



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 Bulonek CIA
First Assistant, Director of Auditing

Jeff Modzelewski CPA
First Assistant, Director of Accounting

December 8, 2015

Honorable Mark A. Henry, County Judge and
Members of the Commissioners Court

Honorable Mark A. Henry and Members of the Court:

Attached please find the internal audit report of FY 2015 Property Tax Refunds. The audit covered the period October 1, 2014 through September 30, 2015. Also attached is the response letter from Honorable Cheryl E. Johnson, dated November 18, 2015.

Sincerely,

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

Randall Rice CPA
County Auditor

cc: Honorable Cheryl E. Johnson

Attachment: FY 2015 Property Tax Refunds Audit Report
Response Letter, Tax Assessor-Collector Cheryl E. Johnson



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November 18, 2015

To: Honorable Cheryl Johnson
Tax Assessor-Collector

From: Lauren Ramsey
Compliance and Procedures Analyst

Re: FY 2015 Property Tax Refunds Review

The Galveston County Auditor's Office is required by statute 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, 2014 through September 30, 2015, our office reviewed refunds consisting of 4,562 checks totaling \$4,920,415.21. There were 4,401 refunds totaling \$3,353,813.34 issued in the prior year. Accordingly there has been a 3.7% (161) increase in the number of refunds issued and a 46.7% (\$1,566,601.87) increase in the dollar amount of refunds issued. The majority of the increase in the dollar amount was due to two large refunds issued during fiscal year 2015.

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

We wish to thank 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
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



November 18, 2015

Ms. Lauren Ramsey, Compliance and Procedures Analyst
Galveston County Auditor's Office
722 Moody Avenue
Galveston, Texas 77550

Re: FY 2015 Property Tax Refunds Review

Dear Ms. Ramsey:

I am in receipt of the above referenced audit and wish to express my appreciation to you and the entire County Auditor's team for the partnership we have enjoyed for the last 11 years as we have worked to improve accountability and processes in the Galveston County Tax Office.

I am pleased that, for at least the last six years, the results of the annual audit have been the same - that no material exceptions have been found and that my team continues to follow the established processing procedures regarding property tax refunds issued.

On behalf of my team and the taxpayers of Galveston County, please extend my appreciation to Mr. Rice and Ms. Bulanek for supporting our partnership and any other members of the Auditor's team who may have assisted you with this audit.

Sincerely,


Cheryl E. Johnson

cc: Randall Rice, CPA, County Auditor
Kristin Bulanek, CIA, First Assistant, Director of Auditing
Rachael Crider, PCC, Chief Deputy Property Tax