

GALVESTON COUNTY



Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor
Kristin Bulanek CIA, First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5304

722 Moody Ave 4th Floor, Galveston, TX 77550

August 29, 2017

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

Honorable Mark A. Henry and Members of the Court:

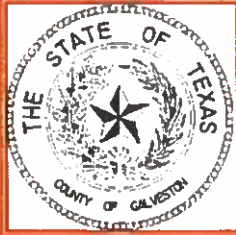
Attached for your consideration is the internal audit report of the Personal Bond Office. The audit covered the period July 1, 2016 through June 30, 2017. Also attached is the response letter from the Director of Personal Bonds & Collections, Gregory Rikard, dated August 9, 2017.

Sincerely,

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

Randall Rice CPA
County Auditor

Attachment: Personal Bond Office Internal Audit Report
Response Letter, Gregory Rikard



Personal Bond Office Internal Audit FY2017

July 31, 2017

Galveston County
Internal Audit
Division

Randall Rice CPA
CITP CISA CIO CBM DABFA CGMA
County Auditor

Executive Summary	1
Introduction	2
Details	3-6

Reliability and Integrity of Information

Reliable information is accurate, timely, complete and useful. In order to achieve this, controls over record keeping and reporting must be adequate and effective.

Voided Receipts

All voided receipts should be performed by the Court Collections Senior Collections Clerk or the Court Collections Collections Manager. An explanation for the void is recorded in Odyssey and, when applicable, the transaction is re-receipted in a timely manner. There were no discrepancies found in the testing of voided receipts.

Refunds

Under certain circumstances, a bond payment may be refunded back to the payer: an inmate was bonded out through another agency, the inmate rejects the bond, the judge rejects the bond, a plea deal is accepted after the bond fee has been paid, etc. All refunds must be approved by the Court Collections Senior Collections Clerk or the Court Collections Collections Manager. Payments are refunded by the Personal Bond Office in the same tender type as was originally receipted. Credit card payments are reversed through Official Payments by the Senior Collections Clerk or the Collections Manager. Payments made by cash or check are returned with a refund request application approved by the Director of Personal Bonds & Collections who then requests a purchase order. A sample of refunds were tested; there were no discrepancies noted.

Safeguarding of Assets

Safeguarding of assets has three basic components: 1) physical security of assets, 2) minimal exposure to loss and 3) proper management of the assets.

Physical Security

Physical security encompasses any method to physically secure the collections from loss. Monies collected should be kept in a locked drawer or safe until they are deposited.

As part of the audit, the auditor conducted a surprise cash count of the Personal Bond Office on July 6, 2017. All collections were accounted for at the time of the surprise cash count. Controls are in place to ensure the staff uses lockable cash drawers to secure collections until the funds are ready to be deposited. The financial assets are adequately safeguarded and deposits are made daily.

Finding: Personal Bond does not have a change fund. In the event change is needed, the previous day's collections are used to create change.

Recommendation PB-17-01: The office should follow the Galveston County Change Fund Policy to request and obtain a change fund for the Personal Bond Office.

Separation of Duties

One of the most important internal controls is to have proper separation of duties. No one person should authorize a transaction, record a transaction and have custody of the assets. All funds collected are entered into Odyssey by the bond clerks and reconciled daily by the Court Collections Senior Collections Clerk, who prepares the funds for deposit. Funds collected over the weekend are placed in the safe and are reconciled Monday morning. All cash receipts are entered into ONEsolution by the Treasurer's Office once the bank deposit confirmation is returned. The office has a proper separation of duties.

Compliance with Statutes, Policies, and Procedures

Statutory Personal Bond Fees

The Code of Criminal Procedure (CCP) §17.42 mandates "the court shall assess a personal bond fee of \$20 or three percent of the amount of the bail fixed for the accused, whichever is greater". Bail amounts are obtained from the Jail Management System (JMS) and are recorded in Odyssey by the Personal Bond Office clerks. Bond fees are then calculated based on the amount of bail, according to statute. The office is in compliance with CCP §17.42 in setting bond fees.

Personal Bond - Reasons for Rejection

The Pre-Trial Release Board sets the criteria for which a defendant is deemed ineligible for a personal bond release. The list of "Reasons for Rejection", last updated on February 11, 2016, is provided to the Personal Bond Office. It is the responsibility of the bond clerks to verify the defendant has not met a criterion on the rejection list prior to being released. In addition, the release of the defendant must be approved by a judge and the personal bond fee must be paid. There were no material discrepancies found in the compliance of release of defendants through pre-trial release bonds.

Senate Bill 7

Senate Bill 7 dictates a defendant must be released on personal bond if they do not see a magistrate judge within 24 hours for a misdemeanor, or 48 hours for a felony. Bonds are created in Odyssey by the Personal Bond Office Supervisor for all Senate Bill 7 releases. This type of release does not alleviate the defendant of any charge they may be facing, so location and contact information is obtained from the defendant on a bond application, which is then approved by a judge, prior to the defendant's release. All Senate Bill 7 releases were documented and approved by a judge.

Timeliness of Deposits

Local Government Code (LGC) §13.022 Time For Making Deposits states a county officer or other person who receives money shall deposit the money with the County Treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the officer or person must deposit the money, without exception, on or before the fifth business day after the day on which the money is received. Personal Bond Office collections are deposited daily, Monday through Friday, by a Sheriff's Office Deputy. Funds collected over the weekend are deposited the following Monday.



Personal Bond & Collections
Director

Greg Rikard

Respectfully

I received a copy of PB-17-01 Change Fund Policy, provided by your office, and will start the process to request a change fund for the Bond Office.
Please feel free to contact me should you have any questions or concerns related to the above changes.

I am in receipt of your audit report on the Personal Bond Office, and in agreement with the findings. The Personal Bond Office does not have a change fund, and in the event change is needed, the previous days collections are used to create change. This practice has been in place prior to my arrival and had been recently discussed between myself and the collections manager on a better practice.

Mr. Rice:

Re: Personal Bond Office Audit FY 2017

Randall Rice CPA
Office of County Auditor
722 Moody Ave 4th Floor
Galveston, Texas 7550

August 9, 2017

County of Galveston
Personal Bond & Collections
600 59th Street Suite 1500
Galveston, Texas 77551

Phone: (409) 766-2400
Fax: (409) 765-2603

Greg Rikard
Director

