



**Travis County District Attorney
DAPSO Examination
#17-36**

December 6, 2017

TRAVIS COUNTY
AUDITOR'S OFFICE

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COUNTY AUDITOR



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To: Margaret Moore
Travis County District Attorney

From: Nicki Riley, CPA
Travis County Auditor

Date: December 6, 2017

Subject: DAPSO and DA Restitution Trust Accounts examination

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 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.

BACKGROUND

The Travis County Attorney collects fees for processing and collecting restitution on hot checks for both the County Attorney and District Attorney's 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. 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 for Collecting and Processing Check or Similar Sight Order."

SCOPE OF EXAMINATION

This examination included an assessment of the adequacy and effectiveness of the overall system of financial controls in place for the District Attorney Processing Sight Order fee and Restitution Trust accounts during the period October 1, 2016 to September 30, 2017. It 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.

EXAMINATION METHODOLOGY

Our work was based on applying sampling procedures to office records and on verbal and written representations from the District Attorney’s 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 DAPSO and Restitution Trust accounts financial statements, financial records, and financial controls that might be material weaknesses or misstatements. In regards to the written and verbal representations made by District Attorney staff, 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.

SUMMARY OF FINDINGS

No current significant findings.

OPINION OF INTERNAL CONTROL SYSTEM

Based upon our examination, we gave the overall system of financial controls for the hot check-related funds a rating of “Satisfactory,” indicating this area has well-established internal controls with no material weaknesses noted. See Attachment A for a description for each of the ratings we use to describe the effectiveness of the internal controls environment for the functional area under review.

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.

Attachment B: Copies of this office’s financial statements for September 30, 2017, are provided in Attachment B. These statements include a detailed statement of revenues, expenditures and changes in fund balance, and a balance sheet for the special revenue funds. The express purpose of presenting these statements is to provide feedback to Travis County officials. These financial statements will be audited by Travis County’s external auditors in conjunction with their annual audit of the County’s Comprehensive Annual Financial Report (CAFR).

EXAMINATION TEAM

Lisa Denton, CFE, Senior Auditor

CLOSING

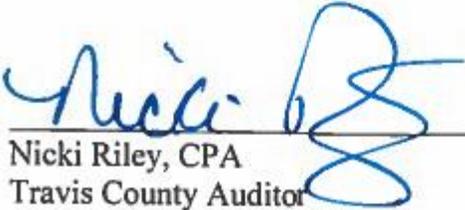
This report is intended solely for the information and use of your office and the Commissioners' Court. We greatly appreciate the cooperation and assistance received from the management and staff of the District Attorney's Office during this examination. Please contact us if you have any questions or 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

REPORT DISTRIBUTION

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Victoria Ramirez, Financial Analyst Lead, District Attorney's Office
Travis County Executive Managers
Managers, Travis County Auditor's Office
Examination File

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
Satisfactory	Well-established internal controls with no material weaknesses noted.
Satisfactory, with findings noted	A solid overall system of internal controls is in place; however, some material weaknesses were noted.
Inadequate	The existing system of internal controls is materially ineffective.

ATTACHMENT B – FINANCIAL STATEMENTS

**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, 2017**

Revenues:

Intergovernmental	\$ 22,500
Charges for services	17,656
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Total revenues	40,156
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Expenditures:

Current:	
Justice system:	
Personnel Costs	26,305
Supplies	6,049
Other Charges	30
Capital outlay	-
Debt service	-
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Total expenditures	32,384
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Excess (deficiency) of revenues over expenditures 7,772

Other financing sources (uses):

Transfers in	-
Transfers out	-
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Total other financing sources (uses)	-
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Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses 7,772

Fund balance - beginning of year 138,931

Fund balance - end of year \$ 146,703

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 will be audited by Travis County's external auditors.

**Travis County District Attorney's DAPSO Account
Special Revenue Fund
Balance Sheet
September 30, 2017**

Assets

Cash	\$	151,133
		151,133
Total assets	\$	151,133

Liabilities and Fund Balance

Liabilities:

Due to other funds	\$	4,430
		4,430
Total liabilities		4,430

Fund balance:

Reserved for encumbrances		-
Unreserved - undesignated		146,703
		146,703
Total fund balance		146,703
Total liabilities and fund balance	\$	151,133

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 will be audited by Travis County's external auditors.

Travis County District Attorney's Restitution Account
Statement of Fiduciary Assets and Liabilities
Agency Fund
September 30, 2017

Assets

Cash	\$	67,538
Receivables		500
		68,038
Total assets		68,038

Liabilities

Other liabilities		61,662
Civil and probate deposits		-
Cash and surety bond deposits combined		-
Due to other governmental entities		6,376
		68,038
Total liabilities		68,038
Net Assets	\$	-

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 will be audited by Travis County's external auditors.