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City of  
**ALBUQUERQUE**  

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**Office of Internal Audit**

**Strategic Review**

**23-402**

**Planning Department  
Cash Count**

**February 23, 2023**

## **EXECUTIVE SUMMARY**

The Office of Internal Audit (OIA) conducted a surprise cash count at the Planning Department's (Planning) Plaza Del Sol location. The primary objective of the strategic review was to determine whether change funds and daily cash receipts were present and accounted for at the time of our visit. The strategic review found that the change fund located at Plaza Del Sol was accounted for without exception, that procedures for securing cash are adequate, and that current change fund practices fully comply with the City of Albuquerque (City) *Cash Management Policies & Procedures Manual* and applicable Administrative Instructions. OIA noted no exceptions or compliance issues.

## **BACKGROUND**

Customers can pay for transactions such as building permits, business registrations, code enforcement permits, and planning applications online or in person at Planning's Plaza Del Sol location. On January 26, 2023, OIA performed a surprise cash count of the change fund maintained by Planning at Plaza Del Sol. 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 located at various City departments and comprises the department, unit, custodian(s), and type of cash fund total on hand. The Plaza Del Sol change fund amount is approved by Treasury for \$1,100 and is used to make change for paying customers.

## **OBJECTIVES**

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

- 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.
- Procedures for securing cash are adequate.

## **RESULTS**

OIA confirmed the change fund was fully accounted for and is reconciled to the approved Treasury fund amount at the end of each shift on a daily basis. Additionally, the review found that change fund practices and procedures comply with the City's *Cash Management Policies and Procedures Manual* and applicable Administrative Instructions and that procedures for securing cash are adequate. The results are further detailed in the table below.

<b>Objective</b>	<b>Criteria</b>	<b>Results</b>
The change fund is accounted for and reconciled to approved Treasury fund amounts.	Per the City's <i>Cash Management Policies and Procedures Manual</i> , the change fund is to be reconciled daily and/or at the end of each shift. A cash count, which is a clear breakdown of the	OIA randomly selected the day of January 26, 2023 to conduct a surprise cash count of the change fund located at Plaza Del Sol and managed by Planning. OIA confirmed that the change fund, entrusted to Planning's custodian and sub-custodians, was accounted for and reconciled to the approved Treasury

	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>Imprest Fund amount on a daily basis. OIA verified all related dual-verified supporting documentation.</p> <p>Further, OIA confirmed the change fund is securely maintained in a secured area, accessible by keys maintained by the sub-custodians. At the end of the day, the drawers are placed in a locked safe, which is only accessible by the sub-custodians. The daily deposit itself is placed in dial-locked safe, separate from the safe the drawers are placed in, until the deposit is done the following day by either the custodian or the fiscal officer.</p>
Change fund practices and procedures comply with the City's <i>Cash Management Policies and Procedures Manual</i> and applicable Administrative Instructions.	<p>Per the City's <i>Cash Management Policies and Procedures Manual</i>, a <i>Custodian and Sub-Custodian Statement of Responsibility</i> must be on file for all individuals responsible for the change fund.</p> <p>Additionally, City 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 every three years.</p>	<p>OIA noted there was a current <i>Custodian or Sub-Custodian Statement of Responsibility</i> on file for all individuals responsible for the change fund.</p> <p>Additionally, OIA verified that Cash Handling Certificates for the Custodian and Sub-Custodian were current and on file.</p>
Procedures for securing cash are adequate.	Per the City's <i>Cash Policies and Procedures Management Manual</i> , "the duties of collecting cash, maintaining documentation, preparing deposits, reconciling records, and recording deposits should be separated among different individuals."	OIA obtained the cashier transactions detail for each drawer, the daily reconciliation, and deposit slip and verified the beginning balance for the cash count date against the balance sheet (which is a subtotal of cash, credit card, and checks for each drawer) for the date of January 25, 2023. Additionally, OIA verified that each sub-custodian counted the drawer of another sub-custodian by

	<p>Per the City's <i>Cash Policies and Procedures Management 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>confirming their signature on that other sub-custodian's balance sheet. OIA verified that these balance sheets reconciled to the total amounts on the cashier spreadsheet. OIA noted two different signatures on both the reconciliation and deposit slip.</p> <p>Due to resource constraints, separate individuals did not complete the reconciliations, deposits, and recordings. However, OIA found that dual verification existed for each step in the process.</p> <p>OIA confirmed that badge access is required to enter the premises and every cash-handling certified employee has their own individual keys used to access their drawers. Additionally, the premises are monitored by a security guard and camera surveillance; cash drawers contain bait money.</p>
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### **RECOMMENDATIONS**

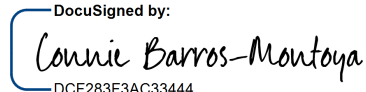
OIA has no recommendations at this time.

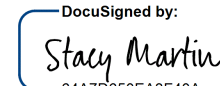
### **NON-AUDIT SERVICE COMMUNICATION**

*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.

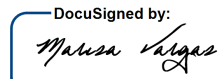
Surprise cash counts are classified as a non-audit service and the work performed does not constitute an audit conducted in accordance with GAGAS. Throughout each fiscal year, OIA objectively selects various petty cash or change funds to review. Planning was selected in the fiscal year 2023.

SUBMITTED:

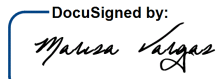
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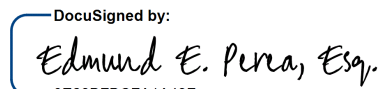
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 Edmund E. Perea, Esq.  
 Accountability in  
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