County Auditor
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First Assistant, I.T. Systems

March 18, 2014

Honorable Judge Mark A. Henry and
Members of the Commissioners' Court

Honorable Judge and Members of the Court:

Attached for your consideration is the internal audit report of the Department of Senior Services. The audit covered the period January 1, 2013 through December 31, 2013. Also attached is the response letter from Ms. Julie Diaz, Assistant Director, dated February 28, 2014.

Sincerely,

Randall Rice CPA
County Auditor

cc: Ms. Kelly Snook
Department of Parks and Senior Services

Attachment: Department of Senior Services Audit Report
Response Letter, Assistant Director Julie Diaz

January 31, 2014

To: Kelly Snook
County Parks and Senior Services Director

From: Tony Pompa
Internal Auditor

Re: Department of Parks and Senior Services with focus on Senior Services

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Internal Audit performed a review of the Department of Senior Services and their Nutritious Lunch Program. The Nutritious Lunch Program provides eligible seniors a well-balanced meal five days a week throughout the year. The meals are served at the Galveston County Community Centers in Dickinson, Bacliff and La Marque. Additional locations include League City Eastern Regional Park, Friendswood Activity Building, and the Texas City Nessler Center. The Transportation Enrichment Program (TEP) provides eligible seniors with transportation to and from the community centers and other locations such as pharmacies, local banks, grocery stores and special events. Although there is no cost to eligible seniors for these programs, donations are needed and encouraged. A Galveston County manual receipt is issued for each donation.

A surprise cash count of the Senior Service Office was conducted on January 6, 2014. The objective of the cash count was to determine if all the collections had been accounted for at the time of the surprise cash count, and if the collections were properly handled and in a timely manner.

- All collections were accounted for at the time of the surprise cash count.

The Senior Services Department can improve internal controls over the cash collection process by implementing the following recommendations:

Congregate Meals

Finding: The activity assistant collects the donations for congregate meals, places each donation and receipt in a separate envelope, then delivers the envelopes to the data entry technician/center manager.

Recommendation: The data entry technician/center manager should count the collections in the presence of the activity assistant to verify the amounts. The data entry technician/center manager should place all collections and receipts in a single envelope, sealed and labeled with the date and amount. Each individual should provide their signature of agreement on the envelope.

Home Delivered Meals

Finding: The home delivery drivers collect the donations for home delivered meals, places each donation and receipt in a lockable bank bag, then delivers the collections to the data entry technician/center manager.

Recommendation: The data entry technician/senior services supervisor should count the collection in the presence of the driver to verify the amounts. The data entry technician/center manager should place all collections and receipts in a single envelope, sealed and labeled with the date and amount. Each individual should provide their signature of agreement on the envelope.

Transportation Services

Finding: The van drivers collect the donations for transportation, places each donation and receipt in a lockable bank bag, then delivers the collections to the data entry technician/center manager.

Recommendation: The data entry technician/center manager should count the collections in the presence of the driver to verify the amounts. The data entry technician/center manager should place all collections and receipts in a single envelope, sealed and labeled with the date and amount. Each individual should provide their signature of agreement on the envelope.

Voided Receipts

Finding: Voided receipts are not reviewed nor authorized by management.

Recommendation: Voided receipts should be turned in with the daily collections (congregate meals, home delivered meals and transportation). An explanation for the void should be written on the voided receipt.

Manual Receipts

Finding: Senior Services does not have a policy in place to account for every manual receipt in a book.

Finding: Receipts are not issued in numerical order.

Recommendation: Implement a procedure to account for all manual receipts, issued or not. Additional receipt books should not be distributed until every receipt has been issued.

Finding: Receipts are not consistently issued to the payee.

Recommendation: Issue a receipt for every collection. It is the discretion of the payee whether or not to retain it.

Deposits
Local Government Code §113.022 allows a maximum of five business days to deposit cash, checks or money orders received by County departments.

Finding: The data entry technician deposits collections on the average of every 16 days.

Recommendation: The data entry technician should deposit the collections daily, or at least twice a week.

Finding: The data entry technician provides copies of the checks received from participants as support to the deposit warrant.

Recommendation: Include the "Daily Transaction Sheet/Monthly Recap Report" as additional support to the deposit warrant. Record the receipt range for the manual receipts applicable to the deposit warrant.

Finding: The data entry technician receives the daily collections, deposits the collections in the bank and prepares the deposit warrant.

Recommendation: The responsibilities of depositing the collection and preparing the deposit warrant should be assigned to two different employees, other than the data entry technician.

COUNTY of GALVESTON
Department of Parks & Senior Services

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February 28th, 2014

Randall Rice CPA County Auditor
The County of Galveston
County Auditor's Office
P. O. Box 1418
Galveston, Texas 77553

RE: Response to Internal Audit Report

Dear: Mr. Rice,

The purpose of this letter is to present the Department of Parks and Senior Services response to your office's Internal Audit Report received on February 20th, 2014, which covered the period January 1st, 2013 – December 31st, 2013.

The following will provide in numerical order the Findings, Recommendations, and our Response:

Congregate Meals

Finding: The activity assistant collects the donations for congregate meals, places each donation and receipt in a separate envelope, then delivers the envelopes to the data entry technicians/center manager.

Recommendation: The data entry technician/center manager should count the collections in the presence of the activity assistant to verify the amounts. The data entry technician/center manager should place all collections and receipts in a single envelope, sealed and labeled with the date and amount. Each individual should provide their signature of agreement on the envelope.

Response: We will implement this recommendation beginning Friday, February 28th.

Home Delivered Meals

Finding: The home delivery drivers collect the donations for home delivered meals, places each donation and receipt in a lockable bag, then delivers the collections to the data entry technician/center manager.

Recommendation: The data entry technician/center manager should count the collection in the presence of the driver to verify the amounts. The data entry technician/center manager should place all collections and receipts in a single envelope, sealed and labeled with the date and amount. Each

individual should provide their signature of agreement on the envelope.

Response: Please change data entry technician/center manager to data entry technician/senior services supervisor as the center managers do not have any job responsibilities related to the home delivered meal program. We will implement this recommendation beginning Friday, February 28th.

Transportation Services

Finding: The van drivers collect the donations for transportation, places each donation and receipt in a lockable bag, then delivers the collection to the date entry technician/center manager.

Recommendation: The date entry technician/center manager should count the collections in the presence of the driver to verify the amounts. The data entry technician/center manager should place all collections and receipts in a single envelope, sealed and labeled with the date and amount. Each individual should provide their signature of agreement on the envelope.

Response: We will implement this recommendation beginning Friday, February 28th.

Voided Receipts

Finding: Voided receipts are not reviewed nor authorized by management.

Recommendation: Voided receipts should be turned in with the daily collections (Congregate meals, home delivered meals, and transportation.) An explanation for the void should be written on the voided receipt.

Response: We will begin to implement this recommendation over the next 30 days with all employees.

Manual Receipts

Finding: Senior Services does not have a policy in place to account for every manual receipt

Finding: Receipts are not issued in numerical order.

Recommendation: Implement a procedure to account for all manual receipts, issued or not. Additional receipt books should not be distributed until every receipt has been issued.

Response: The data entry technician has a spreadsheet to show what positions/personnel has what receipt range/book. With the changes implemented for voided receipts above, all receipts should always be accounted for. We will begin to implement the recommendation to issue receipts in a book in numerical order over the next 30 days.
On 2/20/2014, a written policy went out to all senior services employees that requires a receipt to be written for every transaction, in front of the participant that is donating to the program, whether or not they want a receipt.

Deposits
Local government Code 113.022 allows a maximum of five business days to deposit cash, checks, or money orders received by County departments.

Finding: The data entry technician deposits collections on the average of every 16 days.

Recommendation: The data entry technician should deposit the collections daily, or at least twice a week.

Finding: The data entry technician provides copies of the checks received from participates as support to the deposit warrant.

Recommendation: Include the "Daily Transaction Sheet/Monthly Recap Report" as additional support to the deposit warrant. Record the receipt range for the manual receipts applicable to the deposit warrant.

Finding: The data entry technician receives the daily collections, deposits the collections in the bank and prepares the deposit warrant.

Recommendation: The responsibilities of depositing the collection and preparing the deposit warrant should be assigned to two different employees, other than the data entry technician.

Response: Effectively immediately, the data entry technician will deposit at a minimum on Mondays and Thursdays of each week. We will also include the "daily transactions sheet/recap report" as additional support to the deposit warrant and record the receipt range for all manual receipts applicable to the deposit. The Senior Services Supervisor will be responsible for the collection and depositing of the funds while the data entry technician will prepare the deposit warrant.

I would like to thank the Auditor's Office for this internal audit review and the professionalism of your staff (Lori McWhirter and Tony Pompa) as they conducted their day to day visits and interactions with our staff.

Sincerely,

Julie Diaz
Assistant Director
Parks and Senior Services
Julie.diaz@co.galveston.tx.us
409.934.8114