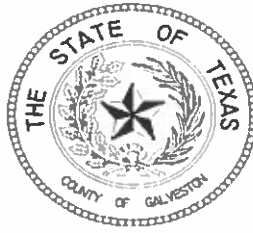


GALVESTON COUNTY



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

January 13, 2020

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 cash count of the San Luis Toll Booth. Also attached is the response letter from Facilities Director, William Riordan, dated January 3, 2020.

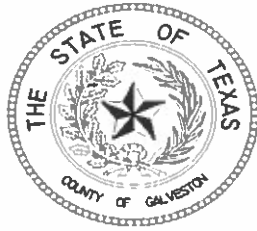
Sincerely,

Randall Rice CPA
County Auditor

cc: William Riordan, Facilities Director

Attachments: San Luis Toll Booth FY2020 Audit Report
Response Letter, William Riordan, Facilities Director

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722 Moody Ave 4th Floor, Galveston, TX 77550

December 10, 2019

To: Mr. William Riordan
Facilities Director

From: Lillian Arredondo
Internal Auditor

Re: San Luis Toll Booth FY2020 Audit Report

The Internal Audit division conducted a surprise cash count of the San Luis Toll Booth on December 4, 2019. The objective of the cash count was to determine if all the collections had been accounted for at the time of the surprise cash count and if the collections were properly handled and in a timely manner.

Reliability and Integrity of Information

Reliable information is accurate, timely, complete and useful. In order to achieve this, controls over record keeping and reporting must be adequate and effective.

Finding: Neither vehicle counters are functioning; therefore, toll collections cannot be reconciled to a vehicle count at the end of each shift. The amount of each toll operator's funds on hand cannot be verified. *(This is a prior audit finding.)*

Recommendation TB-20-01: To improve the reliability and integrity of the toll collections, the office should initiate a plan to provide an accurate vehicle count to reconcile funds collected at the end of each shift.

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.

As part of the audit, a surprise cash count was conducted on December 4, 2019. The objectives of the cash count were to observe the toll booth close-out procedures and verify proper management of the collections.

All collections were accounted for at the time of the surprise cash count.

Bank Deposits

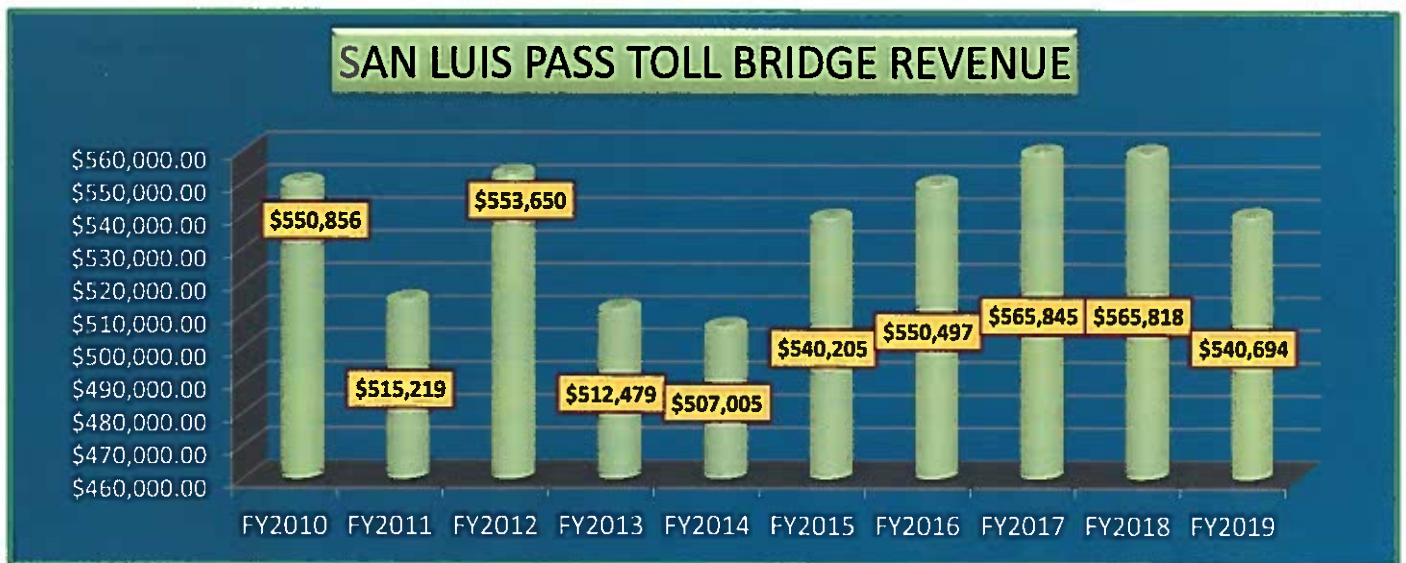
The San Luis Toll Booth collections are secured in a safe in the toll booth after close-out each day. Twice a week a Sheriff's Deputy picks the collections up from the toll booth and delivers them to the Treasurer's Office. Facilities personnel, assisted by the Treasurer's Office personnel, count the collections, verify the accuracy of the support documents and prepare the bank deposit slip. The Treasurer's Office electronically deposits the checks using a check scanner and the cash is secured in the safe until ready for deposit.

Finding: Facilities personnel are not consistently available to count the collections delivered to the Treasurer's Office by the Sheriff's Deputy. As a result, collections are not properly managed by the Facilities Department.

Recommendation TB-20-02: Facilities personnel should always be present when preparing the collections for deposit. In the event the Facilities Business Asset Technician is unavailable, another trained Facilities personnel should be made available to perform the counting of toll booth collections.

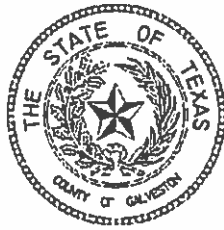
Statistical Analysis

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 FY2010 through FY2019 for the toll bridge.



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

cc: Randall Rice CPA, County Auditor
Kristin Bulanek CIA, First Assistant County Auditor



County of Galveston
Facilities Dept.
722 Moody, 6th Floor
Galveston, Texas 77550
Phone (409) 765-2643 FAX (409) 621-7971

Will Riordan
Facilities Director

Debra J. Belany
Administrative Coordinator

January 3, 2020

To: Lillian Arredondo

From: William Riordan

Re: San Luis Toll Bridge Audit

Ms. Lillian Arredondo:

The following is my response to the Audit conducted December 4th of the San Luis Toll Booth.

Finding: The vehicle counters are not working so there is no way to verify collections at the end of shifts.

Response: We are getting proposals for a system that counts vehicles & is tied to cash registers in place by late spring of 2020.

Finding: Facilities personnel are not always available to count collections delivered to the Treasurer's Office.

Response: We will have all members of the Island crew trained as backup in the event the Facilities Business Asset Technician is unavailable by the end of January 2020.

Thank you.

Will Riordan
Director of Facility Services