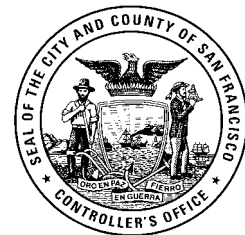


**AIRPORT  
COMMISSION:**

An Audit of the Cash  
Revolving Fund  
July 1, 2004, Through  
June 30, 2005

**FINANCIAL AUDITS  
DIVISION**



September 15, 2005  
05002



**CITY AND COUNTY OF SAN FRANCISCO**  
**OFFICE OF THE CONTROLLER**

**Ed Harrington**  
**Controller**  
**Monique Zmuda**  
**Deputy Controller**

September 15, 2005

Audit Number 05002

San Francisco Airport Commission  
San Francisco International Airport  
P. O. Box 8097  
San Francisco, CA 94128

President and Members:

The Office of the Controller presents its report concerning the audit of the cash revolving fund of the San Francisco Airport Commission (Airport). The Airport uses the revolving fund to pay for minor purchases of materials and services, and employees' field expenses.

**Reporting Period:** July 1, 2004, Through June 30, 2005

**Authorized Amount:** \$10,000

**Results:**

As of June 30, 2005, the Airport's cash revolving fund assets agreed to the amount authorized in the San Francisco Administrative Code and recorded in the Controller's Financial Accounting and Management Information System. In addition, the Airport had adequate internal controls over its revolving fund and used the fund assets within the purpose of the fund.

Respectfully submitted,

*Original signed by:*  
Ed Harrington  
Controller

# INTRODUCTION

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## BACKGROUND

The Board of Supervisors of the City and County of San Francisco (City) appropriated a cash revolving fund of \$10,000 to the San Francisco Airport Commission (Airport) under the San Francisco Administrative Code (Administrative Code) Section 10.132. The Airport uses the revolving fund to pay for minor purchases of materials and services, and employees' field expenses. The revolving fund consists of a checking account with \$7,860 on deposit and 10 petty cash funds totaling \$2,140.

## SCOPE AND METHODOLOGY

The purpose of this audit was to determine whether the Airport's revolving fund assets agreed with the amount authorized in the Administrative Code and recorded in the Controller's Financial Accounting and Management Information System (FAMIS). We also determined if the Airport properly administered and used the revolving fund in compliance with the Controller's Departmental Instruction No. 1052. In addition, we assessed whether the internal controls over the fund were adequate, and whether the revolving fund was sufficient to meet the Airport's operational needs.

To conduct the audit, we reviewed the applicable provisions in the Administrative Code, the Controller's Departmental Instruction No. 1052, and the Purchaser's *Guide to Ordering Goods and Services*. We evaluated the Airport's procedures for recording, summarizing, and reporting the revolving fund transactions. We tested, on a sample basis, the Airport's revolving fund transactions during the audit period to determine whether the transactions were proper and valid. In addition, we counted the cash on hand for eight of the petty cash funds, and relied on the Airport's surprise cash counts on June 30, 2005, for the remaining two petty cash funds.

# AUDIT RESULTS

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## THE AIRPORT'S REVOLVING FUND TOTAL AGREED TO THE AUTHORIZED AMOUNT

As of June 30, 2005, the Airport's cash revolving fund balance of \$10,000 agreed to the amount authorized in the Administrative Code and recorded in FAMIS. In addition, the Airport had adequate internal controls over its revolving fund. For example, we found that the Airport's staff had properly prepared monthly bank reconciliations, had no checks outstanding for more than six months, and conducted a surprise cash count of petty cash funds on June 30, 2005. Further, the Airport used the fund assets within the intended purpose of the fund and in compliance with the Controller's Departmental Instruction No. 1052. Although we determined that the authorized revolving fund amount exceeded the amount it needed for operations during our audit period, the Airport's chief accountant did not want to reduce the fund because he believes it is the appropriate amount to meet the Airport's future needs.

We conducted this review according to the standards established by the Institute of Internal Auditors. We limited our review to those areas specified in the audit scope section of this report.

Staff: Ben Carlick, Audit Manager  
Edwin De Jesus  
Demissie Mulatu

cc: Mayor  
Board of Supervisors  
Civil Grand Jury  
Budget Analyst  
Public Library