

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

November 2, 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 Sheriff's Office Petty Cash Fund audit. The audit covered the period August 1, 2019 through July 31, 2020. Also attached is the response letter from Honorable Henry Trochesset, dated October 20, 2020.

Sincerely,

Randall Rice CPA

Digitally signed by Randall Rice
CPA
Date: 2020.10.20 14:25:55 -05'00'

Randall Rice CPA
County Auditor

cc: Honorable Henry Trochesset

Attachments: Sheriff's Office Petty Cash Fund Audit Report
Response Letter, Honorable Henry Trochesset



Galveston County Sheriff's Office Petty Cash Fund Audit

September 22, 2020

Galveston County
Internal Audit Division

Randall Rice, CPA
CITP CISA CIO CBM DABFA CGMA
County Auditor

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Executive Summary

Reliability and Integrity of Information (page 3)

- No material discrepancies were noted in the review of manual receipts.
- No material exceptions were detected in the review of support documentation to the purchase order requests.
- No material exceptions were detected in the review of the petty cash fund transaction log.

Safeguarding of Assets (page 4)

- All petty cash funds were accounted for on August 18, 2020.
- The Senior Financial Coordinator should determine the reason for the \$180.55 overage in petty cash fund and submit the overage to the County Treasurer to be deposited as miscellaneous revenue. *This was a previous finding.*

Introduction

The Internal Audit Division conducted an internal audit of the Galveston County Sheriff's Office petty cash fund in accordance with Local Government Code §115. The internal audit covered the period August 1, 2019 through July 31, 2020. The audit was performed from August 18, 2020 through September 14, 2020.

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

- Reliability and integrity of the information.
- Safeguarding of assets.

The scope of the internal audit encompassed the financial records and administrative procedures related to the Galveston County Sheriff's Office petty cash fund. The internal audit included, but was not limited to, the books, accounts, reports and records of the Sheriff's Office petty cash fund.

The internal audit included examining transactions on a test basis, and required exercising judgment in the selection of such tests. As the internal audit was not a detailed examination of all transactions, there is a risk that errors or fraud were not detected during the internal audit. The official therefore retains the responsibility for the accuracy and completeness of the financial information.

Because of certain statutory duties required of the County Auditor, we are not independent with regard to the Galveston County Sheriff's Office as defined by the AICPA professional standards. However, our internal audit was performed with objectivity and due professional care.

Jessica Robbins, Internal Auditor II, performed the audit.

Reliability and Integrity of Information

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

Manual Receipts

A county issued manual receipt is issued for each transaction involving the petty cash fund. The receipts are issued in numerical order and should contain the signatures of both the issuer and the recipient of the petty cash distribution. An explanation for the transaction should be provided on the receipt.

No material discrepancies were noted in the review of manual receipts.

Purchase Orders

A purchase order request is submitted to replace the disbursements from the petty cash fund. A copy of the manual receipt is attached to the purchase request as support documentation. Upon receipt of the accounts payable check, the Senior Financial Coordinator cashes the check and replaces the money in the petty cash fund.

No material exceptions were detected in the review of support documentation to the purchase order requests.

Transaction Log

All exchanges of funds regarding petty cash, game room winnings, writs of executions, etc. are managed by the Sheriff's Office Senior Financial Coordinator. The Senior Financial Coordinator maintains a log of these transactions. The log documents the following details regarding each transaction:

- Receipt number, date and amount
- Recipient name
- Department in which the transaction occurred
- Reason for the transaction
- Purchase order number, when applicable
- Accounts payable check number and amount, when applicable

No material exceptions were detected in the review of the petty cash fund transaction log.

Safeguarding of Assets

Safeguarding of assets consists of the physical security of the fund and proper management of fund disbursements and reimbursements through the use of signed manual receipts.

Physical Security

Physical security encompasses any method to physically secure the funds from loss. Monies should be kept in a locked drawer/safe until they are needed.

Controls are in place to ensure the staff uses a lockable safe to secure the petty cash fund until disbursements are ready to be made. The safe remains locked when not in use.

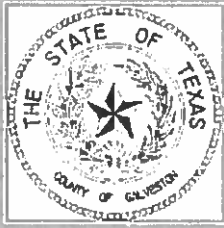
The Sheriff's Office petty cash fund consists of the following:

SO Bond Division Change Fund	\$200.00
Criminal Investigations Division (CID) Major	\$500.00
Special Crimes Unit Lieutenant	\$1,500.00
Senior Financial Coordinator	<u>\$4,800.00</u>
Total Petty Cash Fund	\$7,000.00

As part of the audit, the auditor conducted a surprise cash count on August 18, 2020. All funds from the Senior Financial Coordinator, Criminal Investigations Division (CID) and the Lieutenant of the Special Crimes Unit were accounted for.

Finding: There was a \$180.55 overage in the petty cash fund at the time of the August 18th surprise cash count. *This was a previous finding.*

Recommendation SOPC-20-01: The Senior Financial Coordinator should determine the reason for the overage. The overage should be returned to the County Treasurer to be deposited as miscellaneous revenue.



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Henry A. Trochesset
Sheriff
Galveston County

October 20, 2020

Randall Rice, CPA
County Auditor's Office
722 Moody, 4th Floor
Galveston, TX. 77550

RE: Response to Audit Finding (Petty Cash)

Mr. Rice:

Thanks you so much for providing this FY2020 report of our Petty Cash account. The auditor that conducted this years' review, Ms. Jessica Robbins, was very courteous and we appreciate her opinions and recommendations.

The overage that occurred during FY2018 of \$180.55 has not been resolved but is still actively being researched. Any assistance with reviewing the FY2018 Petty account would be greatly appreciated. We will of course notify you when a resolution has been found.

Sincerely,

Henry A. Trochesset
Henry A. Trochesset
A circular seal with the name "HENRY A. TROCHESSET" around the perimeter and a central emblem featuring a star and other symbols.

To Protect and Serve

601 54TH STREET • SUITE 2100 • GALVESTON, TEXAS 77551 • PHONE: 409-766-2300