



City of
ALBUQUERQUE
Office of Internal Audit

Strategic Review

24-401

Arts & Culture Department
Anderson Abruzzo
Albuquerque International
Balloon Museum
Cash Count

December 14, 2023

EXECUTIVE SUMMARY

The Office of Internal Audit (OIA) conducted a surprise cash count at the Arts & Culture Department's (Arts & Culture) Anderson Abruzzo Albuquerque International Balloon Museum (Balloon Museum). 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 procedures for securing cash are adequate, that the change fund was accounted for without exception, and that current change fund practices comply with the City of Albuquerque's (City) *Cash Management Policies & Procedures Manual* and applicable Administrative Instructions.

BACKGROUND

The Balloon Museum raises awareness, involvement, and funds for itself via events, membership, the Museum Shoppe, and more.

Prices for the Balloon Museum	
Adults	\$5.00(New Mexico Residents); \$6.00 (Non-Residents)
Seniors (65+)	\$4.00 (New Mexico Residents); \$4.00 (Non-Residents)
Youth (6-17)	\$3.00 (New Mexico Residents); \$3.00 (Non-Residents)
Children (5 and under), Museum Foundation Members, ICOM, AAM & NMAM members	Free

On October 11, 2023, OIA performed a surprise cash count of the change fund maintained by Arts & Culture at the Balloon Museum. 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 Balloon Museum's change fund amount is approved by Treasury for \$2,500 with an additional \$3,000 issued during the City of Albuquerque's Balloon Fiesta week. The cash fund 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. Balloon Museum change fund practices and procedures complied with the City's *Cash Management*

Policies and Procedures Manual and applicable Administrative Instructions. The results are further detailed in the table below.

Objective	Criteria	Results
Procedures for securing cash are adequate.	<p>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.”¹</p> <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>OIA confirmed that the segregation of cash-handling duties is appropriate. A supervisor will assign a 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 Cashier Daily Report, which includes the Daily Sales Dual Verification and the overall Bank Deposit Ticket documents. All forms are dated and contain the initials of the cashier and supervisor. The next day, fiscal personnel will record the deposit. Cashiers also do not share drawers. Each cashier is assigned a drawer that is only accessible with an assigned key. Additionally, there are cameras in the ticket booth which are monitored by an onsite security guard.</p> <p>Further, OIA confirmed the overall change fund is maintained in a vault within a separate cash room. This area is accessed by a keypad. The vault has a combination lock which can only be accessed by authorized individuals. The drawers are kept within the vault and can only be accessed by the cashier’s key.</p>
The change fund is accounted for and reconciled to approved	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	OIA randomly selected October 11, 2023 to conduct a surprise cash count of the \$5,500.00 change fund managed by Arts & Culture located at the Balloon Museum. OIA physically counted the entire change fund and

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 Dec. 22, 2023.

<p>Treasury fund amounts.</p>	<p>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>confirmed it was accounted for with no exceptions. Further, OIA requested and examined the Change Fund Increase Memo from Treasury for the increased fund amount on hand for the period and noted no issues.</p> <p>OIA also examined the previous business day's Reconciliation of Sales Form to confirm the cash deposit was accurate and that the change fund was reconciled to its beginning balance. The Reconciliation of Sales Form contained the Treasurer's Daily Report of Deposits, Direct Journal Accounting Entries, Posting Report, Deposit Reconciliation, Cashier Daily Report, and Batch Report documents. All were accounted for with no exception, and all forms were appropriately dated for October 10, 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 <i>Custodian and Sub-Custodian Statement of Responsibility</i> 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 every three years.</p>	<p>OIA noted that out of six (6) cash-handling employees and the change fund custodian, all completed Cash Handling Training. Additionally, the Administrative Supervisor provided the Custodian Agreement for the custodian, and no issues were noted.</p>

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 2024.

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