



**Travis County Law Enforcement Officer Standards and  
Education Fund Disbursement Review  
Report of Findings and Recommendations  
#15-44**

**March 31, 2016**

TRAVIS COUNTY  
AUDITOR'S OFFICE

NICKI RILEY, CPA  
COUNTY AUDITOR



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To: Rosemary Lehmborg, Travis County District Attorney  
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Adan Ballesteros, Travis County Constable Precinct 2  
Sally Hernandez, Travis County Constable Precinct 3  
Maria Canchola, Travis County Constable Precinct 4  
Carlos B. Lopez, Travis County Constable Precinct 5

From: Nicki Riley, CPA  
Travis County Auditor

Date: March 31, 2016

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 FY15 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, 2014 through September 30, 2015. In total, 108 disbursements totaling \$116,638 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 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 matters in these financial statements, financial records, and internal controls that might be material weaknesses or misstatements. In regards 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.

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.

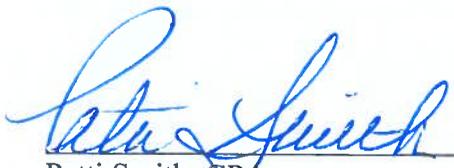
Copies of the consolidated financial statements for the LEOSE Special Revenue Fund as of September 30, 2015 are provided in Attachment B, including a detailed Statement of Revenues, Expenditures, and Changes in Fund Balance. The express purpose of presenting these financial statements and the associated 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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David Jungerman, CIA  
Chief Assistant County Auditor I – REC  
Division



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Patti Smith, CPA  
First Assistant County Auditor



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Nicki Riley, CPA  
Travis County Auditor

Examination Team

David Jungerman, Senior Auditor

Camille Cortez, Staff Auditor

cc: Report Distribution

Lora Livingston, Judge, 261st Judicial District

Brenda Kennedy, Judge, 403rd Judicial District

Sarah Eckhardt, Travis County Judge

Ron Davis, Commissioner, Precinct 1

Brigid Shea, Commissioner, Precinct 2

Gerald Daugherty, Commissioner, Precinct 3

Margaret Gomez, Commissioner, Precinct 4

Jessica Rio, County Executive, 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 (#14-26, Dated February 2, 2015):**

No prior examination exceptions.

### **Objectives of Current Examination (Period – October 1, 2014 to September 30, 2015):**

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 FY15.

### **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**

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**Travis County Consolidated LEOSE Accounts  
Special Revenue Fund  
Balance Sheet  
September 30, 2015**

**Assets**

Cash	\$	66,107
		<hr/>
Total assets	\$	66,107
		<hr/> <hr/>

**Liabilities and Fund Balance**

**Liabilities:**

Other Liabilities	\$	1,219
Accounts Payable		1,522
		<hr/>

Total liabilities		<hr/> 2,741
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**Fund balance:**

Reserved for encumbrances		-
Unreserved - undesignated		63,366
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Total fund balance		<hr/> 63,366
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Total liabilities and fund balance	\$	<hr/> <hr/> 66,107
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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 been 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, 2015**

**Revenues:**

Annual Allocation	\$	117,268
Interest		<u>10</u>
 Total revenues		 <u>117,278</u>

**Expenditures:**

Current:		
Public Safety:		
Other Charges		116,638
Capital outlay		-
Debt service		<u>-</u>
 Total expenditures		 <u>116,638</u>
 Excess (deficiency) of revenues over expenditures		 <u>640</u>

**Other financing sources (uses):**

Transfers in		-
Transfers out		<u>-</u>
 Total other financing sources (uses)		 <u>-</u>
 Net change in fund balance		 640
 Fund balance - beginning of year		 <u>62,726</u>
 Fund balance - end of year	 \$	 <u><u>63,366</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 been audited by Travis County's external auditors.