

City of
ALBUQUERQUE
Office of Internal Audit

Strategic Review

26-401

Animal Welfare Department-
East Animal Shelter
Cash Count

Date

October 29, 2025

EXECUTIVE SUMMARY

The Office of Internal Audit (OIA) conducted a surprise cash count at the City of Albuquerque’s (City) Animal Welfare Department (AWD) – East Animal Shelter. The primary objectives of the strategic review were to determine whether imprest funds and daily cash receipts were accounted for at the time of our visit. While the strategic review found that procedures for securing cash are adequate and the imprest funds were accounted for without exception, OIA noted that maintenance and internal tracking of cash handling certificates were not in place, and custodian agreements lacked required information.

BACKGROUND

The AWD operates two animal shelter locations in Albuquerque —one on the Westside and one on the Eastside. This cash count focused on the East Animal Shelter, which provides animal care and protection services to the public. Key functions include the following:

- Animal Protection: Responding to animal welfare and public safety concerns.
- Spay and Neuter Services: Offering low-cost procedures for qualifying residents.
- Adoptions and Reclaims: Facilitating pet adoptions and returning lost animals to their owners.
- Community Support: Promoting responsible pet ownership through volunteer, foster, and outreach programs.

Acceptable forms of payment are cash, debit or credit card, and checks. Table 1 presents the location, days, and hours for service.

Location	Admissions	Adoptions	Reclaim	Other Service Hours ¹
East Animal Shelter	7:30 a.m. to 6 p.m. 7 days a week	10:30 a.m. to 5:30 p.m. 7 days a week	7:30 a.m. to 6 p.m. 7 days a week	9:30 a.m. to 6 p.m. 7 days a week

Table 1: Location, days, and hours.

On September 30, 2025, OIA performed a surprise cash count of the imprest funds maintained by AWD – East Animal Shelter. The *Department Imprest Fund List*, which is managed and approved by the City’s Treasury Division (DFAS-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 AWD – East Animal Shelter imprest fund is a change fund in the amount of \$1,525.00 and is used to make change for paying customers.

¹ These services can include microchipping, permit processing, and ownership changes.

OBJECTIVES

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

- Procedures for securing cash are adequate.
- The imprest funds are accounted for and reconciled to approved Treasury fund amounts.
- Imprest fund practices and procedures comply with the City’s *Cash Handling Policy and Procedures* and applicable Administrative Instructions.

RESULTS

While OIA confirmed that procedures for securing cash are adequate and the imprest funds were accounted for without exception, OIA noted that maintenance and internal tracking of cash handling certificates were not in place, and custodian agreements lacked required information. 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 Handling Policy and Procedures</i>, “the duties of collecting cash, maintaining documentation, preparing deposits, reconciling records, and recording deposits should be separated among different individuals.”²</p> <p>Per the City’s <i>Cash Handling Policy and Procedures</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 at the AWD - East Animal Shelter is appropriate and the procedures for securing cash are adequate. The total imprest fund amount is \$1,525.00, consisting of five (5) cash bags of \$175 each and one (1) cash drawer of \$650.</p> <p>Funds are dual-counted at the beginning of each shift, along with daily revenue reconciliation, preparation of deposits, and verification of beginning balance. Supporting documentation includes Daily Deposit Records, money bag invoices with unique identifiers, and cashier opening and closing reports. All forms are dated and contain the initials of the Animal Program Analyst and the Animal Adoption Center Councilor. OIA confirmed that AWD – East Animal Shelter uses the Chameleon animal shelter system to process transactions and generate reports.</p> <p>Cash-handling areas are secured behind locked doors and protective glass, with register drawers kept locked when not in use. Back-up cash handlers, designated as sub-custodians, are available when needed.</p>

² *Cash Handling Policy and Procedures*, p. 41 updated Sept. 2025, <https://eweb.cabq.gov/jobs/Content%20Attachments/cash_handling.pdf>, accessed Sept. 23, 2025.

Objective	Criteria	Results
		OIA also confirmed imprest funds not in use are stored in locked floor-type vaults requiring combination access. Surveillance cameras monitor cash handling areas and vault rooms, with live feeds viewable by management and administration staff.
The imprest fund is accounted for and reconciled to approved Treasury fund amounts.	Per the City's <i>Cash Handling Policy and Procedures</i> , the imprest 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>OIA performed a surprise cash count on September 30, 2025, of the \$1,525.00 imprest fund managed by the AWD – East Animal Shelter. OIA physically counted the entire imprest fund and confirmed it was accounted for with no exceptions.</p> <p>OIA reviewed reconciliation documentation from the two business days prior to the cash count (September 28-29, 2025) and verified that cash deposits were accurate, imprest funds were reconciled to their beginning balances, and all forms were appropriately dated and initialed with a clear denomination breakdown of the two employees counting the fund.</p>
Imprest fund practices and procedures comply with the City's <i>Cash Handling Policy and Procedures</i> and applicable Administrative Instructions.	<p>Per the City's <i>Cash Handling Policy and Procedures</i>, a Custodian and Sub-Custodian Statement of Responsibility must be on file for all individuals responsible for the imprest 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, which is provided by the Treasury, every three years.</p>	<p>OIA reviewed the cash handling training certificates and the custodian and sub-custodian statements from the AWD – East Animal Shelter. OIA also reviewed the City's <i>Cash Handling Policy and Procedures</i> for compliance and alignment with City requirements.</p> <p>OIA noted the following issues: Although, all 27 cash-handling employees had completed and had active cash handling certificates, there is no internal process in place to track or maintain these records. In addition, while both the custodian and sub-custodian statements documented the appropriate staff members responsible for the fund along with the correct fund amount and were notarized, the custodian statement was missing the custodian's signature, and the sub-custodian statement was not properly dated by the notary.</p>

Objective	Criteria	Results
		OIA informed AWD management of the identified issues and related recommendations. In response, AWD management developed an updated process to track and maintain cash handling certificates for the location's cash handling employees. Management also provided fully executed custodian and sub-custodian statements. Accordingly, these recommendations have been implemented and are now considered closed.

RECOMMENDATIONS

The Animal Welfare Department – East Animal Shelter should do the following:

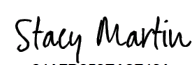
1. Establish a formal process to track and maintain cash handling certificates in a central repository for employees authorized to handle City funds.
2. Recomplete the custodian and sub-custodian statements to ensure all required information is accurately documented, properly notarized, and resubmitted to DFAS-Treasury. Additionally, implement a review process to verify that all future custodian and sub-custodian statements are fully executed, signed, and properly dated prior to notarization.

NON-AUDIT SERVICE COMMUNICATION

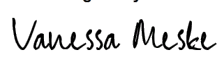
Generally Accepted Government Auditing Standards – 2018 Revision (GAGAS 2018) allows OIA staff to perform non-audit services as long as they do not impair our independence in mind and appearance. Before auditors agree to provide a non-audit service to an audited entity, they should determine whether 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 Animal Welfare Department – East Animal Shelter was selected in the fiscal year 2026.

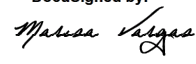
PREPARED:

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Stacy Martin, Staff Auditor
Office of Internal Audit

REVIEWED:

DocuSigned by:

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Vanessa Meske, Lead Auditor
Office of Internal Audit

APPROVED:

DocuSigned by:

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Marisa C. Vargas, City Auditor
Office of Internal Audit

APPROVED FOR PUBLICATION:

Signed by:

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Victor Griego, CPA
Accountability in Government Oversight Committee Chairperson

Audit Name: Animal Welfare Department- East Animal Shelter Cash Count
Department Name: Animal Welfare
AGO Date: October 29, 2025

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APPENDIX B

Recommendations and Responses

For each recommendation, the responsible agency should indicate in the column labeled *Department Response* whether it concurs, does not concur, or partially concurs and provide a brief explanation. If it concurs with the recommendation, it should indicate the expected implementation date and implementation plan. If the responsible agency does not concur or partially concurs, it should provide an explanation and an alternate plan of action to address the identified issue.

Recommendation	Responsible Party	Department Response	<u>OIA Use Only</u> Status Determination*
<p>The Animal Welfare Department- East Animal Shelter should:</p> <p>1. Establish a formal process to track and maintain cash handling certificates in a central repository for employees authorized to handle City funds.</p>	<p>Animal Welfare Department- East Animal Shelter</p>	<p><input checked="" type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur <input type="checkbox"/> Partially Concur</p> <p>“The Department has created a spreadsheet of employees that are currently handling cash, and their date of training. This file also contains all employee cash handling certificates. This file is accessible via the Departments share drive. Supervisors will track and maintain file quarterly. The Department acknowledges that cash handling certificates were not centrally located. However, at no time did an uncertified employee handle any cash.”</p> <p><u>ESTIMATED COMPLETION DATES</u></p> <p>“File and certificates attached”</p>	<p><input type="checkbox"/> Open <input checked="" type="checkbox"/> Closed <input type="checkbox"/> Contested</p>

Recommendation	Responsible Party	Department Response	<u>OIA Use Only</u> Status Determination*
<p>The Animal Welfare Department- East Animal Shelter should:</p> <p>2. Recomplete the custodian and sub-custodian statements to ensure all required information is accurately documented, properly notarized, and resubmitted to DFAS-Treasury. Additionally, implement a review process to verify that all future custodian and sub-custodian statements are fully executed, signed, and properly dated prior to notarization.</p>	<p>Animal Welfare Department- East Animal Shelter</p>	<p><input checked="" type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur <input type="checkbox"/> Partially Concur</p> <p><u>ESTIMATED COMPLETION DATES</u></p> <p>“All Department forms regard Cash Custodian and Sub Custodian have been newly completed and notarized. Forms attached.”</p>	<p><input type="checkbox"/> Open</p> <p><input checked="" type="checkbox"/> Closed</p> <p><input type="checkbox"/> Contested</p>