



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

Kristin Bulanek CIA
First Assistant, Director of Auditing

Jeff Modzelewski CPA
First Assistant, Director of Accounting

July 7, 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 Internal Lockbox Review. Also attached is the response letter from the Galveston County Tax Assessor-Collector, Honorable Cheryl E. Johnson, dated June 16, 2015.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rice CPA".

Randall Rice CPA
County Auditor

cc: Honorable Cheryl E. Johnson, Galveston County Tax Assessor-Collector

Attachment: Internal Lockbox Review FY 2015 Audit Report
Response Letter, Honorable Cheryl E. Johnson



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June 8, 2015

To: Honorable Cheryl Johnson
Galveston County Tax Assessor-Collector

From: Jordan Guss *JG*
Information Systems Audit Team Lead

Re: Internal Lockbox Review

A review was performed by the Internal Audit Division on the Tax Office's Internal Lockbox operations. The purpose of the review was to gain an understanding of the office's internal lockbox policies and procedures and to ensure internal controls were in place.

Internal Audit found the internal lockbox policies and procedures to be effective and efficient. The Tax Office employees performing lockbox operations followed the written procedures for the internal lockbox process. No internal control weaknesses were noted during the review.

We wish to thank Ms. Cheryl Johnson and her staff for their cooperation and assistance.

cc: Randall Rice CPA, County Auditor
Kristin Bulanek CIA, First Assistant, Director of Auditing



Cheryl E. Johnson, RTA

Assessor and Collector of Taxes

Galveston County

Galveston County Courthouse

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

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



June 16, 2015

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

Re: Internal Lockbox Review

Dear Mr. Rice:

I am in receipt of the above referenced audit dated June 8, 2015. I am pleased with the results of the review, particularly due to the fact that 11 years ago we processed payments manually and had no expertise with automated processing. Our move to outsource resulted in improvements in processing time but year-after-year, the fees, in addition to the actual performance costs steadily increased. We were able, however, to gain valuable insights into the automated process and later purchased small machines that helped us gain even better insight into the requirements of operating a full in-house processing system. Apparently, that insight, in addition to a team dedicated to developing and implementing an increasingly accountable, efficient and effective process, has proven invaluable as the results of your review indicate.

Please express my appreciation to your team for their assistance and efforts in conducting the review. I intend to share the results with our lockbox team who will appreciate that their efforts have been recognized as successful.

It has been an 11 year effort to establish best practices in the Galveston County Tax Office. Thanks to our partnership and a great deal of effort, the citizens of Galveston County can have confidence in our accountability with their money.

Sincerely,

A handwritten signature in blue ink that reads "Cheryl E. Johnson".

Cheryl E. Johnson, RTA

cc: Kristin Bulanek, CIA, First Assistant, Director of Auditing
Ms. Sheryl Swift, Chief Deputy Business Services
Ms. Rachael Crider, Chief Deputy Property Tax