

2020

Travis County Auditor's Office Review of  
Travis County Sheriff's Office  
Forfeited Property Accounts

Travis County Auditor's Office  
Risk Evaluation and  
Consulting Division

January 26, 2020

TRAVIS COUNTY  
AUDITOR'S OFFICE

PATTI SMITH, CPA  
COUNTY AUDITOR



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To: Sally Hernandez  
Travis County Sheriff

From: Patti Smith, CPA  
Travis County Auditor

Date: January 26, 2020

Subject: Forfeited Property Account examination

Scheduled as part of our statutory requirements, the Risk Evaluation and Consulting Division (REC) of the Travis County Auditor's Office has completed an examination of the Forfeited Property Accounts (FPA) maintained by the Travis County District Sheriff's Office. We conducted our examination in accordance with the applicable statutes governing the County Auditor's Office and those relating to County financial and accounting protocols. As a result of our examination, we are providing this report detailing our findings and recommendations.

## **BACKGROUND**

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The Sheriff's Office serves as the primary law enforcement agency for the County, with jurisdiction on civil and criminal cases. In some of these cases, assets are seized from accused parties. These assets are held in escrow until the case is settled. Depending on the ruling in the case, the Sheriff's Office may receive a portion of these seized funds under the applicable state and federal forfeited property laws or interlocal agreements. The Sheriff's Office may use these funds (under certain restrictions) in future efforts to investigate criminal activity.

## **EXAMINATION METHODOLOGY**

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Our work was based on applying sampling procedures to office records and on verbal and written representations from the Sheriff's Office. Sampling relates to examining, on a test basis, evidence supporting the amounts and disclosures in the financial records and statements. The use of sampling techniques would not necessarily disclose all matters in the forfeited property financial statements, financial records, and financial controls that might signify material weaknesses or misstatements. In regard to the written and verbal representations made by the Sheriff's Office,

unless otherwise noted in this report, Office management maintains that the assertions we relied upon in the examination were correct to the best of their knowledge.

## **SCOPE OF EXAMINATION**

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This examination included an assessment of the adequacy and effectiveness of the overall system of financial controls in place for the District Attorney's Forfeited Property Accounts during the period October 1, 2018 to September 30, 2019. The scope of this examination included a review of the overall internal controls in place with respect to compliance with state guidelines, and deposits and disbursements of forfeited funds, including any accrued interest.

## **SUMMARY OF FINDINGS**

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No significant findings noted.

## **ATTACHMENTS**

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**Attachment A:** Copies of financial statements for the Sheriff's FPA accounts for September 30, 2019, are provided in Attachment A. These statements include a detailed statement of revenues, expenditures and changes in fund balance, and a balance sheet for the forfeited property account. In addition, a statement of fiduciary assets and liabilities for the escrow account is included in the attachment. The express purpose of presenting these statements is to provide feedback to Travis County officials. These financial statements have not been audited by Travis County's external auditors.

## **EXAMINATION TEAM**

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Angel Candelario, Senior Auditor  
Ely Allen, Staff Auditor

## **CLOSING**

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This report is intended solely for the information and use of your office and the Commissioners Court. We greatly appreciate the cooperation and assistance received from the management and staff of the Travis County Sheriff's Office during this examination. Please contact us if you have any questions or concerns regarding this report.



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David Jungerman, CIA  
Chief Assistant County Auditor II  
Risk Evaluation & Consulting Division



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Patti Smith, CPA  
Travis County Auditor

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## **REPORT DISTRIBUTION**

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Tim Sulak, Judge, 353rd Judicial District  
Brenda Kennedy, Judge, 403rd Judicial District  
Sarah Eckhardt, Travis County Judge  
Jeff Travillion, Commissioner, Precinct 1  
Brigid Shea, Commissioner, Precinct 2  
Gerald Daugherty, Commissioner, Precinct 3  
Margaret Gomez, Commissioner, Precinct 4  
Paul Matthews, Financial Manager, Travis County Sheriff's Office  
Travis County Executives  
Managers, Travis County Auditor's Office  
Examination File

**ATTACHMENT A – FINANCIAL STATEMENTS**

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**Travis County Sheriff's Office  
Forfeited Property Escrow Account  
Statement of Fiduciary Assets and Liabilities  
Balance Sheet  
September 30, 2019**

<b>Assets</b>	
Cash	\$ <u>237,659</u>
Total assets	<u>237,659</u>
<b>Liabilities</b>	
Other liabilities	<u>237,659</u>
Total liabilities	<u>237,659</u>
Net Assets	<u><u>\$ -</u></u>

NOTE: The express purpose of presenting this financial statement and the appropriate findings is to comply with applicable local government code statutes and to provide internal control feedback to Travis County officials. This statement has not been audited by the County's external auditors.

**Travis County Sheriff's Office  
Consolidated Forfeited Property Accounts  
Special Revenue Fund  
Balance Sheet  
September 30, 2019**

<u>Assets</u>			
Cash		\$	155,546
Other receivables			-
			-
Total assets		\$	155,546
<b>Liabilities and Fund Balance</b>			
<b>Liabilities:</b>			
Due to other funds		\$	25
Other liabilities			25
			25
Total liabilities			-
<b>Fund balance:</b>			
Reserved for encumbrances			-
Undesignated			155,521
			155,521
Total fund balances			155,521
Total liabilities and fund balances		\$	155,546

NOTE: The express purpose of presenting this financial statement and the appropriate findings is to comply with applicable local government code statutes and to provide internal control feedback to Travis County officials. This statement has not been audited by the County's external auditors.

**District Attorney Forfeited Property Account  
Special Revenue Fund  
Detailed Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended September 30, 2019**

**Revenues:**

Fines and forfeits	\$	142,445
Investment income		941
Other income		1,227
		144,613
Total revenues		144,613

**Expenditures:**

Current:		
Justice system:		
Personnel Costs		2,100
Supplies		14,667
Other Charges		107,919
		124,686
Total expenditures		124,686
Excess (deficiency) of revenues over expenditures		19,928

**Other financing sources (uses):**

Transfers in		-
Transfers out		-
		-
Total other financing sources (uses)		-

Net change in fund balance		19,928
Fund balance - beginning of year		135,593
Fund balance - end of year	\$	155,521

NOTE: The express purpose of presenting this financial statement and the appropriate findings is to comply with applicable local government code statutes and to provide internal control feedback to Travis County officials. This statement has not been audited by the County's external auditors.