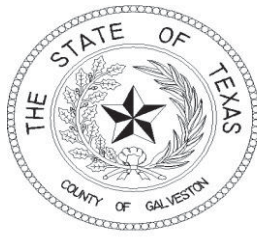


# GALVESTON COUNTY



## Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor  
Madeline Walker CPA CFE, First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5304

722 Moody Ave 4<sup>th</sup> Floor, Galveston, TX 77550

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March 7, 2022

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 on the cash count of the Tax Office's Galveston, Santa Fe, Texas City, Crystal Beach, League City and Friendswood branch locations. Also attached is the response letter from Honorable Cheryl E. Johnson, dated February 20, 2022.

Sincerely,

*Randall Rice CPA*

Digitally signed by Randall Rice  
CPA  
Date: 2022.02.22 08:31:22 -06'00'

Randall Rice CPA  
County Auditor

cc: Honorable Cheryl E. Johnson

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

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February 8, 2022

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 Galveston, Santa Fe, Texas City, Crystal Beach, League City and Friendswood Branch Locations

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A surprise cash count of the Tax Office's Galveston, Santa Fe, Texas City, Crystal Beach, League City and Friendswood branch locations was conducted from December 14, 2021 through January 26, 2022. 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 and change funds were accounted for at all branch locations, except at the League City branch. There was a \$900.00 cash shortage for one of the deputies. The deputy signed a promissory note to pay back the shortage as required by Tax Office policy. Per the Tax Assessor/Collector, the deputy will make payments to the Tax Office over a period of 7 paychecks.

### **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.

February 8, 2022

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### **Conclusion**

At the time of the surprise cash count, all collections were accounted for at the Galveston, Santa Fe, Texas City, Crystal Beach and Friendswood branch locations. Office policy was followed for the shortage observed in the League City branch. 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: Madeline Walker CPA CFE, First Assistant County Auditor



**Cheryl E. Johnson, PCC, CTOP**  
**Galveston County Tax Assessor/Collector**

722 Moody, Galveston, Texas 77550  
cheryl.e.johnson@co.galveston.tx.us  
1-409-766-2260



February 20, 2022

Mr. Randall Rice, CPA, CISA, CIO  
Galveston County Auditor  
722 Moody Avenue  
Galveston, Texas 77550

Re: Cash Count Audit All GCTO Locations

Dear Mr. Rice:

I am in receipt of the above referenced audit for the period December 14, 2021 through January 26, 2022. Your audit reflected, as have all others over at least the last 14 years that funds were accounted for (including change funds), found to be handled properly and were deposited in a timely manner. You also note management's proper handling of a shortage in the League City office. Please note I appreciate your team's review of the paperwork and, although I was hopeful that their review would uncover something we could not, our joint finding provides additional confidence that my team was thorough in their review.

Our successes through the years are in large part due to the partnership between our offices and the policies and procedures in place in the Galveston County Tax Office. Efficiency in the close out process and security of collections is a cornerstone of our operation and we will continue to strive for excellence at all times.

Please extend my appreciation to Ms. McWhirter and other members of your team for their professionalism.

I look forward to our continued partnership and future efforts.

Sincerely,

A handwritten signature in cursive script that reads "Cheryl E. Johnson".

Cheryl E. Johnson

cc: Kathleen Moreno, Chief Deputy Business Services  
Lori McWhirter  
Madeline Walker