



**Cash Investment Management
Report of Findings and Recommendations
15-49**

January 11, 2016

TRAVIS COUNTY
AUDITOR'S OFFICE

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COUNTY AUDITOR



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To: Jessica Rio
County Executive, Planning and Budget Office

From: Nicki Riley, CPA
Travis County Auditor

Date: January 11, 2016

Subject: Cash Investment Management Examination

Scheduled as part of our statutory requirements, the Risk Evaluation and Consulting Division (REC) of the Travis County Auditor's Office has completed an examination of Travis County Cash Investment Management (CIM), a division of the Planning and Budget Office (PBO). 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.

BACKGROUND

This division of PBO monitors the County's operating funds on a daily basis and manages the County's investment portfolios in accordance with the Travis County Investment Policies and Procedures Manual and the State of Texas Public Funds Investment Act. CIM also coordinates the County's bank depository contract.

SCOPE OF EXAMINATION

The scope of this examination included CIM's compliance with the applicable statutes and Commissioners Court-approved policies and procedures, as well as the adequacy and effectiveness of the overall system of internal controls in place for CIM during the period April 1, 2015 through September 30, 2015.

EXAMINATION METHODOLOGY

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 CIM's financial records and internal controls that might be material weaknesses or misstatements. In regard to the written and verbal representations made by this office, unless otherwise noted in this report, Cash Investment Management maintains that the assertions we relied upon in the examination were correct to the best of their knowledge.

SUMMARY OF FINDINGS

No current significant findings.

OPINION OF INTERNAL CONTROL SYSTEM

Based upon our examination, we gave the overall system of internal controls for this office a rating of "Adequate", indicating an overall solid system of internal controls outweighs the relative number of minor or more serious examination findings.

ATTACHMENTS

Attachment A: This attachment contains descriptions for each of the ratings we use to describe the effectiveness of the internal controls environment for the functional area under review.

EXAMINATION TEAM

Joanne Englund, CPA, Senior Auditor
Jessica Torres, Staff Auditor

CLOSING

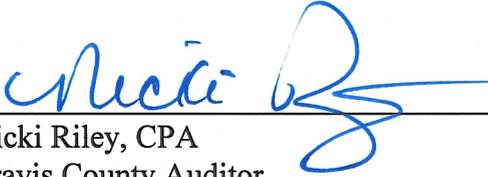
This report is intended solely for the information and use of management and Commissioners Court. We greatly appreciate the cooperation and assistance received from the management and staff of CIM during this examination. Please contact our office if you have any questions or concerns regarding this report.



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



Patti Smith, CPA
First Assistant County Auditor



Nicki Riley, CPA
Travis County Auditor

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Frank Stover, Atchley & Associates, LLP
Managers, Travis County Auditor's Office

ATTACHMENT A – INTERNAL CONTROLS RATING KEY

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. The following details the various grades we assign to internal control systems:

RATING	RATING DESCRIPTION
Good	Well-established internal controls with few, if any, minor weaknesses noted
Adequate	The overall solid system of internal controls is sufficient to outweigh noted weaknesses
Requires Improvement	Internal control weaknesses exist that moderately impact the overall system of internal controls
Requires Significant Improvement	Significant internal control weaknesses exist that negatively impact the overall system of internal controls
Inadequate	The existing system of internal controls is materially ineffective