



Museum of History – Change in Management Audit A2021-06

Issued by the
Internal Audit Office
September 13, 2021

City of El Paso
Internal Audit Office
Museum of History – Change in Management Audit A2021-06

EXECUTIVE SUMMARY

The Internal Audit Office has concluded the Museum of History – Change in Management Audit. Based on the results of the audit, no significant findings were identified in our review of the operations and management of the El Paso Museum of History.

The Audit identified that the El Paso Museum of History:

- Has proper measures in place to safeguard Museum Assets.
- Follows City Policies and Procedures for making Procurement Card purchases.
- Has appropriate internal controls over revenue collections.
- Maintains an accurate and updated inventory of art pieces and store merchandise.

An immaterial series of Procurement Card purchases was identified during our review. Procurement Card purchases for Food and Beverage were low dollar amounts. The results are outlined below:

- Four (4) out of 5 (80%) food transaction receipts did not contain a detailed description for the purpose of the meal as required by the City of El Paso Food and Beverage Policy dated August 3, 2007.
 - The 4 food purchases totaled \$230.76 and each purchase ranged from \$30.96 to \$82.80.
 - The food purchases were charged to a Food and Beverage account.

For a detailed explanation of the finding, please refer to the body of this report.

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BACKGROUND

At the request of the Deputy City Manager of Quality of Life, the Internal Audit Office conducted a Change in Management Audit to review the operations and the management of the El Paso Museum of History (EPMH).

The EPMH was established in 1974 as the Cavalry Museum. The EPMH is one of three (3) museums operated by the City under the El Paso Museums and Cultural Affairs Department (MCAD). The name was officially changed to the El Paso Museum of History in 1980 with the new two-story museum being inaugurated on June 16, 2007.

The EPMH serves El Paso, Texas along with Ciudad Juarez, Chihuahua which combine to have a population of nearly 3 million people. The EPMH serves the largest continuous border metroplex in North America by providing educational opportunities to visitors. Visitors can learn about the rich history of the border region known as El Paso Del Norte.

AUDIT OBJECTIVES

The objectives for the Museum of History – Change in Management Audit were to determine if:

- The Museum of History has proper measures in place to safeguard Museum's assets.
- The Museum of History is following City Policies and Procedures for making P-Card purchases.
- The Museum of History has appropriate internal controls over revenue collections.
- The Museum of History has an accurate and updated inventory of exhibits and store merchandise.

AUDIT SCOPE

The audit focused on Museum of History operations during the period of Fiscal Years 2019-2021.

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AUDIT METHODOLOGY

In order to achieve the audit objectives, we:

- Conducted interviews with the Museum and Cultural Affairs Administrative Staff and the El Paso Museum of History Management and Staff.
- Reviewed the City and El Paso Museum of History Policies and Procedures.
- Observed and reviewed security measures at the El Paso Museum of History.
- Confirmed that exhibits at the El Paso Museum of History are insured.
- Reviewed who had access to Procurement Cards (P-Cards) and selected a sample of P-Card transactions to review for proper use.
- Reviewed inventory for the El Paso Museum of History and Museum of History Store.
- Reviewed processes for collecting and depositing revenues.
- Reviewed procedures for the donation box and who had access to the safes.
- Reviewed a sample of mail payments for proper depositing and posting into the PeopleSoft Financials.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards and the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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REGULAR FINDING AND RECOMMENDATION

The definition of a “Significant Finding” is one that has a material effect on the City of El Paso’s financial statements, identifies an internal control breakdown, is a violation of a City procedure, or a violation of a law and/or regulation, which the City is required to follow. Any finding not meeting these criteria will be classified as a “Regular Finding”.

Finding 1

City of El Paso Strategic Plan:

- Goal 6.6 stated; *Ensure continued financial stability and accountability through sound financial management, budgeting and reporting.*

City of El Paso Food and Beverage Policy dated August 3, 2007:

- Section IV – Other issues: *An adequate description must be written on the face of every receipt to ensure that it may be easily identifiable as a City-related business purpose.*

Our overall review of the operations and the management of the El Paso Museum of History identified no significant findings. Our review identified that the El Paso Museum of History:

- Has proper measures in places to safeguard Museum Assets.
- Follows City Policies and Procedures for making Procurement Card purchases.
- Has appropriate internal controls over revenue collections.
- Maintains an accurate and updated inventory of art pieces and store merchandise.

An immaterial series of Procurement Card (P-Card) purchases was identified during our review. Procurement Card purchases for Food and Beverage were low dollar amounts. The results are outlined below:

- Four (4) out of 5 (80%) food transaction receipts reviewed did not contain a detailed description for the purpose of the meal as required by the City of El Paso Food and Beverage Policy dated August 3, 2007. The 4 food purchases totaled \$230.76 and each purchase ranged from \$30.96 to \$82.80.
- The transactions were charged to the Department’s Food and Beverage account. Each transaction had a Food and Beverage Preapproval Form which included a simple description but was not written on the receipt as required by the Food and Beverage Policy dated August 3, 2007.

Recommendation

The Museum of History’s Staff should clearly write a description on the face of every receipt to ensure that it may be identifiable as a City-related business purpose as outlined on the City’s Food and Beverage Policy dated August 3, 2007.

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Management's Response

None required due to immateriality of the Finding.

Responsible Party

Implementation Date

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INHERENT LIMITATIONS

Because of the inherent limitations of internal controls, errors or irregularities may occur and not be detected. Also, projections of any evaluation of the internal control structure to future periods beyond the Audit Report date are subject to the risk that procedures may become inadequate due to changes in conditions, management override of internal controls, or that the degree of compliance with the procedures may deteriorate. This was a limited scope audit which only reviewed the areas stated in the Audit Objectives during the Audit Scope period. No representations of assurance are made to other areas or periods not covered by this audit.

CONCLUSION

We have concluded our audit work on the objectives of the Museum of History – Change in Management Audit. The audit evidence used in the analysis is sufficient and appropriate for addressing the objectives and supporting the observations and conclusion. In accordance with Generally Accepted Government Auditing Standards, we are required to conclude on whether the Museum of History met the objectives of this Audit. Based on our audit work, we have determined that:

1. The El Paso Museum of History met the audit objectives in the following areas:
 - Proper security measures are in place to safeguard the Museum’s assets.
 - Following City Policies and Procedures for making Procurement Card purchases.
 - Internal controls over revenue collections are appropriate.
 - An accurate and updated inventory of the art pieces and the store merchandise is maintained.
2. An immaterial series of food purchases made with the Procurement Card did not contain a detailed description on the face of the receipts. The El Paso Museum of History’s Staff should ensure that P-Card receipts for Food and Beverage purchases have the proper identification of meal attendees and purpose of the meal as required by the City of El Paso Food and Beverage Policy dated August 3, 2007.

We wish to thank the El Paso Museum of History Staff for their assistance and numerous courtesies extended during the completion of this audit.

Signature on File
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