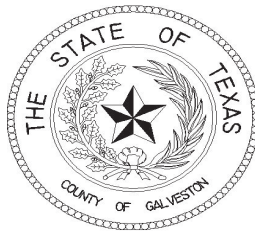


GALVESTON COUNTY



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 4th Floor, Galveston, TX 77550

July 10, 2023

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 San Luis Toll Booth. Also attached is the response letter from Facilities Director, William Riordan, dated June 29, 2023.

Sincerely,

Randall Rice CPA

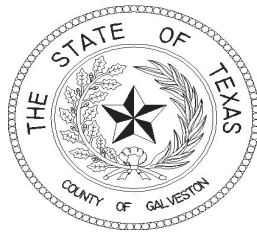
Digitally signed by Rice, Randall
Date: 2023.06.30 09:50:53 -05'00'

Randall Rice CPA
County Auditor

cc: William Riordan, Facilities Director

Attachments: San Luis Toll Booth FY2023 Audit Report
Response Letter, William Riordan, Facilities Director

GALVESTON COUNTY



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722 Moody Ave 4th Floor, Galveston, TX 77550

March 31, 2023

To: Mr. William Riordan
Facilities Director

From: Cynthia Hicks
Internal Auditor I

Re: San Luis Toll Booth FY2023 Audit Report

The Internal Audit division conducted an internal audit of the San Luis Toll Booth, in accordance with Local Government Code §115. The internal audit covered the period March 1, 2022 through February 28, 2023.

The objectives of the audit were to provide reasonable assurance concerning:

- Safeguarding of assets
- Compliance with statutes, policies and procedures

Safeguarding of Assets

Safeguarding of assets has three basic components: 1) physical security of the collections and inventory, 2) minimal exposure to loss and 3) proper management of the collections and inventory.

Physical Security

As part of the audit, a surprise cash count was conducted on March 2, 2023. The objectives of the cash count were to observe the close-out procedures and verify proper management of the collections. All collections and change funds were accounted for. Controls are in place to ensure staff use a lockable bank bag to secure collections until they are ready for deposit.

San Luis Toll Booth Coupon Books

The Facilities Department sells San Luis Toll Booth coupon books for \$40.00 each. There are 24 coupons to a book, so the customer receives 2 free coupons. The toll booth coupon books are printed at the County Print Shop. The coupon books are prenumbered and each coupon in the book has the same number. Coupon books may be purchased at the toll booth or at the Facilities Department. When a coupon book is purchased, a county issued manual receipt is given to the customer. Per department policy, the yellow copy of the receipt is submitted with the support documentation for the toll booth collections, or deposit warrant if the sale was from the Facilities Department, and the pink copy of the receipt is retained in the receipt book.

During the audit period, the Facilities Department received 3969 coupon books from the Print Shop. The Facilities Department provided internal audit with the manual receipt books that were used during the audit period. The receipt books were reviewed to determine the manual receipt number issued for each coupon book sold.

Finding: The Facilities Department was unable to locate 2 manual receipt books that were issued to them on 12/12/2022 by the Auditor's Office:

- Receipt Range 239050 – 239199
- Receipt Range 239200 - 239349

Finding: There were 143 coupon book numbers that were found on more than 1 manual receipt.

Finding: Internal Audit was unable to locate 390 coupon books, valued at \$15,600.00.

Recommendation TB-23-01: To ensure the safeguarding of the San Luis Toll Booth coupon book inventory, the office should implement a policy to track each coupon book from the print shop to the actual sale of the coupon book.

San Luis Toll Booth Bridge Passes

Commissioners Court has authorized the Facilities Department to grant San Luis Toll Booth bridge passes to law enforcement officers, first responders, veterans and military personnel. The toll booth passes are printed at the County Print Shop. The toll booth bridge passes are yellow but not prenumbered. The toll booth collector will mark on a bridge pass that an individual was waved through. Per department policy, the bridge passes are sent to the Facilities Records Technician with the other support documentation for the collections. No discrepancies were noted.

Bank Deposit Test

At the end of their shift, each toll collector closes out their collections. Each toll collector fills out a toll collector's report which reflects the amount collected, credit card payments, coupon books sold and bridge passes granted. The collections and all support documentation are secured in a locked bank bag. A deputy picks up the bank bags and delivers them to the bank. Bank employees count the collections and deposits the money in the county demand account. Any discrepancies between the bank deposit and the toll collector's report are documented on the deposit slip. A sample of bank deposits was reviewed for accuracy.

Finding: Several bank deposits did not agree with the toll collector's report, including one bank deposit was short \$122 and another that was short \$50.

Recommendation TB-23-02: To ensure accuracy of the bank deposits, the toll collector's report must match the total amount collected.

Compliance with Statutes, Policies and Procedures

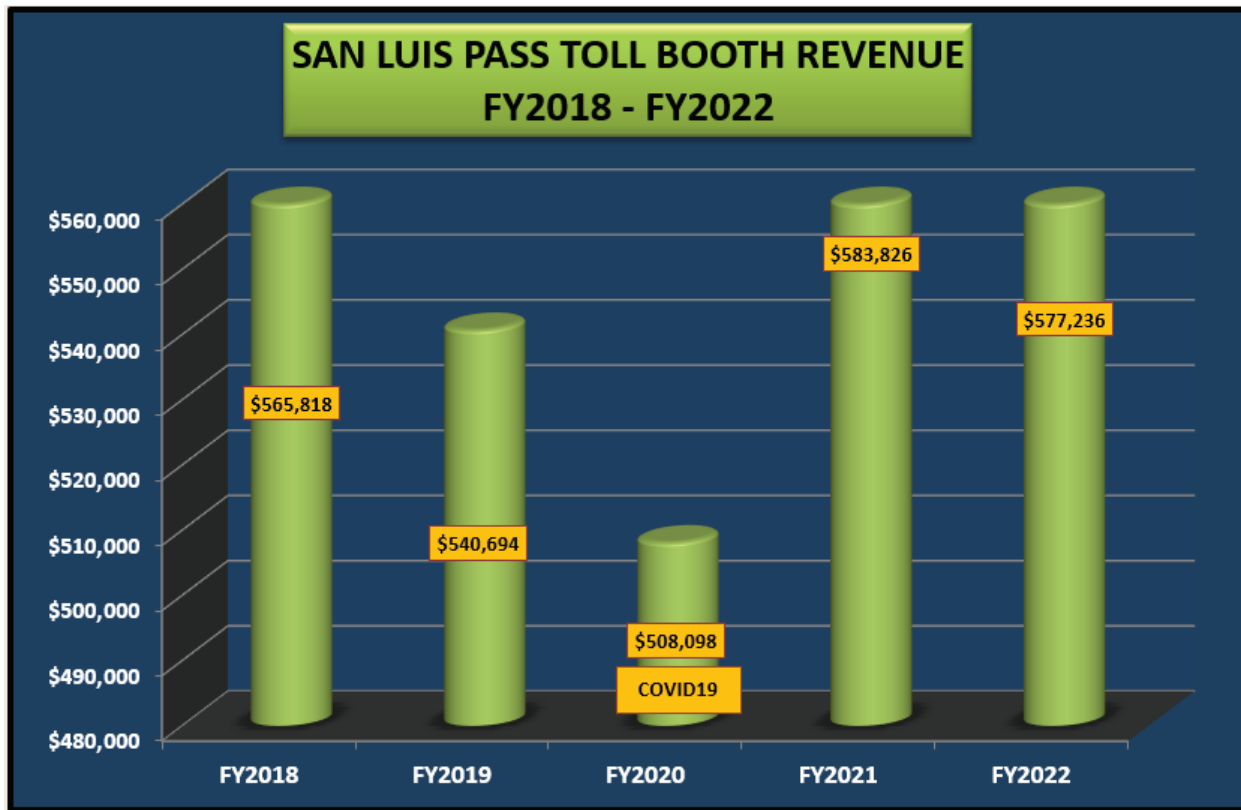
Local Government Code (LGC) §113.022 Time for Making Deposits states that money collected shall be deposited with the County Treasurer on or before the next regular business day after the date on which the money is received. If this deadline cannot be met, the office must deposit the money, without exception, on or before the fifth business day after the day on which the money is received. Per the Galveston County Cash Handling Policy, section 5.3, deposits must be delivered to the Treasurer's Office or county depository within 24 hours. Bank deposits for the audit period were tested for compliance with LGC §113.022 and the Galveston County Cash Handling Policy.

Finding: There were several deposits not made in accordance with LGC §113.022. Some collections were deposited as many as three weeks or more after receipt. On average, the cash receipts were deposited 12 days after the collection date.

Recommendation TB-23-03: To ensure compliance with LGC §113.022 Time for Making Deposits and the Galveston County Cash Handling Policy, the toll booth collections must be deposited in the bank no later than the fifth business day after the money is received.

Statistical Analysis

A statistical analysis was performed on the revenue generated by the San Luis Toll Booth. The following chart reflects the trend of the collections from FY2018 through FY2022.



We wish to thank Mr. William Riordan and his staff for their cooperation and assistance.

cc: Randall Rice CPA, County Auditor

Madeline Walker CPA CFE, First Assistant County Auditor



**COUNTY OF GALVESTON
FACILITIES DEPARTMENT**

722 MOODY, 6TH FLOOR
GALVESTON, TEXAS 77550

PHONE (409) 766-2384 FAX (409) 770-5132

Will Riordan

Facilities Director

Debra Belany

Administrative Coordinator

June 29, 2023

To: Randall Rice

From: Will Riordan

Re: Response to FY 2023 San Louis Toll Booth Audit
Mr. Rice,

The following is my response to the Internal Audit conducted of the Toll Booth operations.

Finding: There were 143 coupon book numbers that were found on more than 1 manual receipt.

Finding: The Facilities Department was unable to locate 2 manual receipt books that were issued to them on 12/12/2022 by the Auditor's Office:

- Receipt Range 239050 – 239199
- Receipt Range 239200 - 239349

Finding: Internal Audit was unable to locate 390 coupon books, valued at \$15,600.00.

Response: Lori McWhirter worked with Sandra Araujo to develop a log to keep track of coupon books as they are received from IT and given to/signed for individual Toll Booth Operators. Additionally Coupons are added daily to the end of shift countdown and shift report.

Finding: Several bank deposits did not agree with the toll collector's report, including one bank deposit was short \$122

Response: Our office will retrain all Toll Booth employees in counting down after their shift and proper reporting. This will include incident reports counting cars that go through without paying.

I want to thank Cynthia Hicks & Lori McWhirter for their assistance with this audit.

Sincerely,


William F Riordan III

Facilities Director

County of Galveston