



**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

March 31, 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 of the Galveston County Sheriff's Office Petty Cash Fund. The audit covered the period January 1, 2014 through December 31, 2014. Also attached is the response letter from Sheriff Henry Trochesset dated March 10, 2015.

Sincerely,

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

Randall Rice CPA  
County Auditor

Attachment: Galveston County Sheriff's Office Petty Cash Fund Internal Audit Report  
Response Letter, Henry Trochesset



# Galveston County Sheriff's Office Petty Cash Fund Audit

February 23, 2015

Galveston County  
Internal Audit  
Division

Randall Rice CPA  
CITP CISA CIO CBM DABFA CGMA  
County Auditor

Executive Summary.....	1
Introduction.....	2
Details.....	3-6

# Executive Summary

## Reliability and Integrity of Information (page 3)

- Nothing came to our attention during the audit to cause us to doubt the overall reliability and integrity of the information. However, controls over recordkeeping and reporting can be improved by implementing the following recommendation:
  - Attach a copy of the receipt, along with any additional support for Petty Cash Fund reimbursements. Also include any additional support documents applicable to the disbursement (register receipt, invoice, etc.).

## Safeguarding of Assets (page 4)

- Physical security over assets (cash) is adequate.
- Every County issued manual receipt should have the signatures of both the issuer and the recipient of the petty cash disbursement.

## Compliance with Laws, Policies, and Procedures (page 5)

- The Sheriff's Office is in compliance with LGC §130.904 and CCP §59.06.

## General Information (page 6)

- From January 1, 2014 through December 31, 2014 a total of \$16,594 was disbursed from the Sheriff's Office Petty Cash Fund. Criminal investigation expenses made up \$14,202 of the petty cash disbursements, \$1,345 was used for mental health transport, and \$920 was used for travel and education.

## Introduction

The Internal Audit Division conducted an internal audit of the Galveston County Sheriff's Office Petty Cash Fund, as required by Local Government Code §115.0035. The internal audit covered the period January 1, 2014 through December 31, 2014. The audit was performed from January 15, 2015 through February 12, 2015.

The primary objectives of the internal audit are to provide reasonable assurance concerning:

- Reliability and integrity of the information.
- Safeguarding of assets.
- Compliance with laws, policies, and procedures

The scope of the internal audit encompassed the financial records and administrative procedures related to the Galveston County Sheriff's Office Petty Cash Fund. The internal audit included, but was not limited to, the books, accounts, reports, and records of the Sheriff's Office Petty Cash Fund.

The internal audit included examining transactions on a test basis, and required exercising judgment in the selection of such tests. As the internal audit was not a detailed examination of all transactions, there is a risk that errors or fraud were not detected during the internal audit. The official therefore retains the responsibility for the accuracy and completeness of the financial information.

Because of certain statutory duties required of the County Auditor, we are not independent with regard to the Galveston County Sheriff's Office as defined by the AICPA professional standards. However, our internal audit was performed with objectivity and due professional care.

Madeline Walker, Internal Auditor I, performed the audit.

# Reliability and Integrity of Information

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

## Petty Cash Fund

The Sheriff's Office Petty Cash Fund is used to advance funds to an officer or employee of the Sheriff's Office who is required to travel outside the County to conduct an investigation or to obtain custody of a prisoner. The fund is also used to pay other expenses incurred during law enforcement activities.

A County issued manual receipt is issued for each disbursement. All individuals involved in the disbursement must sign the receipt. A purchase order (PO) is submitted to replenish the funds. Upon receipt of the accounts payable (AP) check, the Chief Comptroller cashes the check and replaces the money in the Petty Cash Fund.

## Purchase Orders

In order to retain the reliability and integrity of the purchase orders, a copy of the receipt issued from the original cash disbursement and an explanation for the use of the funds must be provided.

**Finding:** Some of the purchase orders reviewed did not have a copy of the County issued manual receipt attached.

**Recommendation SOPC-15-01:** Attach a copy of the receipt, along with any additional support for Petty Cash Fund reimbursements. Also include any additional support documents applicable to the disbursement (register receipt, invoice, etc.).

## Disbursement Log

The Chief Comptroller of the Sheriff's Office maintains a log of the disbursements made from the Petty Cash Fund. The log documents the following details regarding each disbursement:

- Receipt number, Date, and Amount
- Recipient Name
- Department in which the expense occurred
- Reason for the Disbursement
- Purchase Order Number
- Accounts Payable Check Number and Amount
- Petty Cash Fund Balance

The log maintained by the Chief Comptroller appears to be adequate and effective for monitoring the Petty Cash Fund.

## Safeguarding of Assets

Safeguarding of assets consists of the physical security of the fund and proper management of fund disbursements and reimbursements through the use of signed manual receipts.

### Physical Security

Physical security encompasses any method to physically secure the funds from loss. Monies should be kept in a locked drawer/safe until they are needed.

As part of the audit, the auditor conducted a surprise cash count on January 21, 2015. All funds were accounted for at the time of the surprise cash count.

Controls are in place to ensure the staff uses a lockable safe to secure the petty cash fund until disbursements are ready to be made. The safe remains locked when not in use.

### Manual Receipts

A County issued manual receipt is issued for every disbursement made from the Petty Cash Fund. The receipts are issued in numerical order and should contain the signatures of both the issuer and the recipient of the petty cash distribution. An explanation for the disbursement should be provided on the receipt.

**Finding:** Some of the receipts tested did not include the required signatures.

**Recommendation SOPC-15-02:** Both the issuer and the recipient of the petty cash disbursement should sign the County issued manual receipt.

# **Compliance with Laws, Policies, and Procedures**

## **Sheriff's Petty Cash Fund**

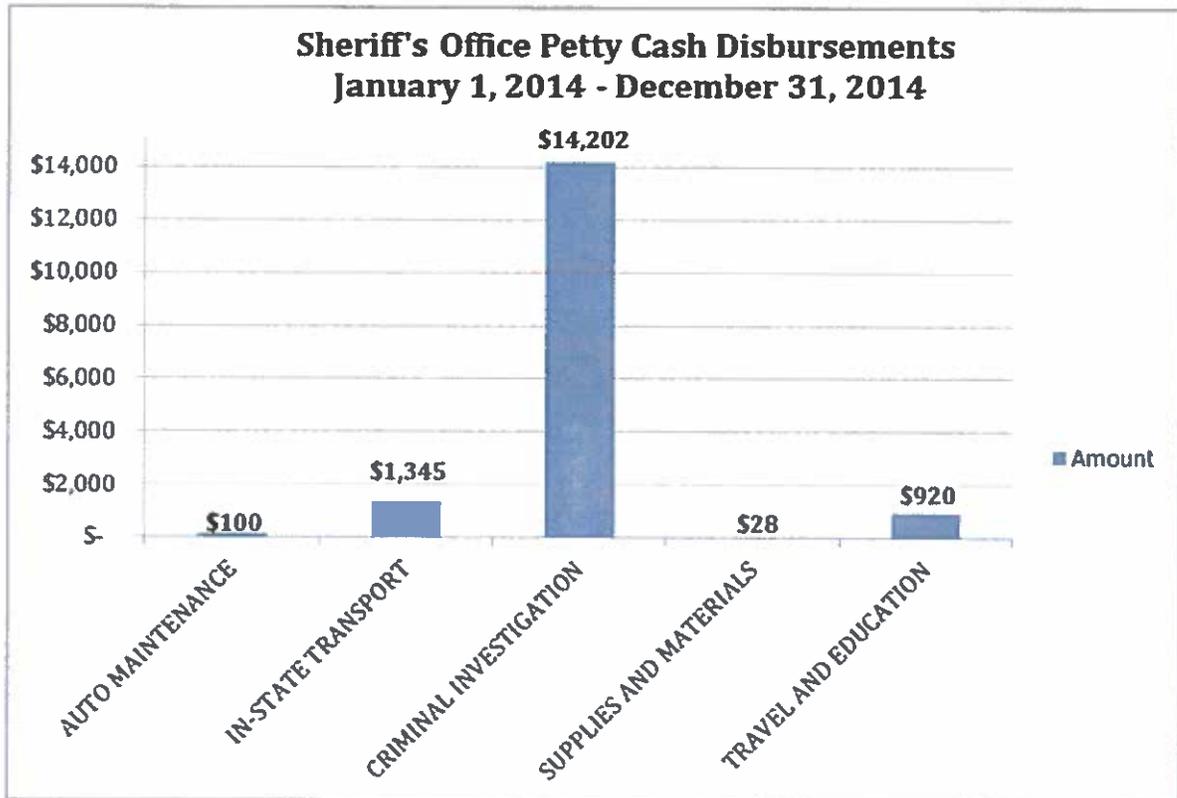
LGC §130.904 Sheriff's Petty Cash Fund (b) states unless otherwise authorized by a resolution of the Commissioners Court, the petty cash fund may be used only to advance funds to an officer or employee of the sheriff's department who is required to travel outside the County to conduct an investigation or to obtain custody of a prisoner.

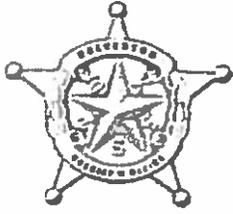
CCP §59.06 Disposition of Forfeited Property (c) states if a local agreement exists between the attorney representing the state and law enforcement agencies, all money, securities, negotiable instruments, etc. shall be deposited, after the deduction of court costs, into one or more funds, including a special fund in the County treasury if distributed to a County law enforcement agency to be used solely for law enforcement purposes.

The Sheriff's Office is in compliance with LGC §130.904 and CCP §59.06.

## General Information

During the 2014 calendar year, \$16,594 was disbursed from the Sheriff's Office Petty Cash Fund. Criminal investigation expenses made up \$14,202 of the petty cash disbursements, \$1,345 was used for mental health transport and \$920 was used for travel and education. (See chart below)





*Henry A. Trochesset*  
Sheriff  
Galveston County

March 10, 2015

TO: Mr. Randall Rice, CPA  
County Auditor

RE: Audit Report, Sheriff's Office Petty Cash Fund FY 2015 Audit

Mr. Rice:

I have reviewed your draft report of the FY 2015 Petty Cash Review Audit and agree with your observations.

We will extend every effort to comply with your suggestions and appreciate the expertise of your office. If we can be of further assistance or if any additional information is needed, please do not hesitate to contact me at x2301.

A handwritten signature in cursive script that reads "Henry A. Trochesset".

Henry Trochesset  
Sheriff

*To Protect and Serve*

601 54TH STREET • SUITE 2100 • GALVESTON, TEXAS 77551 • PHONE 409-766-2300