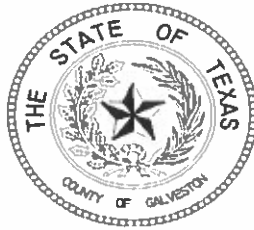


GALVESTON COUNTY



Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor
Kristin Bulanek CIA, First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5304

722 Moody Ave 4th Floor, Galveston, TX 77550

December 2, 2019

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 FY 2019 Property Tax Refunds Review that covered the period October 1, 2018 through September 30, 2019. Also attached is the response letter from Honorable Cheryl E. Johnson, dated November 18, 2019.

Sincerely,

Handwritten signatures of Randall Rice and Kristin Bulanek in black ink. The signature of Randall Rice is on the left, and the signature of Kristin Bulanek is on the right, overlapping the first one.

Randall Rice CPA
County Auditor

cc: Honorable Cheryl E. Johnson

Attachment: FY 2019 Property Tax Refunds Review Report
Response Letter, Tax Assessor-Collector Cheryl E. Johnson

GALVESTON COUNTY



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722 Moody Ave 4th Floor, Galveston, TX 77550

November 13, 2019

To: Honorable Cheryl Johnson
Tax Assessor-Collector

From: Randall Rice CPA
Galveston County Auditor

Re: FY 2019 Property Tax Refunds Review

The Galveston County Auditor's Office is required by statute to review property tax refunds. Internal Audit reviews refunds on a quarterly basis after refunds have been issued. We performed testing on a judgmental sample of the refunds submitted.

Our testing included verifying the accuracy of the calculated refund amount as well as ensuring the refund is being issued to the correct payee at the proper payee address. The reviews performed by both the Tax Office and the Auditor's Office are critical to preventing/detecting fraud and minimizing incorrect payments to property owners/voters. Since the review is not a detailed examination of all transactions, there is some risk that errors and fraud may not always be detected. The official retains the responsibility for the accuracy and completeness of the financial information.

During the fiscal period October 1, 2018 through September 30, 2019, our office reviewed refunds consisting of 4,899 checks totaling \$4,868,891.05. There were 5,255 refunds totaling \$4,965,357.28 issued in the prior year. Accordingly there has been a 6.8% (-356) decrease in the number of refunds issued and a 1.9% (-\$96,466.23) decrease in the dollar amount of refunds issued.

Of the refunds reviewed by Internal Audit, no material exceptions were found. The Tax Office staff continues to follow established processing procedures regarding property tax refunds.

We wish to thank Cheryl Johnson and her staff for their cooperation and assistance.

cc: Kristin Bulanek CIA, First Assistant County Auditor



Cheryl E. Johnson, PCC
Galveston County Tax Assessor/Collector
722 Moody, Galveston, Texas 77550
cheryl.e.johnson@co.galveston.tx.us
1-409-766-2260



November 18, 2019

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

Re: FY 2019 Property Tax Refunds Review

Dear Mr. Rice:

I am in receipt of the above referenced audit and am again pleased with the results. Property tax refund audit findings for more than 10 years have consistently met my acceptable error rate of 1% or less. This is in large part due to the partnership between our offices and the policies and procedures in place in the Galveston County Tax Office.

Once again, I wish to express my appreciation to you and the entire County Auditor's Office team for the partnership we have enjoyed for the last 15 years as we have worked to improve accountability and processes in the Galveston County Tax Office. The beneficiaries are, of course, the property owners and other Galveston County stakeholders including partner governments.

Please extend my appreciation to Ms. McWhirter and Kristin Bulanek along with other members of your team who assisted with the conduct of this audit.

Sincerely,

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

Cheryl E. Johnson

cc: Lori McWhirter, Internal Audit Manager
Kristin Bulanek, CIA, First Assistant County Auditor
Erma Evans, PCC, Chief Deputy Property Tax & Administration