



October 6, 2000

**Internal Audit Report 2000-10**

**Cash Controls**

**Museum of History and Art**

**Cultural and Recreational Services**

**Introduction.** The Anchorage Museum of History and Art (Museum) is a community-based institution with exhibits and programs on the art, history and cultures of Alaska. There are ten galleries for exhibitions, a Children's Gallery, an activity room, a library, archives, and an auditorium. The Museum also contains a café and a gift shop managed by the Anchorage Museum Association. The Museum generates revenue from admission fees, tour companies, building rentals and parking. Revenue collected during 1999 totaled \$578,970.

**Scope.** The objective of this audit was to conduct a follow-up audit on findings and recommendations contained in Audit Report 99-09, Cash Controls at the Museum of History and Art, dated September 20, 1999. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of June through July 2000. The audit was part of the 2000 Audit Plan.

**Overall Evaluation.** Generally, the cash control weaknesses identified in our prior audit have been corrected by Museum staff. Compliance with Municipal Policy and Procedure (P&P) 24-1, Collecting, Securing, Depositing and Reporting Cash, has improved since the prior audit. In addition, Museum staff no longer have access to non-Municipal cash. However, unscheduled cash counts were still not being accomplished and parking spaces controlled by the Museum were not properly managed, as reported in the prior audit.

## FINDINGS AND RECOMMENDATIONS

### 1. Unscheduled Cash Counts Not Performed.

- a. **Finding.** Unscheduled supervisor cash counts had not been performed as required by P&P 24-1. Supervisors are required to perform an unscheduled cash count and reconciliation at least once a month for each cashier. Our review of documentation and discussions with Museum personnel revealed that the cash counts had not been performed since the last audit. A similar finding was contained in the prior audit report.
- b. **Recommendation.** Unscheduled supervisory cash counts should be performed monthly as required by P&P 24-1.
- c. **Management Comments.** Management concurred and stated, "The Chief of Security has been instructed to immediately begin to conduct unscheduled supervising cash counts on a monthly basis."
- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

### 2. Annual Cash Training Not Attended.

- a. **Finding.** Only three out of six Museum personnel had attended annual cashier training as required by P&P 24-1. Cashiers and their supervisors are required to annually attend training sessions on cash handling and reporting procedures conducted by the Treasury Division.
- b. **Recommendation.** Museum cashiers should attend cashier training once a year as required by P&P 24-1.

- c. **Management Comments.** Management concurred and stated, "Communication with Mike Mullane on 8/29/2000 indicates that three out of six attendants who handle cash have received cashier training within this calendar year. The other three attendants will have received training by the end of September."
  - d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.
3. **Parking Spaces Controlled by the Museum Were Not Properly Managed.**
- a. **Finding.** Parking spaces in the Museum's parking garage were not properly managed. The parking garage, located in the basement of the Museum, was being operated as paid parking for Museum employees, Anchorage Fire Department employees and Federal Building employees, except on weekends, special holidays and evenings. There are 96 spaces in the parking garage, with 6 spaces reserved for free parking for Museum volunteers and 11 spaces paid by intergovernmental charges reserved for Anchorage Fire Department employees. Signs at the entrance to the parking garage state that public parking is available only on weekends and Federal Holidays. As a result, the Museum does not provide parking for the general public visiting the Museum during the work week. Our review of the procedures and controls over parking revealed the following deficiencies:
    - 1) The written procedures for managing the parking spaces were not adequate.
    - 2) Monthly parking spaces were not properly monitored. Individuals paying for monthly parking were not given any evidence that they had paid for the parking, such as parking stickers, mirror hangers, etc. As a result, it was not possible to determine whether the individuals parked in the monthly parking spaces had paid or not. In addition, entry into the garage was not restricted

since the door to the parking garage is kept open during the morning hours to facilitate entry into the parking garage.

- 3) Parking spaces in the parking garage that had been designated for hourly parking were not allowed to be used by the public during the work day and were used by Fire Department employees without charge (10 spaces).
- 4) Hourly parking was not properly controlled. Hourly rates were posted in the garage and individuals were instructed to insert payment into two cash boxes without documenting how much they paid, which space they occupied or how long they parked. Additionally, the spaces were not monitored to ensure that payment was made. We were told that the boxes were emptied when they appeared to be full.

b. **Recommendation.** The Director of Cultural and Recreational Services should formalize written procedures for managing and operating parking on Museum property. The procedures should include parking priorities, fees, hours of operation, control over parking, collection of daily and monthly fees and safeguard of cash receipts.

c. **Management Comments.** Management concurred and stated, "The Museum Director met with Kevin Kinney at the Anchorage Parking Authority on August 25 to seek assistance in developing written procedures for parking and to inquire about the Parking Authority's ability to manage the parking responsibilities of the Museum. At the present time, the Museum does not have the required expertise for the personnel to properly manage the parking, supervise control over parking or properly track whether all patrons are paying to park as described in the audit findings. The Parking Authority has submitted a proposal which will be considered within the next 30 days."

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- d. Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

**Discussion With Responsible Officials.** The results of this audit were discussed with appropriate Municipal officials on August 23, 2000.

Audit Staff:  
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