their responses. We feel that our concerns 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: Chris Wilson, Deputy City Manager
Chris Marriott, Interim Director of Solid Waste & Recycling
David Deel, Manager, Solid Waste Disposal
Tracy Toler, Supervisor of the Landfill Scale House



DATE: February 16, 2024

TO: Chris Marriott, Interim Director of Solid Waste & Recycling

FROM: Internal Audit Division

SUBJECT: Environmental Services – Transfer Station
Change Fund Review
(Written Response required by March 1, 2024)

The Internal Audit Division conducted a scheduled cash count and review of the cash-handling/operations at the Transfer Station operation at 6310 Burnt Poplar Rd, 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 \$163,218.68 was tested. Similar to the Landfill, this facility provides services in sanitation disposal as a drop off location for the general public mainly in the Greensboro and surrounding areas. Trash collections include waste in yard, construction and household items. Residential and business institutions are welcome to unload in exchange for fees collected. There is a website for customers to visit and analyze the many services offered and broken down into categories from the service information guide. This establishment advertises what is acceptable in disposals and it presents details on the types of resources to best describe the assistance needed. Such as rules and regulations on trash, recycling, bulk trash, loose leaf collection program and household hazardous waste. To avoid confusion, the Transfer Station only accepts municipal solid waste (household trash), bulk trash (couches, mattresses, etc.), and construction debris (C&D) that is generated within Guilford, Alamance, Caswell, Chatham, Davidson, Davie, Forsyth, Montgomery, Randolph, Rockingham, and Stokes Counties.

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. In addition to this review, a follow up was conducted regarding previous recommendations if updated since the last review took place. It is essential to define the purpose of a change fund. It is primarily used as a minimum of cash on hand to provide change if it becomes necessary. It has been determined that supervisor, Tracy Toler and staff fully understands the responsibility for obtaining original receipts in the event change fund incidents occur. No such activity occurred during the scheduled compliance review visit.

Upon visiting, Internal Audit reviewed written environmental services policies regarding cash-handling, receipting, and making deposits, and reviewed prior years' compliance report. We also were able to analyze the deposits from the above-referenced audit period and requested a selected sample of Revenue Deposit Slips, transaction 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.

Observation revealed staff members constantly conducting business throughout the visit providing quality service to each customer that approached the scale as two cash drawers were used in operations. There were no additional cash handlers needed as business continued without interruption.

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 exceeded the cash limitation amount when 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 inspected that the recommendation from the prior audit in making night drop deposits on Friday afternoon with collections or the bank prior to close of business has been addressed and utilized. To elaborate further, if the Transfer Station facility is going to be closed on Mondays due to holidays or other reasons, a night drop for Friday and Saturday are done on Saturday afternoons.
- Internal Audit noted that daily deposits should be made if the total exceeds \$500, per policy. There were four instances out of 51 samples (8%) at the Transfer Station location beyond the standard requirement. Cash receipts exceed the cash limit of \$500 on funds received near business closing and deposited one to four days after the deposit slip was completed.
- Transfer Station's overage/ shortage form has a transaction that occurred on December 17, 2022. Record listed about a cash drawer short by [\$108.80]. Auditor questioned the outcome as to what caused the shortage and inquired of the ending result. Supervisor immediately explained what happened and the issue was addressed. A check request and account number information were displayed for the amount of \$100, leaving a variance of \$8.80. The Finance Division sent the funds to replace the missing money as reimbursement to the cash drawer. Supporting documentation has been presented.

Recommendation:

- Transfer Station should continue making deposits 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 Transfer Station make a deposit with the bank's drop box.

Internal Audit would like to thank the staff at the Transfer Station for their cooperation during the course of this review. We request a written response by March 1, 2024. If you have any questions or comments, please call us at 373-2203.



Arnie Brown
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Chris Wilson, Deputy City Manager
Larry Davis, Assistant City Manager
David Deel, Manager, Solid Waste Disposal
Tracy Toler, Supervisor of the Transfer Station Scale House



SOLID WASTE & RECYCLING

DATE: March 4, 2024

TO: Internal Audit Division

FROM: Chris Marriott, Interim Director of Solid Waste & Recycling

Subject: Environmental Services –Transfer Station
Change Fund Review
Response to letter dated February 16, 2024

The Solid Waste & Recycling Department appreciates the chance to respond to your findings in your February 16, 2024 letter. I apologize for the delay in our response to your letter.

In response to the findings and recommendations of the Landfill Change Fund Review, Solid Waste and Recycling agrees with the compliance review audit, findings, and recommendations for the landfill operation audit and approve of this report.

The Department thanks the Internal Audit Division for their time and diligence in keeping up the Department in compliance with applicable laws, regulations and City policy.

Sincerely,

Chris Marriott
Interim Director
Solid Waste & Recycling



DATE: March 5, 2024
TO: Chris Marriott, Interim Director of Solid Waste and Recycling
FROM: Internal Audit Division
SUBJECT: Environmental Services – Transfer Station Change Fund Review

The Internal Audit Division has reviewed your response to the Solid Waste and Recycling – Environmental Transfer Station Change Fund Review. We find the response sufficient and no further action is required. We would again like to thank the staff of the Solid Waste and Recycling - Environmental Transfer Station management for their assistance and cooperation during this review. If there are any questions concerning the details of this review, please call us at (336) 373-2203.

Arnie Brown
Internal Auditor

Len Lucas
Internal Audit Director

Cc: Chris Wilson, Deputy City Manager
Larry Davis, Assistant City Manager
David Deel, Manager, Solid Waste Disposal
Tracy Toler, Supervisor of the Landfill Scale House