



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 3, 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 on the cash count of the Tax Office's Texas City, League City, Crystal Beach, Galveston, Friendswood, and Santa Fe Branch Locations. Also attached is the response letter from Honorable Cheryl E. Johnson, dated January 22, 2015.

Sincerely,

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

Randall Rice CPA
County Auditor

cc: Honorable Cheryl E. Johnson

Attachment: Internal Audit Report – Tax Office: Texas City, League City, Crystal Beach, Galveston,
Friendswood, and Santa Fe Branch Locations
Response Letter, Honorable Cheryl E. Johnson



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January 16, 2015

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

From: Jordan Guss
Internal Auditor II

Re: Cash Count of the Tax Office's Texas City, League City, Crystal Beach, Galveston, Friendswood, and Santa Fe Branch Locations

A surprise cash count of the Tax Office's Texas City, League City, Crystal Beach, Galveston, Friendswood, and Santa Fe branch locations was conducted from November 20, 2014 through January 16, 2015. 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 all branch locations, including the total of \$16,200.00 in change funds.

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.

Collections are handled properly and all negotiable instruments were secured and deposited on a daily basis.

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 branch locations 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 Texas City, League City, Crystal Beach, Galveston, Friendswood, and Santa Fe branch locations. Cash drawers not in use were locked and stored in a locked safe at all times.

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: Randall Rice, County Auditor
Ron Chapa, Director of Internal Audit



Cheryl E. Johnson, RTA

Assessor and Collector of Taxes

Galveston County

Galveston County Courthouse

722 Moody Avenue, Galveston, Texas 77550

Toll Free: 877-766-2284 Fax: 409-766-2479 Office: 409-765-3277

Cheryl.E.Johnson@co.galveston.tx.us



January 22, 2015

Mr. Randall Rice, CPA
County Auditor
The County of Galveston
722 Moody Avenue
Galveston, Texas 77550

Re: Cash Count Audit of All GCTO Locations

Dear Mr. Rice:

I am in receipt of the above referenced audit dated January 21, 2015. I am pleased with the Conclusion and appreciate your commendation of our continuous effort to ensure efficiency of the close out process and security of collections.

As you and your team know, it has been a ten year-team effort to establish best practices in the Galveston County Tax Office. Thanks to the guidance of your team and a great deal of effort on our part, we are experiencing success.

Please express my appreciation to your team for their assistance and efforts in conducting the various cash count audits. I intend to share the results with our management team who is daily responsible for the work involved and held accountable for the policies put in place to guide them.

Sincerely,

A handwritten signature in cursive script that reads "Cheryl E. Johnson".

Cheryl E. Johnson, RTA

cc: Ron Chapa, CPA, First Assistant, Director of Auditing
Ms. Kimberly Hall, Chief Deputy Operations
Ms. Sheryl Swift, RTA, Chief Deputy Business Services