



City of
ALBUQUERQUE
Office of Internal Audit

Strategic Review

23-405

Arts & Culture Department
BioPark Botanic Garden
Cash Count

June 28, 2023

EXECUTIVE SUMMARY

The Office of Internal Audit (OIA) conducted a surprise cash count at the Arts & Culture Department's (Arts & Culture) BioPark Botanic Garden. The primary objectives of the strategic review were to determine whether change funds and daily cash receipts were accounted for at the time of our visit. The strategic review found that the change fund was accounted for without exception and procedures for securing cash are adequate.

BACKGROUND

The BioPark Botanic Garden offers guests a showcase of plants from around the world and an exhibit of the most elaborate arthropods (bugs) in the country. Customers can purchase Botanic Garden tickets at the following price schedule:

Prices for the Botanic Garden	
Adults	\$10.00 (New Mexico Residents); \$14.50 (Non-Residents)
Seniors (65+)	\$5.50 (New Mexico Residents); \$7.50 (Non-Residents)
Youth (3-12)	\$5.00 (New Mexico Residents); \$6.00 (Non-Residents)
Children (2 and under) and Members	Free

Acceptable forms of payment are cash, debit or credit card, and checks.

On May 24, 2023, OIA performed a surprise cash count of the change fund maintained by Arts & Culture at the BioPark Botanic Garden. The *Department Imprest Fund List*, which is managed and approved by the City's Treasury Division (Treasury), is a listing of change and petty cash funds. It lists all funds located at various locations by City department, unit, custodian(s), and type of cash fund total on hand. The BioPark Botanic Garden change fund amount is \$12,000, and it is used to make change for paying customers.

OBJECTIVES

The objectives of the surprise cash count were to determine whether the following were true:

- Procedures for securing cash are adequate.
- The change fund is accounted for and reconciled to approved Treasury fund amounts.
- Change fund practices and procedures comply with the City's *Cash Management Policies and Procedures Manual* and applicable Administrative Instructions.

RESULTS

OIA confirmed procedures for securing cash were adequate, the change fund was fully accounted for and reconciled daily at the end of each shift to the approved Treasury fund amounts. BioPark Botanic Garden change fund practices and procedures complied with custodian/sub-custodian agreement, and cash handling certificates complied City's *Cash Management Policies and Procedures Manual* and applicable Administrative Instructions.

Objective	Criteria	Results
<p>Procedures for securing cash are adequate.</p>	<p>Per the City's <i>Cash Management Policies and Procedures Manual</i>, "the duties of collecting cash, maintaining documentation, preparing deposits, reconciling records, and recording deposits should be separated among different individuals."¹</p> <p>Per the City's <i>Cash Management Policies and Procedures Manual</i>, departments handling cash are responsible for the safekeeping of these City assets. Physical security should be emphasized to every employee involved in cash handling.</p>	<p>OIA confirmed that the segregation of cash-handling duties is appropriate. A supervisor will assign a cash bag/drawer to a cashier at the start of a shift. The beginning balance of the drawer is counted and documented for accuracy by both the supervisor and cashier. The cashier will collect cash from customers throughout the business day. At the end of the shift, the cashier and supervisor will prepare the deposit and reconcile the cash drawer back to its beginning balance. This process is documented in the Reconciliation of Sales Form which contains the Cashier Daily Report, Daily Sales, Dual Verification, Wristbands, Purchase Orders, and the overall Bank Deposit Ticket. All forms are dated and contain the initials of the cashier and supervisor. The next day, fiscal personnel will record the deposit. It should also be noted that cashiers do not share cash bags/drawers. Each cashier is assigned their own cash bag, booth, drawer, and lock key. Additionally, there is a security guard near the cash booths.</p> <p>Further, OIA confirmed the overall change fund is maintained in a highly secured area with surveillance cameras, which are monitored by security and authorized BioPark Botanic Garden personnel. This area, along with the lock keys for cash bags/drawers and dial combination lock to the main vault, may only be accessed by authorized individuals.</p>

¹ *Cash Management Policies and Procedures Manual*, p. 46, June 2007, updated Jan. 29, 2014, <https://eweb.cabq.gov/jobs/Content%20Attachments/cash_handling.pdf>, accessed Apr. 17, 2023.

Objective	Criteria	Results
<p>The change fund is accounted for and reconciled to approved Treasury fund amounts.</p>	<p>Per the City's <i>Cash Management Policies and Procedures Manual</i>, the change fund is to be reconciled daily and at the end of each shift. A cash count, which is a clear breakdown of the denomination that totals the amount of the fund, is to be performed and should include the date and initials or signatures of the person(s) counting the fund.</p>	<p>OIA randomly selected May 24, 2023 to conduct a surprise cash count of the \$12,000.00 change fund managed by Arts & Culture located at the BioPark Botanic Garden. OIA physically counted the entire change fund and confirmed it was accounted for with no exceptions.</p> <p>OIA also examined the previous business day's Reconciliation of Sales Form, in an effort to confirm the cash deposit was accurate and that the change fund was reconciled to its beginning balance. OIA examined the Reconciliation of Sales Form which contained the Cashier Daily Report, Daily Sales, Dual Verification, Wristbands, Purchase Orders, and the overall Bank Deposit Ticket. All were accounted for with no exception and all forms were appropriately dated for May 23, 2023. Each form contained a clear denomination breakdown and initials of the two employees counting the fund.</p>
<p>Change fund practices and procedures comply with the City's <i>Cash Management Policies and Procedures Manual</i> and applicable Administrative Instructions.</p>	<p>Per the City's <i>Cash Management Policies and Procedures Manual</i>, a Custodian and Sub-Custodian Statement of Responsibility must be on file for all individuals responsible for the change fund.</p> <p>Additionally, Administrative Instruction (AI) 2-6, <i>Employee Cash Handling Training Program</i>, states that all City employees who handle City monies and those who oversee cash sites are required to attend the Cash Handling Training, which is provided by the Treasury, every three years.</p>	<p>OIA noted that out of (15) cash-handling employees, all completed Cash Handling Training. Additionally, their associated Custodian/Sub-Custodian Agreements were provided by the Administrative Supervisor.</p>

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RECOMMENDATIONS

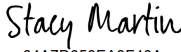
OIA has no recommendations at this time.

NON-AUDIT SERVICE COMMUNICATION


Generally Accepted Government Auditing Standards – 2018 Revision (GAGAS 2018) allows OIA staff to perform non-audit services as long as they do not impair our independence in mind and appearance. Before auditors agree to provide a non-audit service to an audited entity, they should determine whether providing such a service would create a threat to independence, either by itself or in aggregate with other non-audit services provided, with respect to any GAGAS engagement they conduct. The performance of this non-audit service did not impair the independence of OIA or OIA staff.

Surprise cash counts are classified as a non-audit service and the work performed does not constitute an audit conducted in accordance with GAGAS. Throughout each fiscal year, OIA objectively selects various petty cash or change funds to review. Arts & Culture was selected in the fiscal year 2023.


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