



City of  
**ALBUQUERQUE**  
Office of Internal Audit

Strategic Review

23-404

Arts & Culture Department  
Cash Count

April 26, 2023

**EXECUTIVE SUMMARY**

The Office of Internal Audit (OIA) conducted a surprise cash count at the Arts & Culture Department's (Arts & Culture) BioPark Zoo. 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, while the change fund was accounted for without exception and procedures for securing cash are adequate, one employee was not compliant with Administrative Instruction No. 2-6 *Employee Cash Handling Training Program*.

**BACKGROUND**

The BioPark Zoo offers guests close encounters with exotic and native animals, and customers can purchase zoo tickets at the following price schedule:

<b>Prices for the Zoo</b>	
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 April 3, 2023, OIA performed a surprise cash count of the change fund maintained by Arts & Culture at the BioPark Zoo. 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 Zoo's 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 that, while procedures for securing cash was adequate, and the change fund was fully accounted for and reconciled daily at the end of each shift, one employee was not compliant with Administrative Instruction No. 2-6 *Employee Cash Handling Training Program*. The results are further detailed in the table below.

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."<sup>1</sup></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 segregation of cash handling duties is appropriate. At the start of a shift, a supervisor will assign a cash drawer to a cashier. 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 on the Cashier Daily Report, Dual Verification, 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 drawers. Each cashier is assigned to their own cash booth, drawer, and lock key. Additionally, there are security guards near 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 Zoo personnel. This area, along with the lock keys for cash drawers and dial combination lock to the main vault, may only be accessed by authorized individuals.</p>

<sup>1</sup> *Cash Management Policies and Procedures Manual*, p. 46, June 2007, updated Jan. 29, 2014, <[https://eweb.cabq.gov/jobs/Content%20Attachments/cash\\_handling.pdf](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 April 3, 2023 to conduct a surprise cash count of the \$12,000.00 change fund managed by Arts &amp; Culture located at the BioPark Zoo. OIA physically counted the entire change fund and confirmed it was accounted for with no exception. OIA also examined the Safe Verification form, to ensure the change fund was accounted for on the prior business day, April 2, 2023. This form was appropriately dated for April 2, 2023 and it contained a clear breakdown of denomination totals and the date and initials of the two employees counting the fund.</p> <p>OIA then examined the previous business day box office sales, in effort to confirm the cash deposit was accurate and that the change fund was reconciled to its beginning balance. OIA examined the Cashier Daily Report, Box Office Daily Sales, Dual Verification, and the overall Bank Deposit Ticket. All was accounted for with no exception and all forms were appropriately dated for April 2, 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</p>	<p>OIA noted that out of (16) cash handling employees, one did not complete Cash Handling Training.</p>

	monies and those who oversee cash sites are required to attend the Cash Handling Training every three years.	
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### **RECOMMENDATIONS**

The Arts & Culture Department should:

- Ensure the one employee completes the required Cash Handling Training prior to handling City monies.
- Work with Treasury to appropriately schedule new hires for cash handling training. Also, to routinely monitor when cash handling training certificates expire to ensure employees are scheduled for a refresher training in a timely manner.

### **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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