

GALVESTON COUNTY



Office of County Auditor

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November 29, 2021

Honorable Mark A. Henry, County Judge, and
Members of the Commissioners Court
722 Moody Avenue
Galveston, Texas 77550

Honorable Mark A. Henry and Members of the Court:

Attached to be received and filed is the internal audit report of the Sheriff's Office Petty Cash Fund audit. The audit covered the period October 1, 2020 through September 30, 2021. Also attached is the response letter from Honorable Henry Trochesset, dated November 18, 2021.

Sincerely,

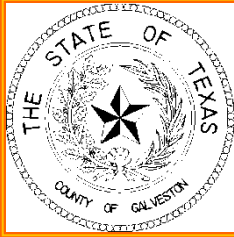
Randall Rice CPA

Digitally signed by Randall Rice
CPA
Date: 2021.11.19 11:48:52 -06'00'

Randall Rice CPA
County Auditor

cc: Honorable Henry Trochesset

Attachments: Sheriff's Office Petty Cash Fund Audit Report
Response Letter, Honorable Henry Trochesset



Galveston County Sheriff's Office Petty Cash Fund Audit

November 5, 2021

Galveston County
Internal Audit Division

Randall Rice CPA
CITP CISA CIO CBM DABFA CGMA
County Auditor

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Executive Summary

Reliability and Integrity of Information (page 3)

- No material discrepancies were noted in the review of manual receipts.
- No material exceptions were detected in the review of support documentation to the purchase order requests.
- No material exceptions were detected in the review of the petty cash fund transaction log.

Safeguarding of Assets (page 4)

- All petty cash funds were accounted for on October 26, 2021.
- The Senior Financial Coordinator should determine the reason for the \$180.55 overage in petty cash fund and submit the overage to the County Treasurer to be deposited as miscellaneous revenue. *This was a previous finding.*

Introduction

The Internal Audit Division conducted an internal audit of the Galveston County Sheriff's Office petty cash fund in accordance with Local Government Code §115. The internal audit covered the period October 1, 2020 through September 30, 2021. The audit was performed from October 26, 2021 through November 5, 2021.

The primary objectives of the internal audit are to provide reasonable assurance concerning:

- Reliability and integrity of the information.
- Safeguarding of assets.

The scope of the internal audit encompassed the financial records and administrative procedures related to the Galveston County Sheriff's Office petty cash fund. The internal audit included, but was not limited to, the books, accounts, reports and records of the Sheriff's Office petty cash fund.

The internal audit included examining transactions on a test basis, and required exercising judgment in the selection of such tests. As the internal audit was not a detailed examination of all transactions, there is a risk that errors or fraud were not detected during the internal audit. The official therefore retains the responsibility for the accuracy and completeness of the financial information.

Because of certain statutory duties required of the County Auditor, we are not independent with regard to the Galveston County Sheriff's Office as defined by the AICPA professional standards. However, our internal audit was performed with objectivity and due professional care.

Celeste Wood, Internal Auditor I, performed the audit.

Reliability and Integrity of Information

Reliable information is accurate, timely, complete and useful. In order to achieve this, controls over recordkeeping and reporting must be adequate and effective.

Manual Receipts

A county issued manual receipt is issued for each transaction involving the petty cash fund. The receipts are issued in numerical order and should contain the signatures of both the issuer and the recipient of the petty cash distribution. An explanation for the transaction should be provided on the receipt.

No material discrepancies were noted in the review of manual receipts.

Purchase Orders

A purchase order request is submitted to replace the disbursements from the petty cash fund. A copy of the manual receipt is attached to the purchase request as support documentation. Upon receipt of the accounts payable check, the Senior Financial Coordinator cashes the check and replaces the money in the petty cash fund.

No material exceptions were detected in the review of support documentation to the purchase order requests.

Transaction Log

All exchanges of funds regarding petty cash, game room winnings, writs of executions, etc. are managed by the Sheriff's Office Senior Financial Coordinator. The Senior Financial Coordinator maintains a log of these transactions. The log documents the following details regarding each transaction:

- Receipt number, date and amount
- Recipient name
- Department in which the transaction occurred
- Reason for the transaction
- Purchase order number, when applicable
- Accounts payable check number and amount, when applicable

No material exceptions were detected in the review of the petty cash fund transaction log.

Safeguarding of Assets

Safeguarding of assets consists of the physical security of the fund and proper management of fund disbursements and reimbursements through the use of signed manual receipts.

Physical Security

Physical security encompasses any method to physically secure the funds from loss. Monies should be kept in a locked drawer/safe until they are needed.

Controls are in place to ensure the staff uses a lockable safe to secure the petty cash fund until disbursements are ready to be made. The safe remains locked when not in use.

The Sheriff's Office petty cash fund consists of the following:

| | |
|--|-------------------|
| SO Bond Division Change Fund | \$200.00 |
| Criminal Investigations Division (CID) Major | \$500.00 |
| Special Crimes Unit Lieutenant | \$2,000.00 |
| Senior Financial Coordinator | <u>\$4,300.00</u> |
| Total Petty Cash Fund | \$7,000.00 |

As part of the audit, the auditor conducted a surprise cash count on October 26, 2021. All funds from the Senior Financial Coordinator, Criminal Investigations Division (CID) and the Lieutenant of the Special Crimes Unit were accounted for.

Finding: There was a \$180.55 overage in the petty cash fund at the time of the October 26th surprise cash count. *This was a previous finding.*

Recommendation SOPC-21-01: The Senior Financial Coordinator should determine the reason for the overage. The overage should be returned to the County Treasurer to be deposited as miscellaneous revenue.



Henry A. Trochesset
Sheriff
Galveston County

November 18, 2021

To: Mr. Randall Rice, CPA
County Auditor

Re: 2021 Petty Cash Audit

Mr. Rice,

In response to the 2021 Petty Audit Review performed by Celeste Wood, we appreciate the professionalism and kindness she showed during her audit. She was very knowledgeable of our process and very receptive to our opinions while keeping the top goal in mind, protecting the financial integrity of our Petty Account.

Being that the only finding presented in this audit is the same as previous years, we do not feel a meeting is necessary in order to complete this review. We understand the need to achieve a balance of this account and we continue to work towards that goal.

The available time to do the research to find the error is still Ms. Vickery's' major hurdle and we would appreciate any ideas you or your auditor's have that could get us closer to a resolution.

As always, please feel free to reach out to Ms. Vickery or myself with any questions or opinions you might have.

Respectfully,

A handwritten signature in black ink that reads "Henry Trochesset".

Henry Trochesset
Galveston County Sheriff



To Protect and Serve