

Memorandum



Winston-Salem

Budget and Performance
Management Department

Internal Audit Division

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TO: Wilson Weaver II, Assistant Police Chief
FROM: Paul Sherman, Internal Auditor
DATE: January 13, 2022
SUBJECT: Gun Buyback Program Review
CC: Lee Garrity, Patrice Toney, Catrina Thompson, William Penn,
Renee Melly, Brittany Gomez, Lisa Saunders, Kelly Latham, Scott
Tesh, Heather Smith

On November 20, 2021, the Winston-Salem Police Department (WSPD) held a drive-thru Gun Buyback event at the fairgrounds leaf lot (2885 Shorefair Drive). The event involved participants surrendering guns in return for cash. Under the program's "no questions asked" policy, participants were not required to provide any identification. In addition, the guns collected through the program were not subjected to ballistics testing before their destruction. Collected guns with intact serial numbers were checked to determine if they had been reported lost or stolen, in which case WSPD attempted to return them to their owners.

WSPD provided all controls and activities such as the: collection of guns; receipting for guns; rendering guns 'safe' activities; payment for collected guns; guarding of monies used for the buying of guns; cataloging of collected guns; documenting of serial numbers; storing of collected guns; and organizing destruction of guns.

The purpose of Internal Audit's (IA) review was to evaluate and ensure that proper internal control practices were in place as it relates to the WSPD's handling of the City's new federal revenue source--American Rescue Plan Act (ARPA) funds. IA's review objectives included and were limited to the following:

- Identify and confirm the process and internal controls over the gun buyback program.
- Identify and examine supporting gun buyback program documentation.
- Make recommendations to improve internal controls, if necessary.

Practices and procedures were confirmed through interviews with WSPD staff and a review of support documentation. A sample of thirty-three payment receipts, approximately twenty-five percent of the total population, was examined to verify the following:

- Payment receipts reconciled to both the trunk inventory receipts and the final surrendered weapons destruction manifest.
- Payment receipts recalculated without exception.

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IA presents one finding below that requires attention from WSPD. The subsequent section further details observations and provides recommendations for WSPD review.

Finding and Recommendation

1. Inconsistencies between payment receipts, trunk inventory receipts, and the final surrendered weapons destruction manifest were observed: IA observed three instances where the guns represented on both payment receipts and trunk inventory receipts agreed; however, the receipts' gun counts did not agree with the manifest. Per the supporting documentation, two long guns and one hand gun were collected (trunk inventory receipt) and purchased (payment receipt), but were not destroyed (surrendered weapons destruction manifest).

Recommendation: A secondary review comparing receipts to the final destruction manifest should be performed. In addition, IA recommends that WSPD investigates the discrepancies noted and makes the appropriate corrections.

Observations and Recommendations

1. Trunk inventory receipts control concern: The gun buyback process begins with one officer collecting weapons from the trunk of the participant's vehicle while a second officer documents the quantity and types of weapons onto a trunk inventory receipt. Once the quantity and types of weapons are documented, one half of the receipt remains with the guns' collection box while the other half is provided to the gun buyback participant. A control concern is noted as there is the potential for the participant to alter the information on their trunk inventory receipt prior to driving up to the subsequent buyback payment 'station' approximately 30 yards ahead.

Recommendation: IA recommends that WSPD reviews their process of providing potentially alterable receipts directly to the participant. IA recommends that WSPD considers developing a process whereby the participant does not have the opportunity to alter this receipt.

2. Payments are provided to participants without confirmation on receipts: Part of the WSPD buyback payment process to participants is completing a payment receipt. Upon receiving the trunk inventory receipt from the participant, two WSPD officers confirm the proper amount of payment and both officers verify the money count. A third officer completes the payment receipt. The participant receives a carbon copy of the receipt and the original is maintained by WSPD; however, no physical evidence is indicated on the original payment receipt that an accuracy review was completed.

Recommendation: IA recommends that WSPD enhances their disbursement of money procedures by requiring at least two officers to sign payment receipts confirming that a review was made of each transaction.

3. The surrendered weapons destruction manifest is completed without accuracy confirmation: Part of the WSPD buyback process involves the completion of a combined manifest of collected guns. After guns have been collected from participants and rendered safe, officers review collected guns for serial numbers and then enter the collected weapons inventory into spreadsheets. These spreadsheets are later combined into one manifest by Evidence Management. Evidence Management staff in two teams of two review printouts of the manifest to confirm accuracy by comparing it to the guns collected; however, there is no evidence on the manifest indicating that an accuracy review has been completed.

Recommendation: IA recommends that WSPD enhances their manifest accuracy review by retaining supporting documentation which confirms a review has been performed. Examples of review supporting documentation can be in the form of physical evidence such as manifest printouts with appropriate team members' signatures on each page. An alternative example could include a narrative at the bottom of the electronic manifest spreadsheet attesting to the accuracy and it would further include the team members' official electronic signatures.

4. Written guidance for conducting gun buyback events has not been created by WSPD: WSPD confirmed there are no written instructions on how to conduct gun buyback events.

Recommendation: IA recommends that WSPD formally creates policies or procedures for operating a gun buyback event. Such controls as a general order or standard operating procedure are an integral part of ensuring fiscal accountability, detecting and deterring fraud, waste, and abuse. Moreover, these controls provide further consistency in operating future events within Winston-Salem; documented procedures could further assist in preserving departmental knowledge if key personnel and organizers of the program were to leave the City.

Conclusion

The finding and observations in the preceding pages were noted during the WSPD Gun Buyback event held on November 20, 2021. The main objective of the review was to evaluate and ensure that internal control practices were in place as it relates to the WSPD's handling of the City's new federal revenue source--ARPA funds. Outside of the three particular inconsistencies between payment receipts, trunk inventory receipts, and the final surrendered weapons destruction manifest, it appears the rest of the sample transactions evaluated were properly conducted and recorded. Although some internal control procedures should be strengthened, the overall Gun Buyback program process is well designed. This document serves as a communication to WSPD of potential issues and concerns in current practices and internal controls. Formal review of each individual process has not taken place as the project scope did not include a formal audit of WSPD gun buyback practices, rather the scope was focused on general internal control procedures for this event.