Travis County Attorney
CAPSO
Report of Findings and Recommendations
#13-31

Report Date: December 2, 2013
Issue Date: December 31, 2013

TRAVIS COUNTY
AUDITOR'S OFFICE

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December 2, 2013
Travis County Attorney's Office
CAPSO
#13-31

Report of Findings and Recommendations

The Honorable David Escamilla
Travis County Attorney

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 County Attorney Processing Sight Order (CAPSO) 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.

The primary objectives of this examination included an assessment of the adequacy and effectiveness of the overall system of internal controls in place for the County Attorney Processing Sight Order fee and Restitution Trust accounts during the period October 1, 2012 through September 30, 2013. This 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.

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 the office's financial statements, financial records and internal controls that might be material weaknesses or misstatements. In regards to the written and verbal representations made by this office, 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 this functional area our 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 this office's financial statements for September 30, 2013 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 have not currently been 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 Travis County Attorney's Office during this examination. Please contact our office if you have any questions or concerns regarding this report.

David Jungerman
Manager – Risk Assessment and Consulting Division

Paul Lyon
First Assistant County Auditor

Nicki Riley
Travis County Auditor

Examination Team
David Jungerman, Senior
Vanessa Robles, Lead
Kemi Allimi

cc: Report Distribution

The Honorable Lora Livingston, Judge, 261st Judicial District
The Honorable Julie Kocurek, Judge, 390th Judicial District
The Honorable Brenda Kennedy, Judge, 403rd Judicial District
The Honorable Sam Biscoe, County Judge
The Honorable Ron Davis, Commissioner, Precinct 1
The Honorable Bruce Todd, Commissioner, Precinct 2
The Honorable Gerald Daugherty, Commissioner, Precinct 3
The Honorable Margaret Gomez, Commissioner, Precinct 4
Leslie Browder, County Executive, Planning and Budget Office
Jessica Rio, Director, Planning and Budget Office
Managers, Travis County Auditor's Office
Examination File

Executive Summary

Functional Area:
The Travis County Attorney collects fees for processing and collecting restitution on hot checks for both the County Attorney and District Attorney 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 County Attorney is to administer these funds to defray salaries and expenses, but not to supplement the County Attorney's salary. During the period, this division collected $1,491,916 in restitution and fees.

Statutory Basis for Hot Check Funds:
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 of Collecting and Processing Sight Order".

Prior Examination Exceptions (#12-28, Dated December 4, 2012):
No prior examination exceptions.

Objectives of Current Examination (Period – October 1, 2012 to September 30, 2013):
The scope of this examination included a review of the overall internal controls in place for the County Attorney Processing Sight Order (CAPSO) fee and Restitution Trust accounts – specifically the controls in place with respect to statutory compliance and the receipts and disbursements of funds. We also tested fiscal year 2013 financial statements and bank reconciliations for accuracy.

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 this functional area received a rating of "Adequate".

Attachment A

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.

Travis County Attorney's CAPSO Account
Special Revenue Fund
Detailed Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended September 30, 2013

Revenues:		
Charges for services	$	110,710
Total revenues		110,710
Expenditures:		
Current:		
Justice system:		
Personnel Costs		53,579
Other Charges		25,839
Capital outlay		-
Debt service		-
Total expenditures		79,418
Excess (deficiency) of revenues over expenditures		31,292
Other financing sources (uses):		
Transfers in		-
Transfers out		(112,584)
Total other financing sources (uses)		(112,584)
Net change in fund balance		(81,292)
Fund balance - beginning of year		422,017
Fund balance - end of year	$	340,725

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 not currently been audited by Travis County's external auditors.

Travis County Attorney's CAPSO Account
Special Revenue Fund
Balance Sheet
September 30, 2013

Assets

Cash	$	351,065
Total assets	$	351,065

Liabilities and Fund Balance

Liabilities:		
Due to other funds	$	10,340
Total liabilities		10,340
Fund balance:		
Reserved for encumbrances		-
Unreserved - undesignated		340,725
Total fund balance		340,725
Total liabilities and fund balance	$	351,065

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 not currently been audited by Travis County's external auditors.

Travis County Attorney's Restitution Account
Statement of Fiduciary Assets and Liabilities
Agency Fund
September 30, 2013

Assets	
Cash	$ 140,631
Total assets	140,631
Liabilities	
Other liabilities	135,740
Due to other governmental entities	4,891
Total liabilities	140,631
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 has not currently been audited by Travis County's external auditors.