



**Travis County Law Enforcement Officer Standards and
Education Fund Disbursement Review
Report of Findings and Recommendations
#14-24**

February 17, 2015

TRAVIS COUNTY
AUDITOR'S OFFICE

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From: Nicki Riley, CPA
Travis County Auditor

Date: February 17, 2015

Subject: LEOSE Disbursement Review

Scheduled as part of our statutory requirements, the Risk Evaluation and Consulting Division of the Travis County Auditor's Office has completed an examination of FY14 disbursements made from the eight 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.

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, 2013 through September 30, 2014. In total, 100 disbursements totaling \$50,687 were made in the period. Our review included determining if the disbursements were statutorily-compliant, properly approved, and posted correctly to the applicable financial records.

Our work was based on applying sampling procedures to disbursement records and on verbal and written representations from the 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 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 the disbursement of LEOSE funds a 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 the consolidated financial statements for the LEOSE Special Revenue Fund as of 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 are currently being 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 eight offices involved in this review. Please contact our office if you have any questions or concerns regarding this report.



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Nicki Riley, CPA
Travis County Auditor

Examination Team

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cc: Report Distribution

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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:

LEOSE funds are distributed to local law enforcement agencies by the state based on the OCCUPATIONS CODE, Title 10, Chapter 1701, Subchapter D, Section Sec. 1701.157 “Money Allocated and Used for Continuing Education”, which states the following:

(d) A local law enforcement agency shall use money received under Subsection (a) only as necessary to ensure the continuing education of persons licensed under this chapter or to provide necessary training, as determined by the agency head, to full-time fully paid law enforcement support personnel in the agency.

Prior Examination Exceptions (#13-26, 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 disbursements of LEOSE funds in the offices which held these funds during FY14.

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 LEOSE disbursements 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.

ATTACHMENT B – FINANCIAL STATEMENTS

**Travis County Consolidated LEOSE Accounts
Special Revenue Fund
Balance Sheet
September 30, 2014**

Assets

Cash	\$	64,408
Total assets	\$	64,408

Liabilities and Fund Balance

Liabilities:

Other Liabilities	\$	1,682
Total liabilities		1,682

Fund balance:

Reserved for encumbrances		-
Unreserved - undesignated		62,726
Total fund balance		62,726
Total liabilities and fund balance	\$	64,408

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 is currently being audited by Travis County's external auditors.

**Travis County Consolidated LEOSE Accounts
Special Revenue Fund
Detailed Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended September 30, 2014**

Revenues:

Annual Allocation	\$	92,702
Interest		31
		92,733
Total revenues		92,733

Expenditures:

Current:		
Public Safety:		
Other Charges		50,046
Capital outlay		-
Debt service		-
		50,046
Total expenditures		50,046
Excess (deficiency) of revenues over expenditures		42,687

Other financing sources (uses):

Transfers in		-
Transfers out		-
		-
Total other financing sources (uses)		-
Net change in fund balance		42,687

Fund balance - beginning of year		20,039
		20,039
Fund balance - end of year	\$	62,726

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 is currently being audited by Travis County's external auditors.