

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 8, 2024

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 Assistant Facilities Director, Mark Garcia, dated June 18, 2024.

Sincerely,

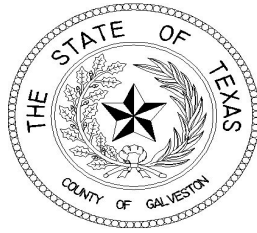
Randall Rice CPA

Randall Rice CPA
County Auditor

cc: Mark Garcia, Assistant Facilities Director

Attachments: San Luis Toll Booth FY2024 Audit Report
Response Letter, Mark Garcia, Assistant Facilities Director

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722 Moody Ave 4th Floor, Galveston, TX 77550

April 11, 2024

To: Mr. Mark Garcia
Assistant Facilities Director

From: Cynthia Hicks
Internal Auditor

Re: San Luis Toll Booth FY2024 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, 2023 through February 29, 2024.

The primary 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 19, 2024. 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 4 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 and the pink copy of the receipt is retained in the receipt book.

During the audit period, the Facilities Department received 3839 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.

During the audit period, 1968 coupon books were sold, valued at \$78,720.00.

Finding: There were numerous coupon book numbers that were recorded on more than 1 manual receipt.

Recommendation TB-24-01: 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. *(This was a previous finding)*

Finding: In November 2023, 684 coupon books were ordered from the Print Shop. All were duplicate coupon book numbers from previous orders. In February 2024, 683 coupon books were ordered. 313 were duplicate coupon book numbers from previous orders. The total value of the duplicate coupon book orders is \$39,880.00.

Recommendation TB-24-02: To prevent the fraudulent sale of the duplicate coupon books, management must locate the books and have them destroyed.

San Luis Toll Booth Bridge Passes

Commissioners Court has authorized the Facilities Department to grant San Luis Toll Booth bridge passes to Texas A&M Gulf Center for Sea Turtle research official vehicles, 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 pre-numbered. 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.

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: Numerous bank deposits did not agree with the toll collector's report.

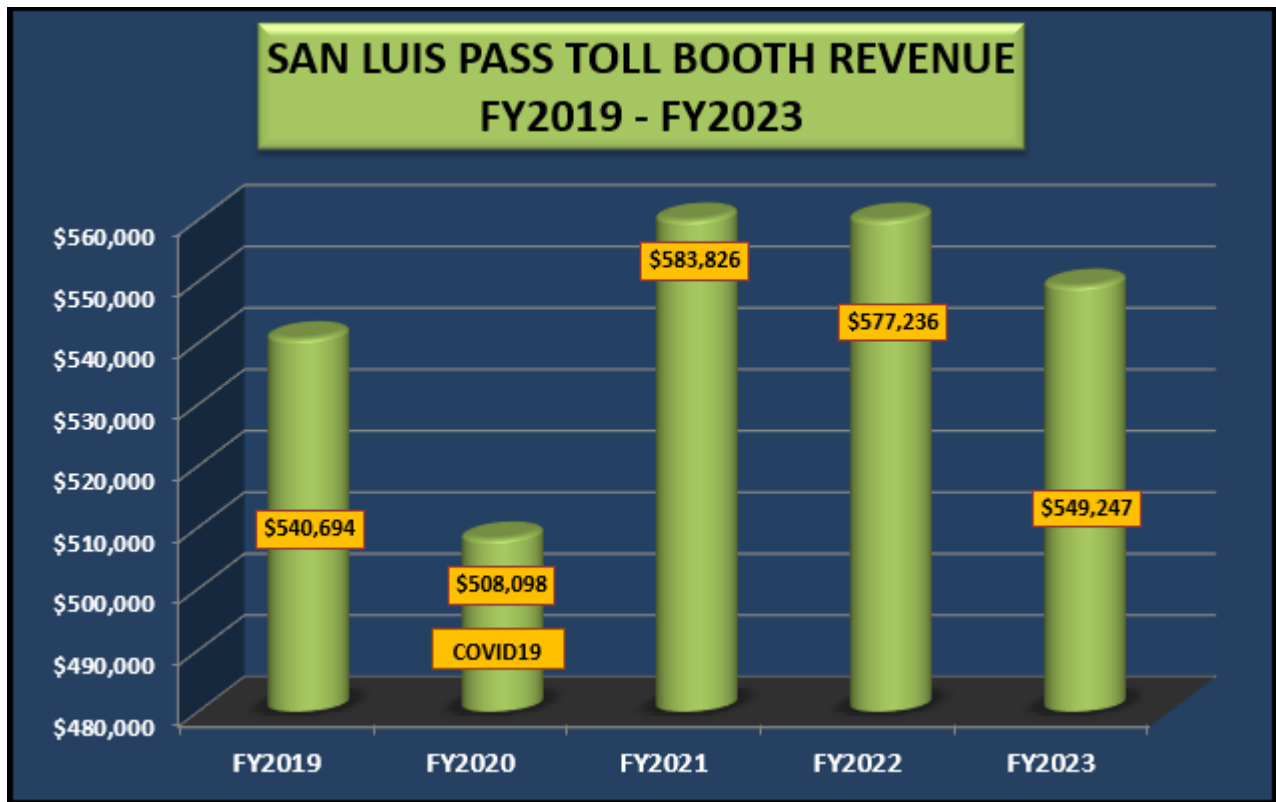
Recommendation TB-24-03: To ensure accuracy of the bank deposits, the toll collector's report must match the total amount collected.

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. No discrepancies were noted.

Statistical Analysis

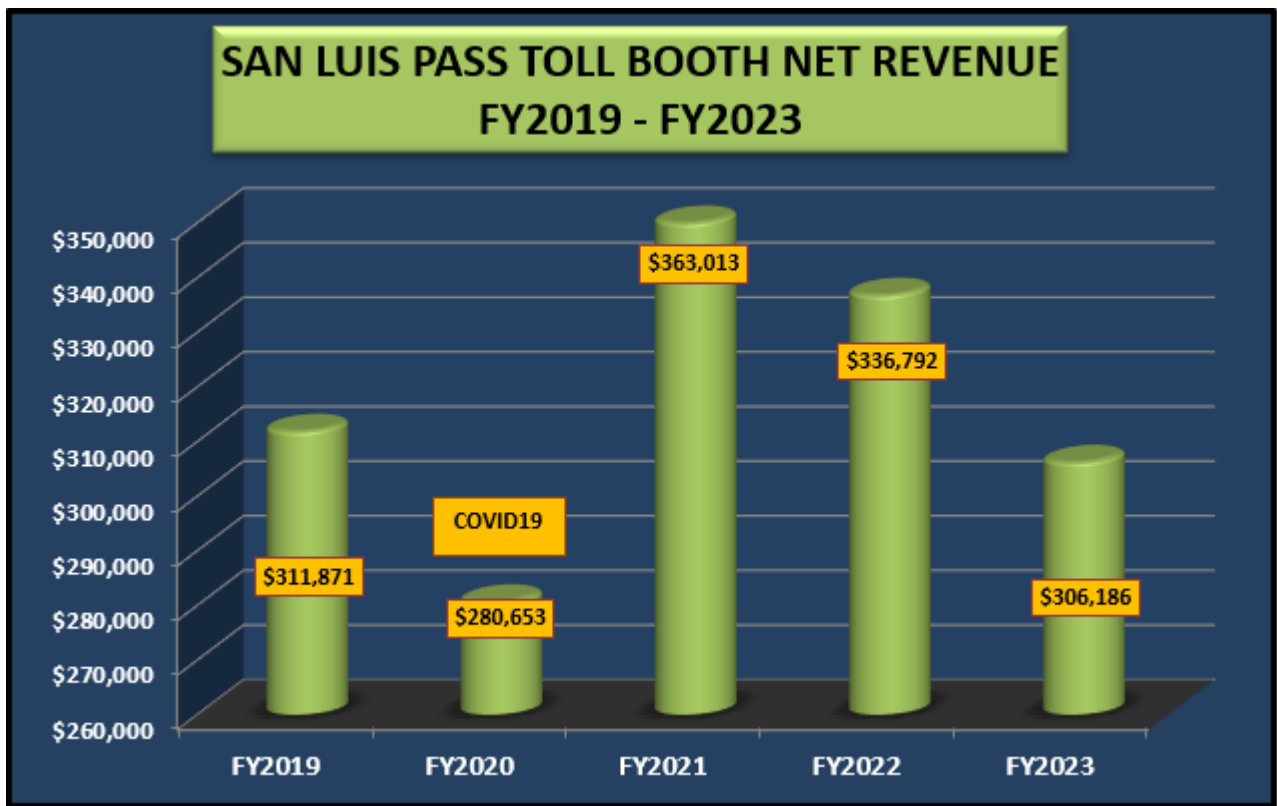
A statistical analysis was performed on the financial activities of the San Luis Toll Booth. The analysis covered the period FY2019 through FY2023. The data for the analysis was obtained from ONESolution Budget to Actual reports. Revenue generated through the San Luis Toll Booth increased from \$540,694 in FY2019 to \$549,247 in FY2023; total increase of 1.58%.



Statistical Analysis (cont.)

While revenue increased slightly, net revenue from the San Luis Toll Booth decreased from \$311,871 in FY2019 to \$306,186 in FY2023; total decrease of 1.82%. This is partly due to expenditures which increased from \$228,823 in FY2019 to \$243,061 in FY2023; total increase of 6.22%.

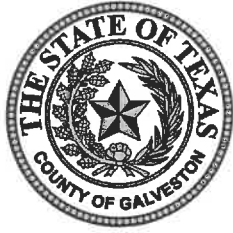
| Description | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenue from Tolls | \$ 540,694 | \$ 508,098 | \$ 583,826 | \$ 577,236 | \$ 549,247 |
| Expenses: | | | | | |
| Salaries | \$ 228,044 | \$ 226,853 | \$ 220,813 | \$ 238,664 | \$ 243,061 |
| Administrative Supplies | \$ 780 | \$ - | \$ - | \$ - | \$ - |
| Maint & Repairs | | | | | |
| Equipment | \$ - | \$ 592 | \$ - | \$ 1,780 | \$ - |
| Total Revenue | \$ 540,694 | \$ 508,098 | \$ 583,826 | \$ 577,236 | \$ 549,247 |
| Total Expense | \$ 228,823 | \$ 227,445 | \$ 220,813 | \$ 240,443 | \$ 243,061 |
| Net Revenue | \$ 311,871 | \$ 280,653 | \$ 363,013 | \$ 336,792 | \$ 306,186 |



We wish to thank Mr. Mark Garcia 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
COUNTY COURTHOUSE

Facilities & Maintenance
722 MOODY AVENUE 6th FLOOR GALVESTON, TEXAS 77550
Phone: 409-766-2384

Mark A. Garcia
Asst. Facilities Director

Jokavell Posada
Business Service Analyst

June 18, 2024

To Randall Rice

From: Mark A. Garcia

RE: Response to FY 2024 San Louis Toll Booth Audit

Mr. Rice:

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

Finding: There were numerous coupon books numbers that were recorded on more than 1 manual receipt.

Response: With the new coupon card this should not happen unless an individual buys more than one coupon. Then there will be more than one coupon number on the receipts. Also, when ordering coupon, we will be asking the print shop to give a packing receipt. This packing slip will have the quantity we order with the starting and finishing number.

Finding: Duplicate coupon books in November 2023 684 coupon books and February 2024 683 books orders. Duplicate of 313 coupon books from February.

Response: Our clerk in record storage relied on the print shop to keep tally of her numbers for the coupons. She has been directed to not rely on the print shop to keep up with the number. She was told is her responsibility to keep up with the numbers. All coupon books that were not sold with duplicate number were shredded on May 20, 2024 at 11:16 am by me Mark Garcia and Jokavell Posada

see pictures.

Finding: Bank deposits did not agree with toll collector's report.

Response: I will talk to the employees about the inaccuracy and tell them the report must match the total amount collected. Some of the inaccuracy is that we do not charge for multiple axle vehicles and money that blows out of the drawer.



COUNTY of GALVESTON
COUNTY COURTHOUSE

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I like to thank Cynthia Hicks and Lori McWhirter for all there help with this audit.

Sincerely,
Mark A Garcia
Mark Garcia