Law Enforcement Officer Standards Education Special Revenue Fund Expenditure Review

#13-26

March 31, 2014

TRAVIS COUNTY
AUDITOR'S OFFICE

NICKI RILEY, CPA
COUNTY AUDITOR

TRAVIS COUNTY
700 LAVACA
P.O. BOX 1748
AUSTIN,TX 78767
(512) 854-9125
FAX: (512)854-9164

March 31, 2014

Nicki Riley
Travis County Auditor

RE: Limited Review of disbursements from court cost-based special revenue funds

The Risk Evaluation and Consulting (REC) Division performed a limited internal control and reasonableness review of Law Enforcement Officer Standards Education (LEOSE) Funds held by Travis County elected officials.

BACKGROUND

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.*

SCOPE OF EXAMINATION

We reviewed, on a sample basis, disbursements from all elected official LEOSE accounts in the period October 1, 2012 to September 30, 2013. The scope of this examination included an examination of the overall internal controls in place with respect to compliance with state guidelines and standard controls for disbursements of funds.

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 might not disclose all material matters related to these funds, their financial records, and their control environment.

SUMMARY OF FINDINGS & RECOMMENDATIONS

We noted that the Sheriff's Office did not maintain an inventory of all seized and forfeited nonmonetary property in the office's possession. We recommended that the Sheriff's Office maintain a formal inventory of seized and forfeited assets in the office's possession, thereby helping to ensure that seizures and forfeitures are properly tracked and safeguarded from loss. We also recommended that the Sheriff's Office perform periodic inventory verifications.

ATTACHMENTS

Attachment A:
This section details populations of disbursements from funds under review and our samples of these disbursements.

Attachment B:
This section contains details of our specific findings related to non-payroll disbursements from these funds.

EXAMINATION TEAM

David Jungerman, Senior Auditor
James Marlett, Staff Auditor
Kemi Allimi, Staff Auditor
Josh Kubiak, Staff Auditor

CLOSING

This report is intended solely for the information and use of the Travis County Auditor's Office.

David Jungerman
Manager – Risk Evaluation and Consulting Division

REPORT DISTRIBUTION

Managers, Travis County Auditor's Office
Examination File

Travis County Consolidated LEOSE Accounts
Special Revenue Fund
Balance Sheet
September 30, 2013

Assets

Cash	$	21,721
Total assets	$	21,721

Liabilities and Fund Balance

Liabilities:		
Other liabilities	$	1,682
Total liabilities		1,682
Fund balance:		
Restricted:		
Special revenue funds		20,039
Total fund balance		20,039
Total liabilities and fund balance	$	21,721

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. Travis County's external auditors are in the process of auditing the County's basic financial statements for September 30, 2013. This statement is included in the scope of that audit.

Travis County Consolidated LEOSE Accounts
Special Revenue Fund
Detailed Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended September 30, 2013

Revenues:		
Investment income	$	23
Total revenues		23
Expenditures:		
Current:		
Public Safety		
Justice System		876
Capital outlay		1,338
Total expenditures		2,214
Excess (deficiency) of revenues over expenditures		(2,191)
Other financing sources (uses):		
Transfers in		-
Transfers out		-
Total other financing sources (uses)		-
Net change in fund balance		(2,191)
Fund balance - beginning of year		22,230
Fund balance - end of year	$	20,039

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.