



City of Albuquerque

Office of Internal Audit

FOLLOW-UP OF THE
Senior Affairs- Senior Centers Cash Count
Report 25-24-403F
Date: April 9, 2025

INTRODUCTION

The Office of Internal Audit (OIA) issued report No. 24-403, “Senior Affairs- Senior Centers Cash Count” on June 26, 2024. OIA completed a follow-up to determine the corrective actions that the Senior Affairs Department and the Finance & Administration Services (DFAS) has taken in response to the report. The report contains seven recommendations that have been implemented and are now considered closed.

BACKGROUND

OIA performed a surprise cash count of the imprest funds maintained by Senior Affairs at all 11 locations that are composed of senior, multigenerational, and sports & fitness centers. This cash count was included in OIA’s fiscal year 2024 audit plan. The strategic review was completed on February 20, 2024. The primary objectives of the strategic review were to determine whether imprest funds and daily cash receipts were accounted for at the time of OIA’s visit.

The 11 senior, multigenerational, and sports & fitness centers provide seniors over the age of 50 with a variety of sports and recreation activities. The multigenerational centers invite families and adults of any age to join and operate both youth and senior programs. The activities include arts, trips/outings, meals, special events, support groups, computing, health management, musical concerts, lectures, theater, pottery, aerobics, breakfast, and lunch. In addition, the three sports & fitness centers located at North Domingo Baca, Los Volcanes, and Palo Duro Fitness provide seniors with fitness rooms, equipment, and a wide variety of exercise classes from high impact to low impact, water exercise, and evidenced-based programs. The outdoor recreation programs include hiking, snowshoeing, and downhill skiing. In addition, a variety of games offer different sports, contests, and tournaments.

Further information pertaining to the audit scope, limitations, and methodology can be found in Appendix A of the original audit report.

The strategic review found that the imprest funds were accounted for without exception, it also noted issues with the safekeeping of cash, inaccurate Custodian/Sub-Custodian Agreements on file, and three employees not compliant with Administrative Instruction No. 2-6 *Employee Cash Handling Training Program*. The following issues were identified as part of the original audit:

- OIA noted issues with the safekeeping of cash,
- Inaccurate Custodian/Sub-Custodian Agreements, and
- Three employees not compliant with Administrative Instructions No. 2-6 *Employee Cash Handling Training Program*.

Follow-Up

Senior Affairs- Senior Centers Cash Count

25-24-403F

April 9, 2025

FOLLOW-UP OBJECTIVE

The objective of this follow-up was to determine whether Senior Affairs and DFAS have taken the corrective actions recommended in OIA's June 26, 2024 report. Consistent with Government Auditing Standards, Section 9.08, promulgated by the U.S. Government Accountability Office, the purpose of audit reports includes facilitating a follow-up to determine whether appropriate corrective actions have been taken. This field follow-up is a non-audit service. Government Auditing Standards do not cover non-audit services, which are defined as professional services other than audits or attestation engagements. Therefore, Senior Affairs and DFAS are responsible for the substantive outcomes of the work performed during this follow-up and are responsible for being in a position, in fact, and appearance, to make an informed judgment on the results of the non-audit service. OIA limited our scope to actions taken to address our audit recommendation from the original audit report dated June 26, 2024 through the submission of actions on February 18, 2025.

METHODOLOGY

To achieve the objective, OIA did the following

- Obtained documentary evidence from Senior Affairs and the Treasury Division of DFAS
- Interviewed Senior Affairs and Treasury staff to understand and verify the status and nature of the corrective actions taken.
- Verified the status of the recommendations that Senior Affairs and Treasury had reported as implemented

RESULTS

Of the seven recommendations addressed in the original audit report, all have been implemented and are now considered closed. See ATTACHMENT 1.

Follow-Up
Senior Affairs- Senior Centers Cash Count
April 9, 2025

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ATTACHMENT 1

Recommendations	Responsible Agency	Department Response	OIA Conclusion	OIA Use Only Status Determination
<p>Recommendation #1:</p> <p>Develop a process to ensure knowledge transfer occurs regarding all on-site imprest funds when custodians and/or management are rotated between cash handling locations.</p>	Senior Affairs Department	<p>“The review process has been established and will take place in June and August. Each facility will hold annual meetings to ensure that all custodians and sub-custodians are up to date during these months.”</p> <p>Documentation: DSA Cash Handling Procedures p.22 DSA Transfer of Funds Memo from the Director Copy of Department Senior Affairs Updated List</p> <p>Completion Date: “June 2024 & August 2024”</p>	<p>OIA reviewed the documentation provided by Senior Affairs and recognizes that they have developed a process to ensure that the Department complies with City’s <i>Cash Management Policies and Procedures Manual</i>. OIA noted that they had developed a tracking system that lists all cash handling employees, whether they are a custodian or sub-custodian of the imprest fund, the imprest fund amount, and the expiration of their cash handling training certificates. An annual review of the accuracy of this information will assist in mitigating the risks associated when employees separate from the City or transfer to another location. Therefore, this recommendation is considered closed.</p>	<div><input type="checkbox"/> Open</div> <div><input checked="" type="checkbox"/> Closed</div> <div><input type="checkbox"/> Contested</div>

ATTACHMENT 1

Recommendations	Responsible Agency	Department Response	OIA Conclusion	OIA Use Only Status Determination
<p>Recommendation #2:</p> <p>Return all unused imprest funds to Treasury to safeguard City monies and comply with the City's <i>Cash Management Policies and Procedures Manual</i></p>	Senior Affairs Department	<p>"In July 2024, DSA evaluated the needs of each site. Director Sanchez determined that no imprest funds would be returned, as the Center indicated they would be initiating programming operations that require these funds. The assessment will take place annually at the start of the new fiscal year."</p> <p>Documentation:</p> <p>DSA Transfer of Funds Memo from the Director Copy of Department Senior Affairs Updated List</p> <p>Completion Date:</p> <p>"July 2024"</p>	OIA reviewed the documentation provided by Senior Affairs, which included their evaluation of the needs for each location. This evaluation determined no imprest funds would be returned as the funds are still needed for use at each center. As a result, OIA considers this recommendation closed.	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested
<p>Recommendation #3:</p> <p>Ensure all cash-handling employees complete the required Cash Handling Training before handling City monies. Also, routinely monitor when cash handling training certificates expire to</p>	Senior Affairs Department	<p>"All cash handlers at DSA's facilities have completed their training and hold active certificates. While certification is required every three years, we will verify it on an annual basis in June and August. We've also established a system to ensure</p>	OIA reviewed the response from Senior Affairs, which included evidence that the three cash-handling employees that had expired training have now obtained current cash handling training certificates. Senior Affairs	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested

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ensure employees are scheduled for refresher training on time.		<p>that new hires designated as cash handlers receive their certification within 30 days of their start date.”</p> <p>Documentation:</p> <p>DSA Transfer of Funds Memo from the Director Copy of Department Senior Affairs Updated List Treasury Semi-Annual imprest fund verification DSA</p> <p>Completion Date:</p> <p>“July 2024”</p>	also provided their tracking system, which includes a listing of all cash-handling employees and their training expiration dates with all cash-handling employees being current, Therefore, this recommendation is considered closed.	
<p>Recommendation #4:</p> <p>Ensure that all Custodian/Sub-Custodian agreements comply with the City’s <i>Cash Management Policies and Procedures Manual</i> when employees retire, transfer, or new management at the centers.</p>	Senior Affairs Department	<p>“DSA conducted the review in July 2024. Currently all Custodian/Sub-Custodian agreements comply with the City’s <i>Cash Management Policies and Procedures Manual</i>.</p> <p>Moving forward, to ensure compliance with the City's Cash Management Policies and Procedures Manual, we</p>	OIA reviewed the documentation provided by Senior Affairs which included the two (2) missing custodian-sub-custodian agreements noted in the initial strategic review. OIA also reviewed Senior Affairs tracking system and found that each imprest fund had a custodian and sub-custodian(s) along with the associated fund	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested

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		<p>will take the following steps regarding Custodian/Sub-Custodian agreements when employees retire, transfer, or when there is new management at the centers:</p> <p>1. Review Agreements: During the Recreation Division's training weeks in June and August, DSA will conduct a review of all existing Custodian and Sub-Custodian agreements to ensure they align with the City's policies.</p> <p>2. Documentation Updates: Upon an employee's retirement or transfer, we will update the agreements accordingly and document any changes. This will include ensuring that the new Custodian/Sub-Custodian is trained on the policies.</p> <p>3. Orientation for New Management: When there is new management at the</p>	<p>amount and an annual review of the accuracy of this information will be conducted going forward, with the first one having occurred in July 2024. Therefore, OIA considers this recommendation closed.</p>	

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		<p>centers, we will provide them with orientation on the Cash Management Policies and Procedures Manual, ensuring they understand their responsibilities regarding cash handling.”</p> <p>Documentation: DSA Transfer of Funds Memo from the Director Copy of Department Senior Affairs Updated List Senior Affairs NDB Fitness Center Custodian statement of responsibility DFAS</p> <p>Completion Date: “July 2024”</p>		
Recommendation #5: Obtain Custodian/Sub-Custodian Agreements from all centers. Also, routinely monitor Custodian/Sub-Custodian Agreements to	DFAS-Treasury Division	“DFAS-Treasury issued a notification to Senior Affairs, identifying custodians and sub-custodians recorded in Treasury’s records. Treasury outlined the following requests to ensure compliance with the City’s Cash	OIA reviewed communication between Treasury and Senior Affairs that confirmed the Senior Affairs partnered with Treasury to update their custodian/sub-custodian agreements. This included	<input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested

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ensure employees' agreements are on file to ensure the centers' imprest funds comply with the City's <i>Cash Management Policies and Procedures Manual</i> .		<p>Management Policies and Procedures Manual:</p> <ol style="list-style-type: none"> 1. An updated list of all custodians and sub-custodians. 2. Updated agreements for all custodians and sub-custodians. 3. A memo from the Director of Senior Affairs to Treasury detailing fund transfers for senior centers. <p>On July 26, 2024, Senior Affairs addressed Treasury's request by submitting:</p> <ol style="list-style-type: none"> 1. Updated Custodian and Sub-Custodian Agreements. 2. An updated list of all Senior Affairs cash sites managing imprest funds. 3. A formal memo from the Senior Affairs Director to Treasury requesting changes to the custodians and 	<p>providing a detailed listing of all custodians and sub-custodians, the agreements for the associated imprest funds, and a formal memo from the Director of Senior Affairs to Treasury detailing fund transfers and/or changes between center locations to be in compliance with the City's <i>Cash Management Policies and Procedures Manual</i>. This recommendation is now considered closed.</p>	

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		<p>sub-custodians for all cash site locations.</p> <p>This submission confirmed Senior Affairs’ compliance with Treasury’s requirements and the City’s Cash Management Policies. Treasury continues to monitor and provide support for all imprest fund changes in collaboration with Senior Affairs.”</p> <p>Documentation: DSA Transfer of Funds Memo from the Director Copy of Department Senior Affairs Updated List</p> <p>Completion Date: “7/11/2024”</p>		
<p>Recommendation #6:</p> <p>Develop a process to determine whether imprest fund amounts documented on</p>	DFAS-Treasury Division	“DFAS-Treasury informed City Fiscal Managers and Fiscal Officers about the semi-annual audit of imprest funds during the Treasury Deposit Training session held	OIA reviewed documentation provided by Treasury in response to this recommendation. This documentation evidenced that a training session was held in	<p><input type="checkbox"/> Open</p> <p><input checked="" type="checkbox"/> Closed</p> <p><input type="checkbox"/> Contested</p>

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the <i>Department Imprest Fund List</i> are accurate and being used by all locations on a routine basis. If not, consider requesting their return to Treasury.		<p>in July 2024 and through follow-up email communication. Additional updates were provided during the Fiscal Managers' annual FUG meeting conducted on Oct. 17, 2024. Treasury is currently assisting with the closure of two imprest funds at designated cash locations. Treasury continues to monitor and provide support for all imprest fund changes and closures across all departments managing imprest funds."</p> <p>Documentation: DSA Transfer of Funds Memo from the Director Copy of Department Senior Affairs Updated List</p> <p>Completion Date: "07/11/2024"</p>	<p>July 2024 informing those with imprest funds that a semi-annual audit would be occurring. Subsequent communication further detailed that Treasury would be requesting an updated list of all custodians/sub-custodians and their agreements, a formal memo from department Directors detailing and imprest fund transfers or changes. Treasury also informed departments that it would conduct its own cash counts of imprest funds at all location sites and review the funds' replenishment frequency. OIA recognizes that as a result of these efforts, two funds are being returned to Treasury, which will decrease the risk of possible improper usage of cash on hand at City locations. OIA considers this recommendation closed.</p>	
<p>Recommendation #7:</p> <p>Consider performing an inventory on all imprest fund locations to determine their</p>	DFAS-Treasury Division	<p>"DFAS-Treasury is currently conducting its annual audit verification of imprest fund locations, requesting the following:</p>	<p>OIA reviewed the response from Treasury and recognizes not only that Treasury decided to conduct an assessment of all imprest fund locations to</p>	<p><input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested</p>

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compliance with the City's <i>Cash Management Policies and Procedures Manual</i> , Administrative Instruction No. 2-6 <i>Employee Cash Handling Training Program</i> , and their need for the use of imprest funds.		<ol style="list-style-type: none"> 1. An updated list of all custodians and sub-custodians. 2. Updated agreements for all custodians and sub-custodians. 3. A cash count to verify and account for the funds at each imprest fund location. 4. A review of replenishment frequency. 5. A memo from the Director to Treasury, if applicable, detailing fund transfers or any other relevant changes. <p>An audit will be conducted annually by DFAS-Treasury to ensure compliance with the City's Cash Management Policies and Procedures Manual."</p> <p>Documentation: DSA Transfer of Funds Memo from the Director</p>	<p>determine their compliance with the City's <i>Cash Management Policies and Procedures Manual</i> and Administrative Instruction No. 2-6 <i>Employee Cash Handling Training Program</i>, but it is in the process of finalizing the work. The documentation provided corroborated that Treasury requests an updated list of all custodians/sub-custodians and their agreements and a formal memo from department Directors detailing any imprest fund transfers or changes. The supporting documentation also detailed that the Treasury informed departments that it would be conducting its own cash counts of imprest funds at all location sites and would be reviewing the funds' replenishment frequency.</p> <p>While OIA realizes that this work is still in progress, this recommendation will be closed for this audit and follow-up on this initiative will be included in OIA's</p>	

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		Copy of Department Senior Affairs Updated List Senior Affairs Cash Count Monitoring Response DFAS/Senior Affairs Completion Date: “06/2025”	fiscal year 2026 audit plan.	