



City of
ALBUQUERQUE
Office of Internal Audit

Strategic Review

21-402

Solid Waste Management
Montessa Park
Cash Count

October 28, 2020

EXECUTIVE SUMMARY

The strategic review found that Solid Waste Management (SWM) change fund located at Montessa Park was accounted for without exception, procedures for securing cash are adequate, and that current change fund practices fully comply with the City of Albuquerque (City) Cash Management Manual and an applicable Administration Instruction.

The Office of Internal Audit (OIA) noted no exceptions or compliance issues.

INTRODUCTION

SWM provides three Convenience Centers throughout the City where residents and small commercial haulers can drop off trash. On September 3, 2020, OIA performed a surprise cash count of the change funds maintained by SWM's-Montessa Park Convenience Center (Montessa Park). Montessa Park's office hours are Monday through Sunday, 8:00 a.m. to 5:00 p.m. and the approved \$500 change fund is used to make change for paying customers. For \$5.25 per load (including tax) customers can take their excess trash, yard waste, and large items to any Convenience Center location. Vehicle loads should be tarped and secure in order to avoid a \$5.82 (including tax) clean up fee.

The below table is an excerpt from the Department Imprest Funds Listing, which is managed by the City's Treasury Division (Treasury), and OIA utilized it to schedule Montessa Park as our strategic review sample.

Fund Type	Amount	Fund Location
Change Fund	\$500	Montessa Park

OBJECTIVES

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

- The change fund entrusted to the custodian/sub-custodian(s) is accounted for and reconciled to approved Treasury fund amounts.
- Change fund practices and procedures comply with the City Cash Management Manual and applicable Administrative Instructions.
- Procedures for securing cash are adequate.

RESULTS

OIA confirmed the change fund entrusted to the custodian and sub-custodian at the SWM-Montessa Park is accounted for and reconciled to the approved Treasury fund amount at the end of each shift on a daily basis; that the change fund practices and procedures comply with the City's Cash Management Manual and applicable Administrative Instructions; and that procedures to segregate cash duties are established.

Below is a table to further OIA's results.

Objective	Criteria	Results
<p>➤ Is the change fund entrusted to the custodian/sub-custodian accounted for and reconciled to the approved Treasury fund amounts?</p>	<p>Per the City’s Cash Management Manual – Imprest Funds Policy & Procedures, change funds are to be reconciled daily and/or at the end of each shift. A cash count which is a clear breakdown of denomination that totals the amount of the fund along with the date and initials or signature of the person(s) counting the fund is to be generated.</p>	<p>OIA confirmed that the change fund, entrusted to the SWM-Montessa Park custodian and sub-custodian, is accounted for and reconciled to the approved Treasury amount on a daily basis at the end of each shift, by examining all related dual-verified supporting documentation. Further, OIA confirmed the change fund is securely maintained within two cash drawers of \$250 each. Each cashier is assigned a dual verified cash drawer and is responsible for using his or her assigned cash drawer. Cashiers do not share drawers. All deposits are prepared daily.</p>
<p>➤ Change fund practices and procedures comply with the City Cash Management Manual and applicable Administrative Instructions?</p>	<p>Per the City’s Cash Management Manual – Authorization of Change Funds, a Custodian and Sub-Custodian Statement of Responsibility must be completed upon approval of establishing a new fund.</p> <p>Additionally, City Administrative Instruction (AI) No. 2-6 states that all City employees who handle City monies and those who oversee cash sites, are required to attend a Cash Handling training every three years. (AI No. 2-6).</p>	<p>OIA examined both the Custodian and Sub-Custodian Statement of Responsibility for the change fund approved at the SWM-Montessa Park. Additionally, OIA examined and confirmed all Cash Handling Certificates, for those City employees either handling and/or overseeing City monies at the SWM-Montessa Park, were both active and current.</p>
<p>➤ Are procedures for securing cash adequate?</p>	<p>Per the City’s Cash Management Manual – Segregation of Duties, the duties of collection cash, maintaining documentation, preparing deposits, reconciling records and recording of deposits should be separated among different individuals.</p> <p>Per the City’s Cash Management Manual – Safekeeping, departments handling cash are</p>	<p>OIA examined supporting documentation related to cash collection, cash maintenance, deposits, and reconciliations of records and deposits, and confirmed they are separated among different employees.</p> <p>OIA observed both the change fund and safe location at SWM-Montessa Park and confirmed both are secured and require badge access to enter the</p>

	responsible for safekeeping of these City assets. Physical security should be emphasized to every employee involved in cash handling.	premises and that every cash handling certified employee has their own individual security code used to access the safe.
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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. The SWM-Montessa Park was selected in fiscal year 2021.

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