



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

February 17, 2015

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 for the close-out of Honorable Mike Nelson's accounts (previously JP 4). The close-out was performed December 1, 2014 through January 28, 2015.

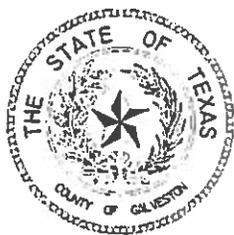
Sincerely,

A handwritten signature in blue ink that reads "Rice CPA".

Randall Rice CPA  
County Auditor

cc: Honorable James Schweitzer, JP 2

Attachment: Audit Report Close-out of Mike Nelson's Accounts



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January 28, 2015

Honorable James Schweitzer  
Justice of the Peace, Precinct 2  
1922 Sealy  
Galveston, TX 77550

Honorable James Schweitzer:

The Auditor's Office performed procedures to close the accounts of the Honorable Mike Nelson (previously JP 4) for the period from October 1, 2013 through December 31, 2014.

The primary objectives of the close out procedures were 1) to account for all assets assigned to the office, 2) ensure all collections have been deposited, 3) reconcile the bond bank account, and 4) locate any unused County issued manual receipts.

### **Cash Count**

On December 15, 2014, the Auditor's Office conducted a surprise cash count at the Santa Fe Location (previously JP 4). All collections, including the \$600.00 change fund, were accounted for.

### **Inventory**

As part of the close-out process, Internal Audit performed an inventory to determine if all assets assigned to the Santa Fe location (previously JP 4) could be identified. An inventory was performed on December 15, 2014. All assets were accounted for.

### **Collections**

Collections recorded in Net Data from October 1, 2013 through December 31, 2014 were reviewed. FY2014 collections were included to avoid overlooking any unresolved issues. Collections from credit cards (direct deposits) were also included in the review to confirm they were recorded in IFAS.

All collections recorded in Net Data from October 1, 2013 through December 2014 were deposited in the bank and recorded in IFAS.

**Bond Account**

A reconciliation was performed on Honorable Mike Nelson's bond bank account as of December 31, 2014.

**Finding:** There are 2 outstanding checks totaling \$734.00. The checks have been outstanding since 2011.

**Recommendation JP2-2015-01:** Escheat the outstanding checks to the State Comptroller.

**Finding:** There is \$6,685.56 of outstanding bonds in the bond bank account, dated as far back as 2005.

**Recommendation JP2-2015-02:** Outstanding bonds more than 3 years old should be escheated to the County Treasurer (for bonds \$100.00 or less) or to the State Comptroller (for bonds greater than \$100.00). Outstanding bonds less than 3 years old should be transferred to Honorable Jim Schweitzer's bond bank account.

**Finding:** There is \$148.80 in the bond bank account that has been carried as an adjustment on the bank reconciliations since May 2011. The source of the funds is unknown.

**Recommendation JP2-2015-03:** The unidentified funds should be submitted to the County Treasurer as 'miscellaneous revenue'.

**County Issued Manual Receipts**

The Santa Fe office (previously JP 4) was not issued any manual receipt books.

The Auditor's Office can provide you with the required forms and instructions on escheating checks. If you have any questions or concerns regarding the close-out of Honorable Mike Nelson's accounts, please contact Lori McWhirter, Internal Audit Manager, at (409) 770-5356.

Sincerely,



Randall Rice CPA  
County Auditor