

**Travis County Community Supervision and
Corrections Department
Report of Findings and Recommendations
(Exit Examination)
#13-20**

**Report Date: October 12, 2013
Issue Date: November 22, 2013**

TRAVIS COUNTY
AUDITOR'S OFFICE

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October 12, 2013
Community Supervision and Corrections Department
Exit Examination
#13-20

Report of Findings and Recommendations

Charles R. Robinson, Director
Community Supervision and Corrections Department

Scheduled as part of our statutory requirements, the Risk Assessment and Consulting Division of the Travis County Auditor's Office has completed an exit examination of the Travis County Community Supervision and Corrections Department (CSCD). 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.

The primary objective of this examination was to verify the validity of CSCD's books and reports at the time of the departure of CSCD's previous director. Our examination of CSCD included an assessment of the adequacy and effectiveness of the overall system of internal controls in place for CSCD's accounting system as of June 30, 2013. This included examinations of controls over fixed assets, physical and system access, and the disposition of funds on hand on June 30, 2013.

Our work was based on applying sampling procedures to office records and on verbal and written representations from this 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 CSCD's financial statements, financial records, and internal controls that might be material weaknesses or misstatements. In regards to the written and verbal representations made by this 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.

Based on our examination, we gave the system of internal controls for this functional area our rating of "Adequate", which indicates an overall solid system of internal controls that outweighs the relative number of minor audit findings. See Attachment A for an explanation of our grading system for the overall control environment.

Specifically, we noted discrepancies between the fixed asset inventory for this office maintained by the Purchasing Office and the fixed assets currently in the possession of CSCD. Details of this item, our recommendations, and management's responses to this issue can be found in Attachment B. Immediately after the title of the control issue listed in Attachment B, we have placed our assessment of the severity of that particular issue in parentheses. They are assessed as having "Most Serious," "Serious," or "Less Serious" significance.

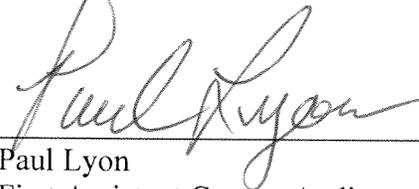
Copies of this office's financial statements for June 30, 2013 are provided in Attachment C. The express purpose of presenting these financial statements and the associated findings is to comply with the applicable local government code statutes and to provide internal control feedback to Travis County officials. This financial statement has not currently been audited by Travis County's external auditors.

These findings and recommendations are intended solely for the information and use of management and Commissioners' Court. We would like to note that this was an exit examination of the previous administration for this office only. No assessment was made of the internal controls put in place by the new CSCD Director.

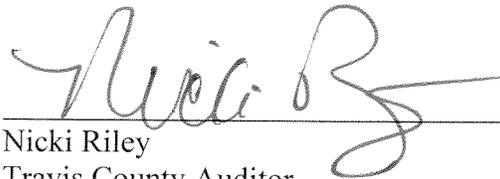
We greatly appreciate the cooperation and assistance received from the management and staff of CSCD during this examination. Please contact our office if you have any questions or concerns regarding this report.



David Jungerman
Manager – Risk Assessment and Consulting
Division



Paul Lyon
First Assistant County Auditor



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Travis County Auditor

Examination Team

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cc: Report Distribution

The Honorable Lora Livingston, Judge, 261st Judicial District

The Honorable Julie Kocurek, Judge, 390th Judicial District

The Honorable Brenda Kennedy, Judge, 403rd Judicial District

The Honorable Sam Biscoe, County Judge

The Honorable Ron Davis, Commissioner, Precinct 1

The Honorable Bruce Todd, Commissioner, Precinct 2

The Honorable Gerald Daugherty, Commissioner, Precinct 3

The Honorable Margaret Gomez, Commissioner, Precinct 4

Jessica Rio, Director, Planning and Budget Office

Managers, Travis County Auditor's Office

Examination File

EXECUTIVE SUMMARY

Functional Area:

When a person is convicted of a crime, the trial judge may grant probation. CSCD is responsible for supervising these adults and monitoring their compliance with the conditions of their probation as set forth by the court. This may include alcohol and drug treatment or various in-house programs. This office collected over \$11 Million in restitution, court costs, fines and fees during the prior fiscal year, handling over 85,000 payments in the process. Over \$1.4 Million of these funds were revenue for either the County or the State.

Prior Examination Exceptions (#11-08, Dated July 12, 2011):

No significant findings noted.

Current Examination Objective (Period – June 30, 2013):

This review included examinations of controls over fixed assets, physical and system access, and the disposition of funds on hand on June 30, 2013.

Current Examination – Significant Findings:

None

Overall Opinion (See Transmittal Letter for Specifics):

The overall system of internal controls in place for this office was rated “Adequate”.

Internal Controls Rating Key

Rating Designation	Rating Description
Good	Well established internal controls with few, if any, minor exceptions
Adequate	Overall solid system of internal controls outweighs the relative number of minor or more serious findings
Requires Improvement	Weaknesses exist that negatively impact the overall system of internal controls
Requires Significant Improvement	Significant number of weaknesses that negatively impact the overall system of internal controls
Inadequate	Existing overall system of internal control is ineffective

Note: A good internal control system reduces the risk of errors, defalcations, and misappropriations of funds. Weak internal control systems provide an environment in which errors, defalcations, and misappropriations of funds can go undetected.

Attachment B

1. Fixed Asset Inventory (Less Serious)

As of July 31, 2013, there were 984 assets assigned to CSCD. During our review of these assets, we were unable to locate four assets. These items are detailed below:

Asset Number	Description
1005619	ALCO SENSOR III
1031402	TV VIEWSONIC VT2730 27" LCD
1039467	3M OVERHEAD PROJECTOR
1036848	LEXMARK PRINTER

Also, there is a vehicle (asset number 1040713 - 2012 Chevrolet Impala) assigned to the department's cost center that does not have an inventory number, VIN # or any other identifiers other than description and asset number listed in SAP.

Significance:

Article 3.10.4, "Missing Assets", of the Travis County Fixed Asset Policy and Procedures Manual states:

"The user department shall contact the Fixed Asset Manager when an item is identified as "missing" and the department cannot prove that theft occurred. Assets identified as "missing" shall not be immediately removed from the inventory listing, but shall be retained until a thorough search can be made to determine that the asset is not located elsewhere in the county. The user department is required to make a thorough and adequate search for the missing item and document steps taken to locate the asset."

Recommendation:

Based on the noted significance, we recommend that CSCD verify that the four assets noted cannot be located. If not, this office should follow the procedures as outlined in Article 3.10.4 of the Travis County Fixed Asset Policy and Procedure Manual regarding the missing assets.

We also recommended that CSCD review the vehicle in question and contact the Fixed Asset Manager in the Purchasing Office to update this item's SAP records.

Management Response:

We will notify the Fixed Asset Manager that the 4 assets (1005619, 1031402, 1039467 and 1036848) are missing, per County Procedure.

Asset 1040713 is a 2013 Chevrolet Impala located at Precinct 4. It has asset tag #13417, and this information has been submitted to the Fixed Asset Manager for updating.

Travis County Community Supervision and Corrections
Statement of Fiduciary Assets and Liabilities
Agency Fund
June 30, 2013

Assets	
Cash	\$ 502,494
	<hr/>
Total assets	502,494
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Liabilities	
Due to other governmental entities	29
Due to third parties	502,465
	<hr/>
Total liabilities	502,494
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Net Assets	\$ -
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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 financial statement has not currently been audited by Travis County's external auditors.