



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

Ron Chapa, CPA
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First Assistant in Charge
Director of Accounting

LaToya Jordan
First Assistant, I.T. System

Date: March 12, 2013

To: Honorable Cheryl E. Johnson
Galveston County Tax Assessor/Collector

From: Kristin Bulanek
Internal Audit Supervisor

Handwritten initials "KB" in black ink.

Re: Cash Count of the Tax Office's League City Branch Location

A surprise cash count of the Tax Office's League City branch location was conducted on January 30, 2013. The objectives of the cash count were to determine if all collections had been accounted for at the time of the cash count, and if the collections were properly handled and deposited in a timely manner.

Collections Accounted For

At the time of the surprise cash count, all collections were accounted for at the League City location.

Collections Handled Properly

It is a very important control for collections to be properly handled and deposited in a timely manner. For collections to be handled properly they must be safeguarded against loss; therefore, all negotiable instruments must be kept secured at all times and deposited on a daily basis.

Finding: At the League City location, a deputy left two checks collected unsecured on the copy machine. This occurrence exposed the check to theft and/or loss.

Recommendation TOCC-13-01: Continue to stress the importance of securing collections in the locked cash drawers and ensuring deputies do not leave checks on the copy machine during closeout.

Deposited in a Timely Manner

Collections are being deposited in a timely manner (daily), minimizing exposure to loss.

Efficiency of Closeout Process

The time it takes the branches to perform the daily closeouts has continued to improve. We believe it is partially due to staff continuing to follow and improve upon established closeout policies and procedures.

Conclusion

At the time of the surprise cash count, all collections were accounted for at the League City branch location. Cash drawers not in use were locked and stored in a locked safe at all times. In League City, a deputy left two checks that had been collected unsecured on the copy machine. This occurrence exposed the check to theft and/or loss.

We would like to commend the Tax Assessor/Collector and her staff for their continuous effort to ensure efficiency of the close out process and security of collections.

We would like to thank the Tax Assessor/Collector and her staff for their cooperation and assistance.

cc: Ron Chapa, Director of Internal Audit
Jeff Modzelewski, First Assistant in Charge



Cheryl E. Johnson, RTA
Assessor and Collector of Taxes
Galveston County

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March 21, 2013

Mr. Jeff Modzelewski, CPA
First Assistant in Charge
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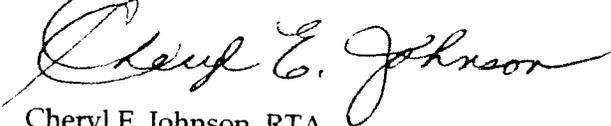
Re: Cash Count of the Tax Office's League City Branch Location

Dear Mr. Modzelewski:

Thank you for leading the team that has been our partner for more than eight years focused on improving accountability and processes in the Galveston County Tax Office.

I am in receipt of the above referenced audit and concur with the findings. I would like to report that the employee responsible for the checks referred to in the report has been disciplined in accordance with Tax Office and Human Resources policy. In fact, the employee reported the error to the Branch Manager the day of the occurrence and I do not expect this event to recur.

On behalf of my team and the taxpayers of Galveston County, please thank your team for their part in improving this office.

Sincerely,

Cheryl E. Johnson, RTA

cc: Kristin Bulanek
Ron Chapa
Deborah Pimentel
Sheryl Swift