



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

**County Auditor**  
**Randall Rice CPA**  
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**Jeff Modzelewski CPA**  
First Assistant, Director of Accounting

**Latoya Jordan**  
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December 27, 2013

Honorable Cheryl E. Johnson  
Galveston County Tax Assessor/Collector  
722 Moody  
Galveston, Texas 77550

Re: Property Tax Refunds Review,  
Refunds Issued between October 1, 2012 and September 30, 2013

Honorable Cheryl E. Johnson:

The Galveston County Auditor's Office is required by statute<sup>1</sup> to review property tax refunds. Internal Audit reviews refunds on a quarterly basis after refunds have been issued. We performed testing on a judgmental sample of the refunds submitted.

Our testing included verifying the accuracy of the calculated refund amount as well as ensuring the refund is being issued to the correct payee at the proper payee address. The reviews performed by both the Tax Office and the Auditor's Office are critical to preventing/detecting fraud and minimizing incorrect payments to property owners/voters. Since the review is not a detailed examination of all transactions, there is some risk that errors and fraud may not always be detected. The Official retains the responsibility for the accuracy and completeness of the financial information.

During the fiscal period October 1, 2012 through September 30, 2013, our office reviewed refunds consisting of 4,724 checks that totaled \$3,432,813.02. There were 4,442 refunds totaling \$2,702,978.41 issued in the prior year. Accordingly, there has been a 6% (282) increase in the number of refunds issued and a 21.3% (\$729,834.61) increase in the dollar amount of refunds issued.

Of the refunds reviewed by Internal Audit, no material exceptions were found. The Tax Office staff continues to follow established processing procedures and internal controls regarding property tax refunds.

Conclusion:

During the fiscal period of October 1, 2012 through September 30, 2013, the Auditor's Office reviewed refunds on a sample basis consisting of 4,724 checks totaling \$3,432,813.02.

- There has been a 6% (282) increase in the number of refunds issued with a 21.3% (\$729,834.61) increase in the dollar amount of refunds issued.

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

Respectfully,



Randall Rice CPA  
County Auditor

cc: Ron Chapa, CPA  
Lori McWhirter, Internal Audit Manager

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<sup>1</sup> § 31.11. REFUNDS OF OVERPAYMENTS OR ERRONEOUS PAYMENTS.

(a) If a taxpayer applies to the tax collector of a taxing unit for a refund of an overpayment or erroneous payment of taxes and the auditor for the unit determines that the payment was erroneous or excessive, the tax collector shall refund the amount of the excessive or erroneous payment from available current tax collections or from funds appropriated by the unit for making refunds.