

2020

Travis County Law Enforcement Officer Standards and Education Fund Disbursement Review Report

#20-10

1/14/2020



TRAVIS COUNTY
AUDITOR'S OFFICE

PATTI SMITH, CPA
COUNTY AUDITOR



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George Morales, Travis County Constable, Precinct 4
Carlos Lopez, Travis County Constable, Precinct 5

From: Patti Smith, CPA
Travis County Auditor

Date: January 14, 2020

Subject: #20-10 LEOSE Disbursement Review

Scheduled as part of our statutory requirements, the Risk Evaluation and Consulting (REC) Division of the Travis County Auditor's Office has completed an examination of the FY19 disbursements made from the Law Enforcement Officer Standards and Education (LEOSE) Funds utilized in Travis County. 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 on our findings and recommendations.

SCOPE OF EXAMINATION

The primary objective of this examination was to assess the adequacy and effectiveness of the overall system of internal controls in place for the disbursement of LEOSE funds during the period October 1, 2018 through September 30, 2019. In total, 184 disbursements totaling \$99,927 were made during the period. No disbursements were made by the County Attorney's Office or Constable, Precinct 1 in the period. Our review included determining if the disbursements were statutorily compliant, properly approved, and posted correctly to the applicable financial records.

EXAMINATION METHODOLOGY

Our work was based on applying sampling procedures to disbursement records and on verbal and written representations from the applicable offices which disbursed these funds. 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 material weaknesses or misstatements in the financial records and internal controls. In regard to the written and verbal representations made by the applicable offices, 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.

EXAMINATION FINDING – PER DIEM RATES

During our review of TCSO expenditures, we noted the following two instances where the hotel per diem rates per the supporting documentation were in excess of the federal per diem rates set by the General Services Administration (GSA):

Date	Location	Hotel Rate	GSA Rate	Variance
5/10/2019	San Antonio, TX	\$129.00	\$126.00	\$3.00
7/24/2019	New Braunfels, TX	\$104.00	\$94.00	\$10.00

*The rates listed above do not include additional hotel taxes.

While the variances above are relatively small, exceeding the federal per diem rates set by the GSA leads to higher than necessary travel costs for the department and, ultimately, the County as a whole. County policy states that employees should, “obtain the most cost-effective rates for any travel expenses”. Relying on the GSA rates helps ensure this.

Recommendation:

We recommend that employees responsible for approving/processing trips that include hotel per diem rates, should confirm the reserved hotel rate utilizes the government rate, if applicable, and does not exceed the rate set by the GSA. If there are no hotels available at the per diem rate, or hotel rate plus mileage will equal or exceed area hotel rates (and therefore the more convenient hotel is reserved), this should be included with the supporting documentation.

Management Response:

TCSO Finance agrees with your conclusion that all TCSO employees should adhere to the local hotel per diem rate established by the federal General Services Administration (GSA). As you noted, this will ensure that hotel costs are kept to a minimum (for the benefit of county taxpayers) and that our expenditures abide by County policy to “obtain the most cost-effective rates for any travel expenses.” Additionally, TCSO Finance agrees that in the occasional situation where this is not possible, we should include or attach a memo stating why the GSA rate was exceeded.

To better assure that these policies are followed, the TCSO Finance Director will send out an email to all three bureau majors to remind them of these County policies. The email will encourage all employees to use the “government rate” at a hotel (when available), as this will typically satisfy the local GSA limit. Additionally, the email will contain instructions on how to access localized GSA hotel per diem levels. Finally, moving forward, TCSO finance will spot check travel approvals to ensure that GSA limits are maintained or that proper documentation is attached before a trip commences in the event the GSA limit is exceeded.

ATTACHMENTS

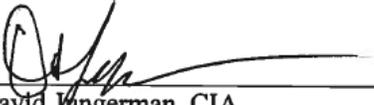
Attachment A: Copies of the consolidated financial statements for the LEOSE Special Revenue Fund as of September 30, 2019 are provided in Attachment A, including a detailed Statement of Revenues, Expenditures, and Changes in Fund Balance. The express purpose of presenting these financial statements and the associated findings is to comply with the applicable local government code statutes and to provide internal control feedback to Travis County officials.

EXAMINATION TEAM

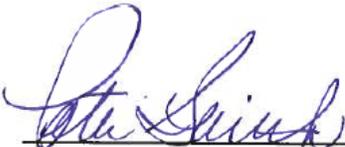
Amanda Muehlberg, CPA, Lead Auditor

CLOSING

This report is intended solely for the information and use of your offices' management and the Commissioners' Court. We greatly appreciate the cooperation and assistance received from the management and staff of the offices involved in this review. Please contact us if you have any questions or concerns regarding this report.



David Jungerman, CIA
Chief Assistant County Auditor I – REC
Division



Patti Smith, CPA
Travis County Auditor

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Travis County Executive Managers
Managers, Travis County Auditor's Office
Examination File

ATTACHMENT A – FINANCIAL STATEMENTS

**Travis County Elected Official LEOSE Accounts
Special Revenue Fund
Balance Sheet
September 30, 2019**

Assets

Cash	\$ 89,229
Total Assets	<u>89,229</u>

Liabilities and Fund Balance

Liabilities:

Other Liabilities	1,182
Due to Other Governmental Entities	-
Total Liabilities	<u>1,182</u>

Fund balance:

Reserved for Encumbrances	-
Unreserved - Undesignated	88,047
Total Fund Balance	<u>88,047</u>
Total Liabilities and Fund Balance	<u>\$ 89,229</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 is currently being audited by Travis County's external auditors as a part of the County's annual audit.

**Travis County Elected Official LEOSE Accounts
Special Revenue Fund
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended September 30, 2019**

Revenues:

Annual Allocation	\$	115,291
Interest		739
		116,030
Total Revenue		116,030

Expenditures:

Public Safety		99,186
Capital Outlay		-
		-
Total Expenditures		99,186

Excess (deficiency) of revenues over expenditures		16,844
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Fund balance - beginning of year		71,203
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Fund balance - end of year	\$	88,047
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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 is currently being audited by Travis County's external auditors as a part of the County's annual audit.