



City of  
**ALBUQUERQUE**  
Office of Internal Audit

Strategic Review

24-404

Parks and Recreation

Department

Cash Count

June 26, 2024

## **EXECUTIVE SUMMARY**

The Office of Internal Audit (OIA) conducted a surprise cash count at the City of Albuquerque's (City) Parks and Recreation Department (PRD) Golf Training & Events Center, Sierra Vista Tennis Facility, West Mesa Aquatics Center, Highland Pool, Puerto Del Sol Golf Course, Los Altos Pool, Jerry Cline Tennis Facility, and Sandia Pool cash sites. 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; issues with the alignment of the change fund amounts with *The Department Imprest Fund List* were present, some Custodian/Sub-Custodian Agreements on file were not accurate, and six (6) employees were not compliant with Administrative Instruction No. 2-6 *Employee Cash Handling Training Program*.

## **BACKGROUND**

The two (2) tennis facilities offer a variety of programs including instruction, leagues, junior development, novice groups, tournaments, drop-in tennis, and pickleball courts. West Mesa Aquatic Center is the site of the City's Olympic sized pool. Programs offered at this pool include lap swimming, recreational swimming, exercise classes, swim meets and other activities. The Highland Pool is an indoor 25-meter by 25-yard swimming pool with a 3-meter and 1-meter diving board and an outdoor wading pool. The Los Altos Pool is also an indoor 25-meter swimming pool. The Sandia pool is an indoor 25-yard swimming pool with two 1-meter diving boards. The Puerto Del Sol golf course is easy to walk, making this golf course popular with beginner golfers and seniors. This regular 9-hole course measures 3,030 yards from the championship tees, 2,830 yards from the regulation tees, and 2,525 yards from the forward tee. The 9-hole par is 35 for both men and women.

On May 28, 2024 through May 31, 2024, OIA performed a surprise cash count of the change fund maintained by PRD at the Golf Training & Events Center, Sierra Vista Tennis Facility, West Mesa Aquatics Center, Highland Pool, Puerto Del Sol Golf Course, Los Altos Pool, Jerry Cline Tennis Facility and Sandia Pool. The *Department Imprest Fund List*, which is managed and approved by the City's Treasury Division (Treasury), is a listing of change funds. It lists all funds located at various cash sites City department, unit, custodian(s), and type of cash fund total on hand. The PRD change fund amount is \$3,050.00, and it is used to make change for paying customers.

<b>Location</b>	<b>Change Fund</b>
Golf and Event Training Center	\$350.00
West Mesa Aquatics Center	\$200.00
Jerry Cline Tennis Facility	\$150.00
Highland Pool	\$100.00
Sandia Pool	\$100.00
Los Altos Pool	\$100.00
Sierra Vista Tennis Facility	\$50.00

Puerto Del Sol Golf Course	\$2,000.00
<b>Total Cash</b>	<b>\$3,050.00</b>

Table 1

***PRD pricing for activities at City pools, tennis complexes and golf course is available in Appendix A.***

### **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 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. The strategic review found that, while the change fund was accounted for; issues with the alignment of the change fund amounts with *The Department Imprest Fund List* were present, some Custodian/Sub-Custodian Agreements on file were not accurate, and six (6) employees were not compliant with Administrative Instruction No. 2-6 *Employee Cash Handling Training Program*.

<b>Objective</b>	<b>Criteria</b>	<b>Results</b>
Procedures for securing cash are adequate.	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>	Seven (7) of the eight (8) cash sites adhere to the City's Cash Management Policies and Procedures Manual by maintaining separation of duties regarding cash collection, documentation, deposit preparation, record reconciliation, and deposit recording. The one (1) site did have separation of duties for reconciling, deposit preparation, record reconciliation and deposit recording with the issue called out below.
	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	Seven (7) of the eight (8) cash sites are adhering to the City's Cash Management Policies and Procedures manual to ensure the safekeeping of City assets. Physical security is emphasized to every employee involved in

<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.

	<p>security should be emphasized to every employee involved in cash handling.</p>	<p>cash handling. All of the cash sites visited secure Change Funds in safes located away from the public. Access to the safes is controlled and secure. Registers at all sites are behind counters, behind locked doors, behind glass, or a combination thereof. When change funds are not in use, they are stored in safes. Seven (7) of the eight (8) sites visited have surveillance cameras and can review what the cameras record. Los Altos Pool is the only site without surveillance cameras. However, only one (1) of the eight (8) cash sites had a counterfeit detection marker available for use.</p> <p>OIA noted the following issues related to securing the change funds at one (1) cash site:</p> <ul style="list-style-type: none"> <li>• The Sub-Custodian of the Change Fund placed funds into the registers prior to opening and one of the cashiers began operating the register without verifying the beginning cash count.</li> <li>• When OIA verified the Change Fund, .50 cents (one quarter, two dimes, and one nickel) were found on the office desk. It was later determined that the .50 cents were part of the Change Fund.</li> </ul>
<b>Objective</b>	<b>Criteria</b>	<b>Results</b>
<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 May 28, 2024 through May 31, 2024 to conduct surprise cash counts of the \$3,050.00 change fund managed by the PRD at the eight (8) cash sites as documented above. OIA also examined the previous business day’s Reconciliation of Sales Form, in an effort to confirm the cash deposit was accurate and that the change fund was reconciled to its beginning balance.</p> <p>The Change Fund is 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 being performed and includes the date and initials or signatures of</p>

		<p>the person(s) counting the fund. OIA physically counted the entire change fund and noted the following issues for four (4) out of eight (8) cash sites:</p> <ul style="list-style-type: none"> <li>• <b>Puerto Del Sol Golf Course</b>—a total change fund of \$2,062.00 was verified for this site. The Imprest Funds Listing shows a change fund of \$2,000.00. Even though the funds were counted during business hours, the following variance is not accounted for in the daily transactions log. As a result, this change fund was over by \$62.00.</li> <li>• <b>Golf Training &amp; Events Center</b> – a total change fund of \$300.00 was verified for this site. Imprest Funds Listing shows a change fund of \$350.00. As a result, this change fund is misaligned with <i>The Department Imprest Fund List</i></li> <li>• <b>West Mesa Aquatics Center</b> – a total change fund of \$301.00 was verified for this site. Imprest Funds Listing shows a change fund of \$200.00. Even though the funds were counted during business hours, the following variance is not accounted for in the daily transactions log. As a result, this change fund was over by \$1.00.</li> <li>• <b>Jerry Cline Tennis Facility</b> – a total change fund of \$100.00 was verified for this site. Imprest Funds Listing shows a change fund of \$150.00.</li> </ul> <p>Overall, the Change Fund for these eight (8) sites was over by \$63.00. According to DFAS – Treasury’s Imprest Fund Listing, three (3) of these cash sites have a Change Fund that varies from what was verified. Aside from the \$63.00; the Imprest Funds Listing was verified at \$3,050.00.</p>
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<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 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 provided documentation from the cash sites and documentation from Treasury. After reviewing the documents, issues regarding Custodian/Sub-Custodian Agreements were identified.</p> <p>OIA noted the following issues with the cash sites:</p> <ul style="list-style-type: none"> <li>• One (1) cash site's Change Fund Sub-Custodian with an agreement amount of \$150.00 manages a \$300.00 change fund.</li> <li>• Two (2) cash sites have no Change Fund Custodian Statement on file.</li> <li>• One (1) cash site has four (4) Change Fund Sub-Custodians with agreement amounts of \$500.00 managing a Change Fund of \$2,000.00.</li> <li>• OIA also noted that out of 126 cash-handling employees across the eight (8) cash sites, six (6) did not complete Cash Handling Training.</li> </ul>
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## **RECOMMENDATIONS**

The Parks and Recreation Department should:


- Ensure all cash-handling employees complete the required Cash Handling Training before handling City monies, including the 6 current employees who are without them. Also, routinely monitor when cash handling training certificates expire to ensure employees are scheduled for refresher training on time.
- Work with Treasury to ensure that all Change Funds listed on The *Department Imprest Fund List* are accurate and up to date.
- Ensure that all Custodian/Sub-Custodian agreements comply with the City's *Cash Management Policies and Procedures Manual* when employees retire, transfer, or new management at the centers.
- Ensure policies and procedures for any excess funds that are in the cash sites' change fund are recorded and deposited per Administrative Instruction No. 2-21 *Recording and Remediation of Cash Overages and Shortages*.

**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 Parks and Recreation Department was selected in the fiscal year 2024.


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Mark Correa, Principal Auditor  
Office of Internal Audit

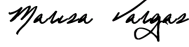
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Vanessa Meske, Lead Auditor  
Office of Internal Audit

APPROVED:

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Marisa C. Vargas, Interim City Auditor  
Office of Internal Audit

APPROVED FOR PUBLICATION:

DocuSigned by:  
  
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Victor Griego, CPA  
Accountability in Government Oversight Committee Chairperson



Cash Counts  
Parks and Recreation Department  
June 26, 2024

#24-404

### APPENDIX A

PRD pricing for activities at City pools, tennis complexes and golf course.

The following provides pricing for the tennis facilities:

<b>Jerry Cline and Sierra Vista Tennis Facilities</b>		
<b>Daily Rates</b>		
Adults	\$4 per person	
Seniors (55 and older)	\$3 per person	
Juniors (18 and younger)	\$3 per person	
<b>Age</b>	<b>Monthly Fee</b>	<b>Yearly Fee</b>
Adults	\$40	\$200
Seniors (55 and older)	\$30	\$150
Juniors (18 and younger)	\$15	\$50

Table 2

The following provides pricing for the Puerto Del Sol golf course:

<b>Puerto Del Sol Golf Course Green Fees</b>			
<b>Monday to Friday</b>	<b>Regular</b>	<b>Senior</b>	<b>Junior</b>
9 Holes	\$19.00	\$14.50	\$10.00
9 Holes Replay	\$7.00	\$4.50	\$3.00
9 Holes Afternoon			\$14.00
Tournament			\$31.00
<b>Weekends &amp; Holidays</b>	<b>Regular</b>	<b>Senior</b>	<b>Junior</b>
9 Holes	\$21.50	\$21.50	\$11.25
9 Holes Replay	\$11.00	\$11.00	\$5.50
9 Holes Afternoon			\$14.00
Tournament			\$35.00
<b>Golf Cart Rentals</b>	<b>Double</b>	<b>Single</b>	<b>Half</b>
9 Holes	\$16.00	\$16.00	\$9.00
9 Hole Pull Cart		\$3.00	

Table 3

The following provides pricing for the swimming pools:

<b>Swimming Pool Admission Fees</b>					
	<b>All Pools Except East San Jose - Daily</b>	<b>East San Jose-Daily</b>	<b>Monthly Pass - All Facilities</b>	<b>Annual Pass - All Facilities</b>	<b>Summer Family Pass - May 25 to Aug 4, 2024</b>
<b>Infants 1 and under</b>	Free	Free	Free	Free	
<b>Toddler 2 to 5</b>	\$1.00	25 cents	\$9.00	\$25.00	
<b>Child 6 to 12</b>	\$2.25	75 cents	\$20.00	\$110.00	
<b>Teen 13 to 17</b>	\$2.75	\$1	\$26.00	\$155.00	
<b>Adult 18 to 54</b>	\$3.00	\$1.50	\$30.00	\$190.00	
<b>Family (good for up to two adults and 6 children)</b>			\$60.00	\$299.00	\$115.00
<b>Military</b>	\$1.50	50 cents	\$15.00	\$75.00	
<b>Individuals with Disabilities</b>	\$1.50	50 cents	\$15.00	\$75.00	
<b>Senior 55+*</b> *does not include water aerobics	\$1.50	50 cents	\$15.00	\$75.00	
<b>Spectator</b>	\$1.50	50 cents			
<b>Water Aerobics</b>	\$3.25		\$28.00 (10 Classes)	\$215.00	
<b>Lifetime Swim/Water Aerobics 85+</b>				\$0.00	

Table 4

Acceptable forms of payment are cash, debit or credit card, and checks.

Cash Counts  
Parks and Recreation Department  
June 26, 2024

## APPENDIX B

### Recommendations and Responses

Recommendation	Responsible Party	Department Response	<u>OIA Use Only</u> Status
<p>The Parks and Recreation Department should:</p> <p>1. Ensure all cash-handling employees complete the required Cash Handling Training before handling City monies, including the 6 current employees who are without them. Also, routinely monitor when cash handling training certificates expire to ensure employees are scheduled for refresher training on time.</p>	<p>Parks and Recreation Department</p>	<p><input type="checkbox"/> Concur <input type="checkbox"/> Do Not Concur <input checked="" type="checkbox"/> Partially Concur</p> <p>Audit looked for copies of certificates. If they were not readily available in a file, it is being classified as these employees are without training. This is not accurate. One employee was listed twice due to having multiple locations under his cash purview. Treasury showed nine (9) of these 15 employees as having their current certificates on file. AI 2-6 Employee Cash Handling Training Program does not mention the Certificates must be readily available in a paper file near the cash drawers; therefore, in the Executive Summary, Page 1, where it states these employees are not compliant with this AI, that is disputed. Of those 15 said to be without the certificates, six (6) actually did need the training. As of 6/17/24, only one of the six had not yet produced a certificate. Golf responded that this concessionaire contracted employee will complete the training and turn in certificate this week. PRD Finance Division routinely monitors dates when refresher training is due and sends the list from Treasury out to Divisions Managers asking them to review and ensure employees are in compliance.</p>	<p><input checked="" type="checkbox"/> Open <input type="checkbox"/> Closed <input type="checkbox"/> Contested</p>

		<p><u>ESTIMATED COMPLETION DATES</u></p> <p>Week of 6/17/24</p>	
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Recommendation	Responsible Party	Department Response	<u>OIA Use Only</u> Status Determination*
<p>The Parks and Recreation Department should:</p> <p>2. Work with Treasury to ensure that all Change Funds listed on The <i>Department Imprest Fund List</i> are accurate and up to date.</p>	<p>Parks and Recreation Department</p>	<p>X Concur <input type="checkbox"/> Do Not Concur <input type="checkbox"/> Partially Concur</p> <p>PRD Finance Division worked with Treasury on 6/13/24 and the Department Imprest Funds List is accurate and up to date.</p> <p>Treasury has updated changes recorded which are:                      Golf &amp; Events Training Center now \$300                      West Mesa Aquatics Center now \$300                      J. Cline Tennis Facility now \$100                      PDS Golf Course now \$0</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><u>ESTIMATED COMPLETION DATES</u></p> <p>Complete</p>	
<p>The Parks and Recreation Department should:</p> <p>3. 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>	<p>Parks and Recreation Department</p>	<p>X Concur <input type="checkbox"/> Do Not Concur <input type="checkbox"/> Partially Concur</p> <p>PRD Finance Division has relayed to Division Managers at all cash sites that they ensure all Custodian/Sub-Custodian agreements are in compliance. In addition, PRD Finance Division will conduct Department Surprise Audits on these cash sites annually similar to this OIA Audit to ensure compliance. For the purposes of this audit, all Division Managers have been notified to obtain new Custodian/Sub-Custodian agreements for the file, and to ensure the forms match the updated Imprest Fund amounts on the Treasury's Change Fund schedule.</p>	<p>X Open</p> <p><input type="checkbox"/> Closed</p> <p><input type="checkbox"/> Contested</p>

		<p><u>ESTIMATED COMPLETION DATES</u></p> <p>Week of 6/17/24</p>	
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Recommendation	Responsible Party	Department Response	<u>OIA Use Only</u> Status Determination*
<p>The Parks and Recreation Department should:</p> <p>4. Ensure policies and procedures for any excess funds that are in the cash sites' change fund are recorded and deposited per Administrative Instruction No. 2-21 <i>Recording and Remediation of Cash Overages and Shortages.</i></p>	<p>Parks and Recreation Department</p>	<p>X Concur <input type="checkbox"/> Do Not Concur <input type="checkbox"/> Partially Concur</p> <p>Cash Handlers are aware of handling over/short change funds per AI 2-21. As an added measure, PRD Finance Division reviews these accounts monthly to determine if there is an excessive amount in this revenue account (positive and/or negative). If an excessive amount appears, PRD Fiscal Manager discusses this with the Division Manager who oversees the program/cash site to determine if there is an issue that requires training, correction, or follow up.</p> <p>Of note, PRD no longer manages PDS Golf. This is now managed by a concessionaire and therefore, the Imprest Funds were turned in to Treasury.</p>	<p><input type="checkbox"/> Open</p> <p>X Closed</p> <p><input type="checkbox"/> Contested</p>

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		<u>ESTIMATED COMPLETION DATES</u>  Complete	
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