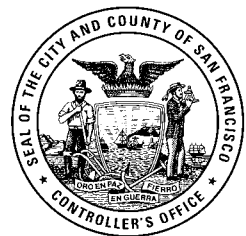


### **COMMISSION ON THE ENVIRONMENT:**

An Audit of the  
Cash Revolving Fund  
as of August 9, 2005

**FINANCIAL AUDITS  
DIVISION**



*August 31, 2005*  
04044



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

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

August 31, 2005

Audit Number 04044

Jared Blumenfeld, Director  
Department of the Environment  
City and County of San Francisco  
11 Grove Street  
San Francisco, CA 94102

Dear Mr. Blumenfeld:

The Office of the Controller (Controller) presents its report concerning the audit of the cash revolving fund of the Commission on the Environment. The fund is administered by the Department of the Environment (department).

**Reporting Period:** As of August 9, 2005

**Authorized Amount:** \$100

**Results:**

The department decided to discontinue using the fund but has not returned the proceeds of the fund to the Controller or taken steps to properly close the fund. Since the department has discontinued using its revolving fund, it should return the \$100 fund to the Controller, and take other necessary steps to properly close the revolving fund.

The department's response is attached to this report. The Controller's Financial Audits Division will be working with the department to follow up on the status of the recommendations.

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 appropriated a cash revolving fund of \$100 to the Commission on the Environment under the San Francisco Administrative Code (Administrative Code) Section 10.169.12. This fund is administered by the Department of the Environment (department).

## SCOPE AND METHODOLOGY

The purpose of this audit was to determine whether the department'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.

To conduct the audit, we reviewed the applicable provisions in the Administrative Code and the Controller's Departmental Instruction No. 1052, and we counted the fund cash. Because the department decided to discontinue using the fund, and since the fund was last used by the department in 2003, we did not perform any further testing.

# AUDIT RESULTS

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## THE DEPARTMENT DID NOT PROPERLY CLOSE ITS REVOLVING FUND

As of August 9, 2005, the Commission on the Environment's cash revolving fund total of \$100 equalled the amount authorized in the Administrative Code and as recorded in the Controller's Financial Accounting and Management Information System (FAMIS). According to the department's deputy director, the department decided to discontinue using the fund some time ago but it did not return the fund to the Controller or take other steps to properly close the fund.

## RECOMMENDATIONS

To ensure that the Commission on the Environment cash revolving fund is properly accounted for, and closed, the department should take the following actions:

- Return \$100 to the Office of the Controller.
- Request the Board of Supervisors to amend the Administrative Code to eliminate the cash revolving fund.
- Once the Board of Supervisors has amended the Administrative Code, the department should request the Controller to update FAMIS to reflect the elimination of the revolving fund.

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: Robert Tarsia, Manager  
Kathy Buckley

## **DEPARTMENT OF THE ENVIRONMENT'S RESPONSE TO THE AUDIT:**

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The Department of the Environment (department) did not provide a formal response but Ken Yee, the department's finance manager, stated the following via email:

We agree with the recommendations in the report. We will return the proceeds of the fund (\$100.00) to the Controller's Office, and take the other required steps to close the revolving fund account.

Ken Yee  
Budget & Finance  
Department of Environment  
11 Grove Street  
City & County of San Francisco  
(415) 355-3736

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