

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

July 30, 2018

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 for your consideration is the internal audit report of the San Luis Toll Booth audit. The audit covered the period June 1, 2017 through May 31, 2018. Also attached is the response letter from Mr. Mike Bell, dated July 20, 2018.

Sincerely,

A handwritten signature in blue ink that reads "Rice CPA".

Randall Rice CPA
County Auditor

cc: Mr. Mike Bell
Facilities Manager

Attachments: San Luis Toll Booth FY2018 Audit Report
Response Letter, Mr. Mike Bell

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722 Moody Ave 4th Floor, Galveston, TX 77550

June 18, 2018

To: Mr. Mike Bell
Facilities Manager

From: Lillian Arredondo
Internal Auditor

Re: San Luis Toll Booth FY2018 Audit Report Draft

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 June 1, 2017 through May 31, 2018.

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

- Reliability and integrity of information
- Safeguarding of assets
- Compliance with statutes, policies and procedures

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: The west bound vehicle counter is not 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.

Recommendation TB-18-01: 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 June 1, 2018. The objectives of the cash count were to observe the close-out procedures and verify proper management of the collections.

Finding: Toll booth collections were not secured in the cash drawer, leaving them exposed to the public.

Recommendation TB-18-02: To improve the security of assets, toll booth collections must be secured in the cash drawer at all times.

Finding: The west bound change fund was short \$13.00.

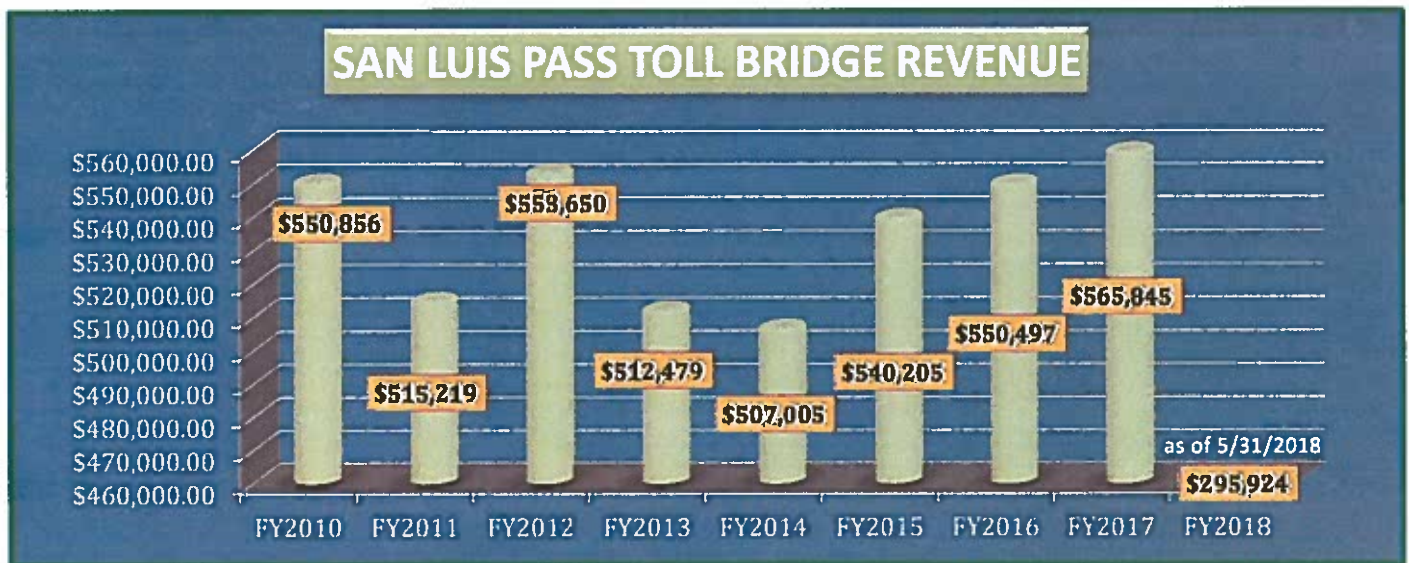
Recommendation TB-18-03: The office should determine the cause of the change fund shortage and replenish the funds immediately.

Compliance with Statutes, Policies and Procedures

Local Government Code (LGC) §133.022 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. A sample of bank deposits were tested for compliance with LGC §113.022. No exceptions were noted.

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 FY2018 (as of 5/31/2018) for the toll bridge.



We wish to thank Mr. Mike Bell 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 DEPARTMENT
722 MOODY, 6TH FLOOR
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PHONE (409) 766-2384 FAX (409) 770-5132

Mike Bell
Facilities Director

Debra Belany
Administrative Coordinator

July 20, 2018

To: Randall Rice

From: Mike Bell

Re: San Louis Toll Booth Audit

Mr. Rice,

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

Finding: The west bound vehicle counter is not functioning. Therefore tolls cannot be reconciled to a vehicle count at the end of each shift.

Response: The non-functioning counter will be repaired. Although, when a trailer goes through, it counts as 2. Only 1 toll is charged.

Finding: Toll collections were not secure in the cash drawer, leaving them exposed to the public.

Response: This issue has been addressed previously and I will reinforce the importance of keeping the cash out of sight.

Finding: The west bound fund was short \$13.00

Response: Our office will investigate all shortages and address accordingly.

I want to thank Lillian Arredondo for her assistance with this audit.

Sincerely,