2019

Travis County Auditor's Office Review of the City of Austin Environmental Health Services Department



Angel Candelario

Risk Evaluation & Consulting Division

11/12/2019

TRAVIS COUNTY
AUDITOR'S OFFICE

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From: Patti Smith, CPA
Travis County Auditor

Date: November 12, 2019

Subject: Review of Food and Pool/Spa Permit Function

Scheduled as part of our statutory requirements, the Risk Evaluation & Consulting Division of the Travis County Auditor's Office has completed an examination of processes related to food permits and pool/spa permits. Food and pool/spa permitting is conducted by the City of Austin Environmental Health Services Department (EHSD) on behalf of Travis County Health and Human Services & Veterans Services Department (HHSVS). 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

Travis County and the City of Austin entered into an Interlocal Agreement (ILA) for public health services that was effective October 1, 2007. This ILA has been renewed annually ever since. The ILA creates the City of Austin/Travis County Health and Human Services Department joint entity, and it covers many public health concerns, including food and pool/spa permitting.

According to the ILA, EHSD is responsible for processing Travis County food and pool/spa permit applications, as well as collecting relevant fees and remitting these fees to the County. During the 24-month review period, a total of $432,088 was collected in Travis County permit fees. Of this, $395,743 related to food permits and $36,345 related to pool/spa permits.

Food permits are governed by Chapter 437 of the Health and Safety Code and Chapter 47 of the Travis County Code. Pool/Spa permits are governed by Chapter 341 of the Health and Safety Code and Chapter 61 of the Travis County Code.

SCOPE OF EXAMINATION

This examination included a review of permit applications, fee assessments, cash receipts, and cash handling for the 24-month period ending June 30, 2019. The scope of this examination included determining compliance with the terms of the ILA, the applicable statutes, Commissioners' Court-approved policies and procedures, and relevant City of Austin policies and procedures. We also evaluated applicable internal control structures and accounting protocols.

EXAMINATION METHODOLOGY

Our work was based on applying analytical and sampling procedures to department records and on verbal and written representations from these departments. Analytical procedures allow us to analyze 100 percent of the transaction population to identify high risk transactions. Sampling techniques are used to sample a percentage of the population that would be statistically representative of the entire population. The use of sampling techniques would not necessarily disclose all matters in HHSVS's and EHSD's financial records and internal controls that might constitute material weaknesses or misstatements. In regard to the written and verbal representations made to the Auditor's Office, unless otherwise noted in this report, HHSVS and EHSD maintain that the assertions we relied upon in the examination were correct to the best of their knowledge.

SUMMARY OF FINDINGS

No significant findings were noted.

ATTACHMENT

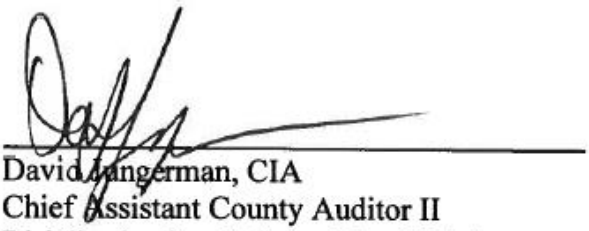
Attachment A: Copies of the financial statements for the Health Food Permits Special Revenue Fund as of June 30, 2019 are provided in Attachment A, including a detailed Statement of Revenues, Expenditures, and Changes in Fund Balance. The express purpose of presenting these financial statements and the 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 have not currently been audited by Travis County's external auditors.

EXAMINATION TEAM

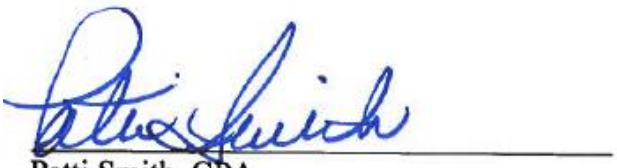
Angel Candelario, Senior Auditor
Dr. John Gomez, Data Scientist
Ronald Cintron, CIA, Staff Auditor
Travis Lee, Staff Auditor

CLOSING

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



David Jungerman, CIA
Chief Assistant County Auditor II
Risk Evaluation & Consulting Division



Patti Smith, CPA
Travis County Auditor

REPORT DISTRIBUTION

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Jessica Rio, County Executive, Planning and Budget Office
Nga Dao, Administrative Manager, City of Austin, Environmental Health Services Department
Kathleen Haas, Financial Manager, Travis County HHSVS
Travis County Executives
Managers, County Auditor's Office

ATTACHMENT A – FINANCIAL STATEMENTS

Travis County Health & Human Services
Special Revenue Fund - Health Food Permits
Balance Sheet
June 30, 2019

Assets		
Cash	$	947,315
Interest Receivable		3,437
Total assets	$	950,752
Liabilities and Fund Balance		
Liabilities:		
Accounts payable	$	-
Total liabilities		-
Fund balance:		
Restricted:		
Special Revenue Funds		950,752
Total fund balance		950,752
Total liabilities and fund balance	$	950,752

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 have not currently audited this financial statement.

Travis County Health & Human Services
Special Revenue Fund - Health Food Permits
Detailed Statement of Revenues, Expenditures,
and Changes in Fund Balance
For the 24 Months Ended June 30, 2019

Revenues:		
Charges for services	$	395,743
Investment income		29,976
Total Revenues		425,719
Expenditures:		
Current:		
Health and human services		
Other charges		
Capital outlay		-
Debt service		-
Total expenditures		-
Excess (deficiency) of revenue over expenditures		425,719
Other financing sources (uses):		
Operating transfers in		-
Operating transfers out		-
Total other financing sources (uses)		-
Net change in fund balance		425,719
Fund balance beginning of period		525,033
Fund balance end of period	$	950,752

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 have not currently audited this financial statement.