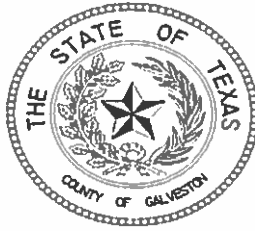


# GALVESTON COUNTY



## 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 4<sup>th</sup> Floor, Galveston, TX 77550

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December 3, 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 acceptance for filing is the internal audit report of the FY 2018 Property Tax Refunds Review that covered the period October 1, 2017 through September 30, 2018. Also attached is the response letter from Honorable Cheryl E. Johnson, dated November 16, 2018.

Sincerely,

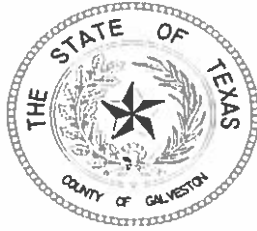
A handwritten signature in blue ink that reads "Rice CPA".

Randall Rice CPA  
County Auditor

cc: Honorable Cheryl E. Johnson

Attachment: FY 2017 Property Tax Refunds Review Report  
Response Letter, Tax Assessor-Collector Cheryl E. Johnson

# GALVESTON COUNTY



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November 12, 2018

**To:** Honorable Cheryl Johnson  
Tax Assessor-Collector

**From:** Randall Rice CPA  
Galveston County Auditor

**Re:** FY 2018 Property Tax Refunds Review

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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.

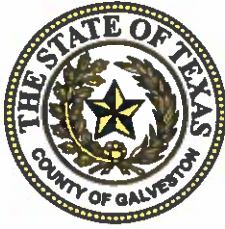
Our testing included verifying the accuracy of the calculated refund amount as well as ensuring the refund is being issued to the correct payee at the proper payee address. The reviews performed by both the Tax Office and the Auditor's Office are critical to preventing/detecting fraud and minimizing 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, 2017 through September 30, 2018, our office reviewed refunds consisting of 5,255 checks totaling \$4,965,357.28. There were 4,089 refunds totaling \$3,866,378.15 issued in the prior year. Accordingly there has been a 28.5% (1166) increase in the number of refunds issued and a 28.4% (\$1,098,979.13) increase in the dollar amount of refunds issued.

Of the refunds reviewed by Internal Audit, exceptions were noted relating to the Galveston Central Appraisal District (G.C.A.D.) conversion issues. The Tax Office is aware of these issues and is working with G.C.A.D. to resolve these issues. 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 16, 2018

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

Re: FY 2018 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 nine 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 14 years as we have worked to improve accountability and processes. The beneficiaries are, of course, the taxpayers of Galveston County.

Please extend my appreciation to Ms. McWhirter and 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  
Kenneth Florence, JD, Chief Deputy Property Tax & Administration