



**Travis County District Attorney  
DAPSO  
Report of Findings and Recommendations  
#14-24**

**Report Date: December 2, 2014  
Issue Date: March 2, 2015**

TRAVIS COUNTY  
AUDITOR'S OFFICE

NICKI RILEY, CPA  
COUNTY AUDITOR



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To: Rosemary Lehmborg  
Travis County District Attorney

From: Nicki Riley, CPA  
Travis County Auditor

Date: March 2, 2015

Subject: DAPSO and DA Trust Accounts

Scheduled as part of our statutory requirements, the Risk Assessment and Consulting Division of the Travis County Auditor's Office has completed an examination of the District Attorney Processing Sight Order (DAPSO) fee and Restitution Trust accounts. 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 objectives of this examination included an assessment of the adequacy and effectiveness of the overall system of internal controls in place for the District Attorney Processing Sight Order fee and Restitution Trust accounts during the period October 1, 2013 through September 30, 2014. This included examinations of controls over receipts and disbursements, reconciliation procedures for bank accounts, and accounting controls over internal functions for handling and managing these accounts.

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 the office'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 or more serious findings. See Attachment A for an explanation of our grading system for the overall control environment.

Copies of this office's financial statements for September 30, 2014 are provided in Attachment B, 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. These financial statements have 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 the Commissioners' Court. We greatly appreciate the cooperation and assistance received from the management and staff of the Travis County District Attorney's Office during this examination. Please contact our office if you have any questions or concerns regarding this report.



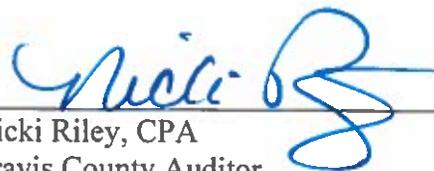
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Chief Assistance County Auditor I – REC  
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Nicki Riley, CPA  
Travis County Auditor

Examination Team

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Gerald Daugherty, Commissioner, Precinct 3

Margaret Gomez, Commissioner, Precinct 4

Jessica Rio, Director, Planning and Budget Office

Managers, Travis County Auditor's Office

Examination File

## **Executive Summary**

### **Functional Area:**

The Travis County Attorney collects fees for processing and collecting restitution on hot checks for both the County Attorney and District Attorney Offices. The total dollar amount of hot checks written per offender determines whether the County or District Attorney's Office receives the revenue. If the total is over \$1,500, the applicable fee goes to the District Attorney; however, if the total is under \$1,500, the County Attorney receives the revenue. The District Attorney is to administer these funds to defray salaries and expenses, but not to supplement the District Attorney's salary. During the period, this division collected over \$1,500,000 in restitution and fees.

### **Statutory Basis for Hot Check Funds:**

These hot check-related funds are created by Title 2 of the Code of Criminal Procedure, Chapter 102 "Costs Paid by Defendants" under Article 102.007 "Fees of Collecting and Processing Sight Order".

### **Prior Examination Exceptions (#13-30, Dated December 14, 2013):**

No prior examination exceptions.

### **Objectives of Current Examination (Period – October 1, 2013 to September 30, 2014):**

The scope of this examination included a review of the overall internal controls in place for the District Attorney Processing Sight Order (DAPSO) fee and Restitution Trust accounts – specifically the controls in place with respect to statutory compliance and the receipts and disbursements of funds. We also tested fiscal year 2014 financial statements and bank reconciliations for accuracy.

### **Current Examination - Significant Findings:**

No current examination significant findings.

### **Overall Opinion (See Transmittal Letter for Specifics):**

The overall system of internal controls in place for this functional area received a rating of "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.

**Travis County District Attorney's DAPSO Account  
Special Revenue Fund  
Detailed Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended September 30, 2014**

<b>Revenues:</b>	
Intergovernmental	\$ 22,500
Charges for services	25,862
	48,362
Total revenues	48,362
<b>Expenditures:</b>	
Current:	
Justice system:	
Personnel Costs	28,196
Capital outlay	-
Debt service	-
	-
Total expenditures	28,196
Excess (deficiency) of revenues over expenditures	20,166
<b>Other financing sources (uses):</b>	
Transfers in	-
Transfers out	-
	-
Total other financing sources (uses)	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	20,166
Fund balance - beginning of year	115,061
Fund balance - end of year	\$ 135,227

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.

**Travis County District Attorney's DAPSO Account  
Special Revenue Fund  
Balance Sheet  
September 30, 2014**

**Assets**

Cash	\$	139,934
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Total assets	\$	139,934
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**Liabilities and Fund Balance**

**Liabilities:**

Due to other funds	\$	4,707
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Total liabilities		4,707
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**Fund balance:**

Reserved for encumbrances		-
Unreserved - undesignated		135,227
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Total fund balance		135,227
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Total liabilities and fund balance	\$	139,934
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NOTE: The express purpose of presenting this balance sheet and the appropriate findings is to comply with applicable local government code statutes and to provide internal control feedback to Travis County officials. This balance sheet has not currently been audited by Travis County's external auditors.

**Travis County District Attorney's Restitution Account**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Fund**  
**September 30, 2014**

<u>Assets</u>	
Cash	\$ <u>67,872</u>
Total assets	<u>67,872</u>
<u>Liabilities</u>	
Other liabilities	47,142
Due to other governmental entities	<u>20,730</u>
Total liabilities	<u>67,872</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 financial statement has not currently been audited by Travis County's external auditors.