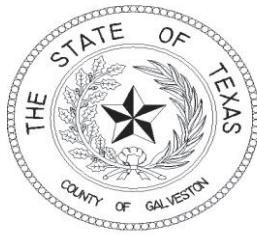


# GALVESTON COUNTY



## 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

---

October 30, 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 quarterly audit report of the payroll audit that covered the period July 1, 2023 to September 30, 2023 (biweekly #14, 2023 to biweekly #19, 2023).

Sincerely,

*Randall Rice CPA*

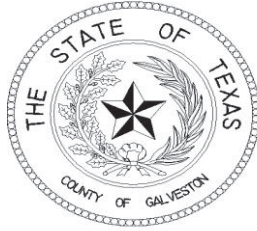
Digitally signed by Rice, Randall  
Date: 2023.10.12 15:17:39 -05'00'

Randall Rice CPA  
County Auditor

Cc: Madeline Walker CPA CFE, First Assistant County Auditor  
Arnel Wetzel, Department of Human Resources  
Hank Dugie, County Treasurer  
Sergio Cruz, Department of Professional Services  
Misty Witmer, Department of Information Technology

Attachment: Quarterly Payroll Audit Report – FY 2023 Quarter 4

# 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

---

October 11, 2023

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

**From:** Mr. Randall Rice CPA  
Galveston County Auditor

**Re:** FY 2023 Quarter 4 Payroll Review  
Biweekly # 14, 2023 – Biweekly # 19, 2023

---

### **Introduction**

The Galveston County Auditor's Office, with the assistance of the County Treasurer's Office and Professional Services, has examined the Biweekly Payroll in accordance with Local Government Code §115. The internal audit covered the period July 1, 2023 through September 30, 2023 (PP14 – PP19).

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

- Reliability and integrity of the information
- Preventing and/or detecting fraud
- Minimizing errors

As the internal audit was not a detailed examination of all transactions, there is a risk that errors or fraud may not be detected. However, our internal audit was performed with objectivity and due professional care.

The total funded payroll for the audit period was \$25,721,826.38.

### **Personnel and Bank Information**

When there is a new hire, termination, promotion, transfer, reclassification or salary increase/decrease, a Personnel Action Request form, signed by the Department Head, must be submitted. When an employee decides to have their payroll check deposited via electronic funds transfer, an appropriate form reflecting the banking information, signed by the employee, must be submitted. Human Resources uses these forms to update information in the county's financial system, ONESolution. Personnel and bank information is recorded in the Human Resources module of ONESolution by Human Resources personnel, then flows through the system to the Payroll module. Internal Audit reviewed changes to personnel and bank information to ensure adequate support documentation was provided, changes were recorded completely and accurately in ONESolution and information flowed through the system as configured.

- Testing detected 2 closed pay assignments for active employees. Both were corrected prior to the release of payroll. The absolute value of financial impact was \$0.00.

- Changes made to electronic funds transfer were verified by Human Resources. 1 data entry error was detected for bank account changes. The error was corrected prior to release of payroll. The absolute value of financial impact was \$0.00.
- Electronic funds transfers flowed through the system as configured.

### **Contributions and Deductions**

A contribution is the portion of benefit expenses that Galveston County covers as a courtesy for employees and a deduction is the portion of benefit expenses that an employee must pay in order to receive the benefit. There are mandatory and optional benefits. Mandatory benefits are administrated directly by the county and include benefits such as retirement benefits (TCDRS and AUL), State Unemployment Insurance and Medicare. Optional benefits are administrated by First Financial who provides a list of employee selected benefits to Galveston County. Internal Audit reviewed payroll records for the audit period to ensure all benefit deductions and contributions were recorded accurately and completely in ONESolution.

- No exceptions were noted in the review of the mandatory benefits for all employees.
- 16 exceptions were noted in the review of the optional contributions and deductions for all eligible employees. All exceptions were system errors with ONESolution per Human Resources. All errors were corrected prior to payroll being released. The absolute value of financial impact was \$571.26.

### **Timesheets**

As of November 28, 2019, every employee is required to use TimeClockPlus to record and track their time. At the end of each pay period, the Treasurer's Office exports all timesheet activity from TimeClockPlus and uploads the data into ONESolution. Internal Audit reviewed the bi-weekly TimeClockPlus and ONESolution exports for the audit period.

- Payroll check stubs were reconciled to the TimeClockPlus timesheets export. 2 exceptions were noted during the audit period. Both were corrected prior to payroll being released. The absolute value of financial impact was \$359.40.
- All active employees who received \$0 net pay in a pay period were reviewed. All instances of \$0 net pay were explained. No exceptions were noted.
- No duplicate timesheets were detected.
- 1 employee was set up to receive both salary and hourly pay in a single pay period. The error was corrected prior to the release of payroll. The absolute value of financial impact was \$17.31.
- No employees were set up to receive overtime pay without having worked at least 40 hours in the pay period.
- District Attorney longevity pay was accurately paid to appropriate employees.

### **Recalculations**

ONESolution's Payroll Module is configured to perform numerous calculations while processing payroll. Internal Audit reviewed the accuracy of the below payroll calculations.

- No exceptions were noted for gross pay (hours worked multiplied by the pay rates).
- No exceptions were noted for ratios between annual, biweekly and hourly pay.
- No exceptions were noted for law enforcement longevity pay calculations for eligible employees.

### **Holiday and Vacation Paid Leave**

The Galveston County Human Resources Policy Manual, Policy HR008-Time-Off Holiday, states employees shall be allowed such holiday paid leave as is annually authorized by Commissioners Court, immediately upon hire. Policy HR008-Time-Off Vacation states employees shall accrue vacation paid leave based on their years of service. Holiday and vacation paid leave are recorded in the Human Resources module of ONESolution by Human Resources personnel. Internal Audit reviewed the holiday and vacation paid leave recorded in ONESolution to ensure compliance with the Human Resources Policy manual. 4 exceptions were noted for the audit period. All were corrected prior to payroll being released. The absolute value of financial impact was \$730.58.

### **Miscellaneous Testing**

Internal Audit performs other miscellaneous tests to help detect potentially fraudulent activity related to payroll. These tests include verifying inactive personnel do not receive pay, duplicate employees do not exist and payroll check numbers do not contain any gaps or duplicates. No exceptions were noted for the audit period.

The Auditor's Office continues to work with Human Resources, the Treasurer's Office, Professional Services and Information Technology to monitor each payroll, with the intent to reduce the number of payroll errors. We would like to thank the staff of all three offices for their cooperation.

Respectfully,

*Randall Rice CPA*

Digitally signed by Rice, Randall  
Date: 2023.10.12 15:16:53 -05'00'

Randall Rice CPA  
County Auditor

CC: Madeline Walker CPA CFE, First Assistant County Auditor  
Arnel Wetzel, Department of Human Resources  
Hank Dugie, County Treasurer  
Sergio Cruz, Department of Professional Services  
Misty Witmer, Department of Information Technology