



**THE COUNTY OF GALVESTON**  
COUNTY AUDITOR'S OFFICE  
P.O. Box 1418  
GALVESTON, TEXAS 77553

**County Auditor**  
**Randall Rice CPA**  
CITP CISA CIO CBM DABFA CGMA

**Ron Chapa CPA**  
First Assistant, Director of Auditing

**Jeff Modzelewski CPA**  
First Assistant, Director of Accounting

**Latoya Jordan**  
First Assistant, I.T. Systems

June 24, 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 close out report for the surprise cash count and inventory conducted for County Parks and Senior Services performed in the period of March 18, 2014 through May 30, 2014. Also attached is the response letter from Interim Director Julie Diaz, dated June 2, 2014.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Rice".

Randall Rice CPA  
County Auditor

cc: Interim Director Julie Diaz

Attachment: County Parks and Senior Services Close Out Audit Report  
Response Letter, Interim Director Julie Diaz



**THE COUNTY OF GALVESTON**  
COUNTY AUDITOR'S OFFICE  
P.O. Box 1418  
GALVESTON, TEXAS 77553

**County Auditor**  
**Randall Rice CPA**  
CITP CISA CIO CBM DABFA CGMA

**Ron Chapa CPA**  
First Assistant, Director of Auditing

**Jeff Modzelewski CPA**  
First Assistant, Director of Accounting

**Latoya Jordan**  
First Assistant, I.T. Systems

May 29, 2014

**To:** Julie Diaz  
Interim Director, Department of Parks and Senior Services

**From:** Travis Leopolos  
Internal Auditor

**Re:** Close Out, Department of Parks and Senior Services, Cash Count and Inventory

---

### **Cash Count**

A cash count of the Parks Department was conducted on March 18, 2014. The objectives of the cash count were to determine if all the collections had been accounted for at the time of the surprise cash count, to document if the collections were properly handled and in a timely manner, and to close out the accounts of Kelly Snook.

This would include examining deposit warrants and the receipt books issued to the Parks Department.

- All collections were accounted for at the time of the surprise cash count.
- All receipts were up to date and accounted for.

### **Small Tools Inventory**

While in the field the Auditor made note of key small tools observed in the possession of the Parks Department. These assets do not fit the criteria to be considered a fixed asset; however, many of them carry a high purchase cost and maintain function for several years.

**Finding:** The Parks Department does not have an inventory list of small tools owned by Galveston County.

**Recommendation PARKS-14-01:** The Parks Department should document and maintain an inventory list of all small tools purchased by Galveston County.

### **Fixed Asset Inventory**

A fixed asset inventory of the Parks Department was conducted in the period of April 9, 2014 through April 11, 2014. The objectives of the inventory were to provide reasonable assurance that Galveston County assets assigned to the Parks Department had been accounted for at the time of the inventory.

**Finding:** Internal Audit found the Department of Parks fixed asset list to be inconsistent and incomplete. Assets in the possession of the department were not included on their fixed asset inventory list and fixed asset identification information such as Fixed Asset Identification number (FAID), year, model, VIN's and/or serial numbers had been incorrectly documented.

**Recommendation PARKS-12-01:** The Parks Department's fixed asset inventory list should be reconciled with the Purchasing Department and the Galveston County Fleet Department to ensure all fixed assets are included and correctly recorded. *(This was a finding from a previous audit.)*

**Recommendation PARKS-12-02:** The Parks Department's fixed asset inventory list should be reconciled with the Purchasing Department on an annual basis to ensure agreement between the two inventories. *(This was a finding from a previous audit.)*

**Finding:** A 2005 John Deere 6ft. Out Front Commercial Mower, Fixed Asset ID# 27130, was not located.

**Finding:** A John Deere 6ft. Out Front Commercial Mower, Fixed Asset ID# 27129 was documented as "sold in auction"; however, the mower was located at Parks during the review.

**Finding:** A 2008 Kubota Zero Turn Radius Mower, Fixed Assed ID# 30129, was not located.

**Finding:** A Kubota Zero Turn Radius Mower, Fixed Asset ID# 30130 was documented as "sold in auction"; however, the mower was located at Parks during the review.

**Recommendation PARKS-12-06:** When a fixed asset is sold in auction, the Serial number or VIN should be validated to ensure the release of the correct asset. *(This was a finding from a previous audit.)*

**Finding:** A Welding Machine with FAID# 28172 was not located. Parks Department personnel stated the unit was transferred to Galveston County Road & Bridge; however, no supporting documents were available. On May 22, 2014 an email was received from the Galveston County Fixed Asset Property Manager reporting this transfer has been recorded in IFAS.

**Finding:** A Plotter Printer with FAID# 4851 was not located. Parks Department personnel stated the unit was transferred to Galveston County Information Technology; however, no supporting documents were available. On May 29, 2014 an email was received from the Galveston County Fixed Asset Property Manager reporting this transfer has been recorded in IFAS.

**Recommendation PARKS-14-02:** The FA-02 Asset Transfer Request form should be submitted with proper documentation to the Purchasing Department when requesting changes regarding fixed assets. This includes the transfer of equipment to other Galveston County departments.

We wish to thank Julie Diaz and her staff for their cooperation and assistance.

cc: Randall Rice CPA, County Auditor  
Ron Chapa CPA, First Assistant, Director of Auditing



# COUNTY of GALVESTON

## Department of Parks & Senior Services

4102 Main Street (FM 519) • LaMarque, Texas 77568  
Phone: (409) 934-8100 • Fax: (409) 934-8140  
[www.galvestonparks-seniors.org](http://www.galvestonparks-seniors.org)

June 2<sup>nd</sup>, 2014

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

**RE: Response to Cash Count and Inventory Close Out 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 Response to Cash Count and Inventory Close Out Audit Report received on May 29<sup>th</sup>, 2014, which was conducted on April 11<sup>th</sup>, 2014.

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

### **SMALL TOOLS INVENTORY**

**Finding:** The Parks Department does not have an inventory list of small tools owned by Galveston County.

**Recommendation PARKS-14-01:** The Parks Department should document and maintain an inventory list of all small tools purchased by Galveston County.

**Response:** We will work on the inventory list of small tools over the summer months and have a complete list for reference by August 1<sup>st</sup>, 2014.

### **FIXED ASSET INVENTORY**

**Finding:** Internal Audit found the Department of Parks fixed asset list to be inconsistent and incomplete. Assets in the possession of the department were not included on their fixed asset inventory list and fixed asset identification information such as Fixed Asset Identification number (FAID), year, model, VIN's, and/or serial numbers had been incorrectly documented.

**Recommendation PARKS-12-01:** The Parks Department's fixed asset inventory list should be reconciled with the Purchasing Department and the Galveston County Fleet Department to ensure all fixed assets are included and correctly recorded. *(This was a finding from a previous audit.)*

---

**Our Mission:**

To provide comprehensive and diverse recreational and senior services opportunities for Galveston county Citizens and visitors, through the stewardship of our resources.

---

**Recommendation PARKS-12-02:** The Parks Department's fixed asset inventory list should be reconciled with the Purchasing Department on an annual basis to ensure agreement between the two inventories. *(This was a finding from a previous audit.)*

**Response:** Currently, the Parks Department is working with the Purchasing Department to ensure we all have the same fixed asset list and every April we do an inventory in conjunction with the Purchasing Department, Fixed Asset Property Manager.

**Finding:** A 2005 John Deere 6ft Out Front Commercial Mower, Fixed Asset ID# 27130, was not located.

**Finding:** A John Deere 6ft. Out Front Commercial Mower, Fixed Asset ID# 27129 was documented as "sold in auction"; however, the mower was located at Parks during the review.

**Finding:** A 2008 Kubota Zero Turn Radius Mower, Fixed Asset ID# 30129, was not located.

**Finding:** A Kubota Zero Turn Radius Mower, Fixed Asset ID#30130 was documented as "sold in auction"; however, the mower was located at Parks during the review.

**Recommendation PARKS-12-06:** When a fixed asset is sold in auction, the Serial number or VIN should be validated to ensure the release of the correct asset. *(This was a finding from a previous audit.)*

**Response:** In the last 2 years, the Parks Department has hired new staff and most of these items were handled with that staff. Now that the current staff is aware of the proper procedures and findings, all needed information will be documented internally, as well as with the Fixed Asset Property Manager for proper identification.

**Finding:** A Welding Machine with FAID# 28172 was not located. Parks Department personnel stated the unit was transferred to Galveston County Road and Bridge; however, no supporting documents were available. On May 22<sup>nd</sup>, 2014 an email was received from the Galveston County Fixed Asset Property Manager, reporting this transfer has been recorded in IFAS.

**Finding:** A Plotter Printer with FAID# 4851 was not located. Parks Department personnel stated the unit was transferred to Galveston County Information Technology; however, no supporting documents were available. On May 29<sup>th</sup>, 2014 an email was received from Galveston County Fixed Asset Property Manager, reporting this transfer has been recorded in IFAS.

**Recommendation PARKS-14-02:** The FA-02 Asset Transfer Request form should be submitted with proper documentation to the Purchasing Department when requesting changes regarding fixed assets. This includes the transfer of equipment to other Galveston County Departments.

**Response:** Now that our department is aware of the FA-02 Asset Transfer Request form, we will utilize it when requesting changes regarding fixed assets.

I would like to thank the Auditor's Office for this cash count and inventory close out audit report and the professionalism of your staff (Travis Leopulos and Tony Pompa) as they conducted their day to day visits and interactions with our staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Diaz". The signature is fluid and cursive, with the first name "Julie" written in a larger, more prominent script than the last name "Diaz".

Julie Diaz  
Interim Director  
Department of Parks and Senior Services  
[Julie.diaz@co.galveston.tx.us](mailto:Julie.diaz@co.galveston.tx.us)  
409.934.8114