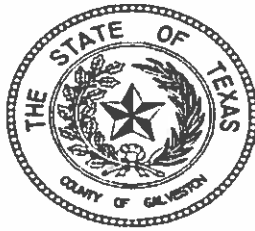


GALVESTON COUNTY



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

February 14, 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 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 25, 2017.

Sincerely,

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

Randall Rice CPA
County Auditor

cc: Honorable Cheryl E. Johnson

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

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

January 18, 2017

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

From: Randall Rice CPA
Galveston County Auditor

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 December 20, 2016 through January 17, 2017. The objectives of the cash count were to (a) determine if all collections had been accounted for at the time of the cash count, and (b) determine 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 \$17,000.00 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.

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

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: Kristin Bulanek CIA, First Assistant County Auditor

KRISTIN



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 25, 2017

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 18, 2017. Once again, 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 twelve year team effort to establish and maintain best practices in the Galveston County Tax Office. Thanks to the work of many, we continue to enjoy success in achieving these goals. Please note, we will continue our diligence and will continue to seek methods of improving beyond our current successes.

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

Sincerely,


Cheryl E. Johnson

cc: Kristin Bulanek, CIA, First Assistant County Auditor
Ms. Kimberly Hall, Chief Deputy Operations
Ms. Sheryl Swift, RTA, Chief Deputy Business Services