



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

**County Auditor**  
**Randall Rice CPA**  
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**Date:** August 20, 2013

**To:** Honorable Henry Trochesset  
Galveston County Sheriff

**From:** Lori McWhirter  
Auditor III

**Re:** Close Out of Honorable Freddie Poor

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Close out procedures were performed to close the accounts of the Honorable Freddie Poor and set up accounts for the Honorable Henry Trochesset. The procedures were conducted in the period of December 28, 2012 through July 29, 2013.

The primary objectives of the close out were 1) to ascertain the correct valuation of the amounts and accounts and 2) to properly dispose of these amounts and accounts. A secondary objective is to confirm the existence of the fixed assets as recorded in the County's records. The procedures consisted of confirming the amounts on hand, reviewing the Sheriff's Office's monthly reports and reconciliations, and physically examining the fixed assets on a test basis. The procedures did not encompass any sampling or testing of transactions and as a result there is a risk that error and irregularities may exist. The official retains the responsibility for the accuracy and completeness of the financial information.

### ***Close Out***

**Petty Cash Fund** - On December 28, 2012, a cash count was conducted on the Petty Cash Fund. The valuation of amounts on hand was not confirmed. After a detailed review of the Petty Cash Fund was performed by Internal Audit, it was determined the fund was over by \$184.15. The Sheriff's Office can improve internal controls over the Petty Cash Fund by implementing the following recommendations:

- Issue a receipt for every disbursement from the Petty Cash Fund.
- The receipt should include the amount written using numbers and the amount spelled out using letters.
- Issue receipts in numerical order, without skipping receipts.
- Each receipt should include the signatures of both individuals who are involved in the transaction.
- Each receipt should include a brief explanation for the purpose of the disbursement.
- Include the receipt number on the purchase request form submitted to Accounts Payable.
- Reconcile the Petty Cash Fund monthly.
- Submit a purchase request for receipt #330688 for \$100.00.
- Reimburse the Seizure Account for the \$184.15 overage.

The following is the status of the bank accounts at the Sheriff's Office:

Bond Account – The new account under Sheriff Trochesset's control has thus far been funded with collections beginning after December 31, 2012. The old account's balance of \$3,869.28 was transferred to Sheriff Trochesset's Bond Account on February 13, 2013 and Honorable Freddie Poor's Bond Account was closed. The Chief Comptroller is in the process of determining which bonds are associated with the transfer amount.

The new Bond Account was initially funded by a \$100.00 check issued from the old Commissary Account. The 'seed' money was returned to the new Commissary Account on January 14, 2013.

Inmate Property and Commissary Account - The Inmate Property and Commissary Accounts are complementary accounts. The Commissary Account is funded mainly from a percentage of gross sales sold by the independent contractor. The sales are paid for from the inmate's account in the Inmate Property Account. The inmate's account consists of any money the inmate had at the time of incarceration plus money deposited into the account while the inmate is in jail. Commissary purchases and other inmate authorized disbursements are deducted from this account.

- Commissary Account – The balance in the old account has been transferred to a new Commissary Account under the control of Sheriff Trochesset and the old account has been closed.
- Inmate Property Account – The Inmate Property Accountant is in the process of reconciling Sheriff Poor's Inmate Property Account as of December 31, 2012. This process involves determining the balance of each inmate's property account to confirm the amount needed to fund all of the remaining liabilities for this account. (Outstanding checks and balances owed to inmates.) When the reconciliation is complete, the Sheriff's Office will notify the Auditor's Office of the results.

The Sheriff's Office opened new bank accounts for the Inmate Property and Commissary Accounts funded from the old Commissary Account. The new Commissary Account was initially funded with \$100,000 from the old Commissary Account. All Commissary sales after December 31, 2012 have been deposited into the new Commissary Account. On February 8, 2013, the ending account balance of \$736,183.54 plus \$44.68 in accrued interest was transferred to the new Commissary Account and the old account was closed.

The new Inmate Property Account was initially funded by a \$60,000 check issued from the old Commissary Account. The 'seed' money will be reimbursed to the new Commissary Account when the reconciliation process is complete.

### ***Fixed Assets***

All Sheriff's Office vehicles, boats, boat motors, trailers, and all terrain vehicles were confirmed and accounted for during the review. There were a few minor discrepancies such as incorrect color of asset or license plate numbers on file. Those discrepancies have been corrected and the assets are now under the Honorable Henry Trochesset's control.

### ***Conclusions***

The valuation of the Bond Account, Commissary Account, and Petty Cash Fund was verified and the amounts were properly forwarded to Sheriff Trochesset's control. The Inmate Property Account is being reconciled and the results will be forwarded to the Auditor's Office upon completion.

The existence and completeness of the fixed assets as recorded in the County records were confirmed.

***Additional Information***

The audit staff wishes to express its appreciation for the cooperation from the Sheriff and staff during the course of this review. All the requests made by the audit staff were met even when that meant members of the Sheriff's staff had to extend themselves.

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



**HENRY TROCHESSET**  
**Sheriff**  
**Galveston County**

September 23, 2013

TO: Mr. Randall Rice, CPA  
County Auditor

RE: Close Out Audit of Accounts, Honorable Freddie Poor, Sheriff

Mr. Rice:

I have reviewed your draft report of the close out audit of Sheriff Poor's accounts, and I concur with observations therein.

The recommendations noted regarding petty cash records keeping are well received and are already implemented. A new system of receipting funds has been put in place, which more thoroughly records both incoming and outgoing petty fund transactions, cross-referencing them to the greatest extent possible for easier tracking and documentation. Additionally, we are reconciling Petty Cash at the end of each month, enabling timely identification of errors, if any, and providing greater levels of accountability.

Additionally, the final reconciliation of the bond account has been rectified. After consultation with your staff, the remaining balance has been transferred to the County's demand account as miscellaneous revenue. We extended every possible effort to identify the source of this overage, but the lack of sufficient data in the old JIMS system makes positive identification of the source of these funds practically impossible. We note, however, the advent of Odyssey and its tracking mechanisms should alleviate similar anomalies in the future.

Finally, the painstaking reconciliation of the Inmate Property account is still in progress. We have a target to complete this process by September 30<sup>th</sup>. Results of that process will be forwarded to your office as soon as they are available.

My staff and I appreciate the work and assistance of your office in completing these audits and should you require any other information, please contact me at x2301,

A handwritten signature in black ink that reads "Henry Trochesset".

Henry Trochesset  
Sheriff

*To Protect and Serve*