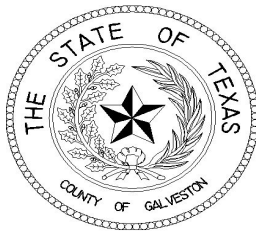


# GALVESTON COUNTY



## Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor  
Madeline Walker CPA CFE, 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

---

February 3, 2025

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 Department of Parks and Cultural Services. The audit covered the period September 1, 2023 through August 31, 2024. Also attached is the response letter from Julie Walker, dated January 17, 2025.

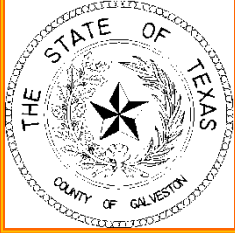
Sincerely,

*Randall Rice CPA*

Randall Rice CPA  
County Auditor

cc: Julie Walker

Attachment: Department of Parks and Cultural Services Audit Report  
Response Letter, Julie Walker



# Department of Parks and Cultural Services Audit

**November 14, 2024**

Galveston County  
Internal Audit  
Division

Randall Rice CPA  
CITP CISA CIO CBM DABFA CGMA  
County Auditor

Executive Summary .....	1
Introduction.....	2
Details.....	3-5
Statistical Analysis .....	6-7

# Executive Summary

## Reliability and Integrity of Information (page 3)

- Compensating controls have been implemented in different areas of the department where a proper separation of duties is not feasible.
- No material discrepancies were noted in the review of the monitoring and control of the distribution and sales of Bolivar Beach parking stickers.
- Facility use permit fees were assessed and collected in compliance with the facility use agreement.
- No material exceptions were noted in the review of the security deposits received and disbursed for facility use rentals.

## Safeguarding of Assets (page 4)

- Physical security over assets (collections) is adequate.
- Money collected from the sale of parking stickers is secured in a safe until ready for deposit.

## Compliance with Statutes, Policies and Procedures (page 5)

- Collections were deposited in compliance with LGC §113.022.
- No material discrepancies were noted in the review of the Bolivar beach vendor packets.
- No material discrepancies were noted in the review of the concession agreements.

## Statistical Analysis (pages 6-7)

- Revenue from facility use decreased 15.92% from \$173,762 in FY2023 to \$146,098 in FY2024. From FY2020 through FY2024, revenue averaged \$128,494, with revenues lower than average in FY2020 and FY2021 due to the COVID-19 Pandemic restrictions.
- Revenue from the Bolivar Beach parking sticker sales totaled \$829,199 for the audit period. As a whole, from FY2020 through FY2024, revenue averaged \$922,902 while expenditures averaged \$1,260,281. As of September 30, 2024 the Unreserved Fund Balance was \$1,201,414.

# Introduction

The Internal Audit Division conducted an internal audit of the Department of Parks and Cultural Services, in accordance with Local Government Code (LGC) §115. The internal audit covered the period September 1, 2023 through August 31, 2024. The audit was performed from September 9, 2024 through November 14, 2024.

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

- Reliability and integrity of the information.
- Safeguarding of assets.
- Compliance with laws, regulations, contracts, policies, plans and procedures.

The scope of the internal audit encompassed the financial records and administrative procedures related to the Department of Parks and Cultural Services. The internal audit included, but was not limited to, the books, accounts, reports and records of the Department of Parks and Cultural Services.

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 Department of Parks and Cultural Services as defined by the AICPA professional standards. However, our internal audit was performed with objectivity and due professional care.

Cynthia Hicks, Internal Auditor, performed the audit.

# 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.

## Separation of Duties

One of the most important controls is to have proper separation of duties. No one person should authorize a transaction, record the transaction and have custody of the assets.

A proper separation of duties is sometimes difficult to establish due to the size of staff and budgetary constraints; however, compensating controls have been implemented in different areas of the department where a proper separation of duties is not feasible.

## Bolivar Beach Parking Sticker Program (BBPSP)

The BBPSP generates revenue through the sale of parking stickers for vehicles and golf carts. The stickers are numbered and color coded for each fiscal year. Parking sticker sales are recorded and reconciled on daily reports filled out by each individual seller. The daily reports serve as support to the deposit warrants and as a means for assuring parking sticker numbers and receipt numbers are not skipped. The Beach Parking Sticker Supervisor reconciles the daily reports of stickers sold to the sticker inventory. No material exceptions were detected in the review of the BBPSP collections.

## Facility Use Permits

The Department of Parks and Cultural Services has several parks and facilities available for rent. Each customer is required to complete an indoor or outdoor facility use agreement provided by the department. The agreement provides the security deposit amount and the hourly rate charged for the facility, as well as the reservation guidelines that apply. The auditor tested a sample of facility use permits to verify the accuracy of the rates charged. No discrepancies were noted in the review of facility use permits.

## Security Deposits

Some facility rentals require a security deposit to be paid in advance. The security deposits are deposited in the county demand account and recorded as a liability in the general ledger. After the event is over, a department employee performs a 'walk through' evaluating the condition of the facility. The security deposit is either refunded to the customer or retained by the county to pay for damages. The department uses a 'Security Deposit Tracker' to monitor the security deposits from receipt to disbursement. No material discrepancies were noted in the review of security deposits received and disbursed.

## Safeguarding of Assets

Safeguarding of assets has three basic components: 1) physical security of the collections, 2) minimal exposure to loss, and 3) proper management of the collections.

### Physical Security

Physical security encompasses any method to physically secure the collections from loss. Monies collected should be kept in a locked drawer or safe until they are deposited.

As part of the audit, a surprise cash count was conducted on September 9, 2024 at the Crystal Beach, and La Marque offices. All cash was accounted for at the time of the surprise cash counts. Controls are in place to ensure staff uses a lockable drawer, locker, or safe to secure collections and manual receipt books until they are ready for deposit. The drawer, locker, or safe remains locked when not in use.

### BBPSP Revenue

Approximately twenty-one percent of the FY2024 parking stickers were sold on the beach by part-time employees. During FY2023 and FY2022, twenty-seven percent and twenty-five percent, respectively, of total sticker sales were sold on the beach. The employees count each other's collections during close-out each work day and secure the money in the drop box combination safe located in the bolivar beach pavilion in crystal beach. Only authorized personnel have access to the safe. The Beach Parking Sticker Supervisor or the Beach Sticker Assistant Supervisor, or their back-up collects the revenue from sticker sales and prepares the bank deposit slips. The money remains in the safe until ready for deposit. During peak season (March-August), a Galveston County Constable Deputy picks up the revenue from sticker sales and delivers the money to the bank in a locked bank bag. During the remainder of the year, the Beach Parking Sticker Supervisor or the Beach Sticker Assistant Supervisor delivers the money to the bank in a locked bank bag.

# Compliance with Statutes, Policies and Procedures

## Timeliness of Deposits

LGC §113.022 Time for Making Deposits states, “a county officer or other person who receives money shall deposit the money 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 officer or person 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 deposits was tested for compliance with LGC §113.022. No exceptions were noted.

## Bolivar Beach Vending Permit Policy

Bolivar Beach vendors are individuals who sell a commodity on the Bolivar Peninsula beaches. The beaches are divided into three geographical zones: Crystal Beach Zone, North Beach Zone and South Beach Zone. The beach vendor permit fee is determined by the location of the zone and the number of zones in which the vendor is operating. The Bolivar Beach Vending Permit Policy requires each vendor to complete an application and provide the following:

- Application fee – for each two-year vending season
- Permit fee – per calendar year
- Copies of drivers’ license(s)
- Credit check release
- Certificate of Assumed Name
- Sales tax number
- Galveston County Health Certificate (when applicable)
- Proof of general liability and vehicle liability
- Color photographs of the vehicle or structure used for vending purposes
- Building permit (when applicable)

The Beach Parking Sticker Supervisor collects the application fees and permit fees from the beach vendors and deposits them in the county demand account. The beach vendor packets were reviewed to ensure compliance with the Bolivar Beach Vending Permit Policy. No material exceptions were noted.

## Concession Agreements

Concession Agreements between the County of Galveston and an individual or group of individuals stipulates the guidelines for operating certain county owned entities. The concession agreement states the effective dates of the contract, the amount and type of insurance required and the operating fees. During FY2024 there were 4 concession agreements in effect:

- Galveston County Fair & Rodeo
- Hitchcock Boat Ramp
- Ray Holbrook Park
- Runge Park

The concession agreements were reviewed to ensure the concessionaires were in compliance with their contracts. No material discrepancies were noted.

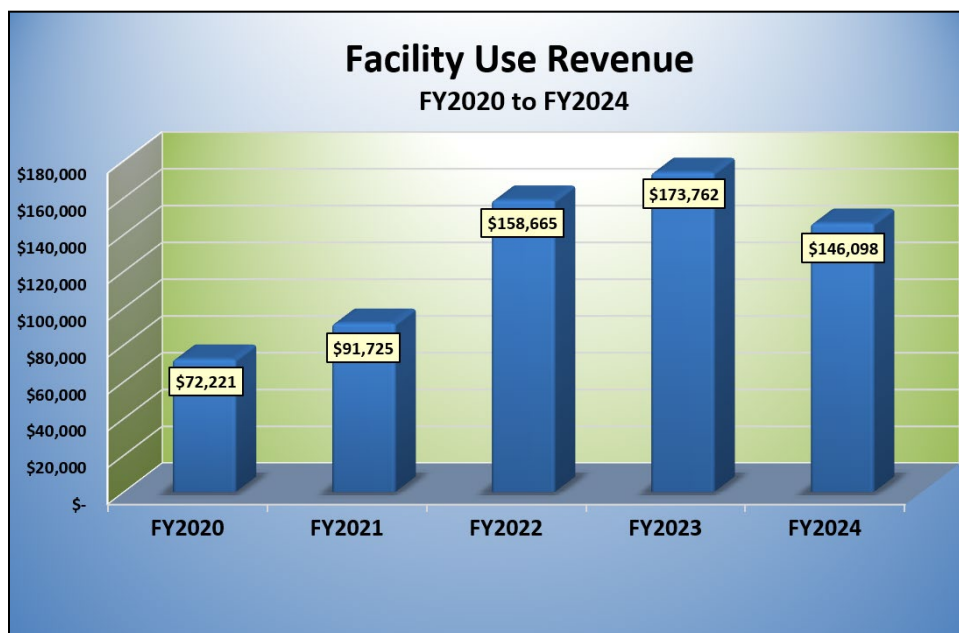
# Statistical Analysis

## Facility Use Revenue

During FY2024, the Department of Parks and Cultural Services had 15 parks, facilities, and community centers available for rent. The following reflects the revenue generated for the leading locations:

Facility Use Revenue		
Facility Name	Amount	
Walter Hall Park	60,794	41.61%
Carbide Park	30,855	21.12%
Runge Park	15,416	10.55%
Bayside Community Center	14,760	10.10%
Jack Brooks Park	9,912	6.78%
Dickinson Community Center	7,285	4.99%
J.B. Park Arena	2,150	1.47%
Bayshore Park	1,965	1.34%
Joe Faggard Comm Center	1,200	0.82%
Paul Hopkins Park	844	0.58%
Fort Travis Park	767	0.52%
Gregory Park	150	0.10%
<b>Total Revenue</b>	<b>\$ 146,098</b>	<b>100.00%</b>

The chart below reflects the revenue garnered from facility use fees. Revenue from facility use decreased 15.92% from \$173,762 in FY2023 to \$146,098 in FY2024. As a whole, from FY2020 through FY2024, revenue averaged \$128,494. The department is recovering from the decrease in FY2020 revenue, largely due to COVID-19 Pandemic.

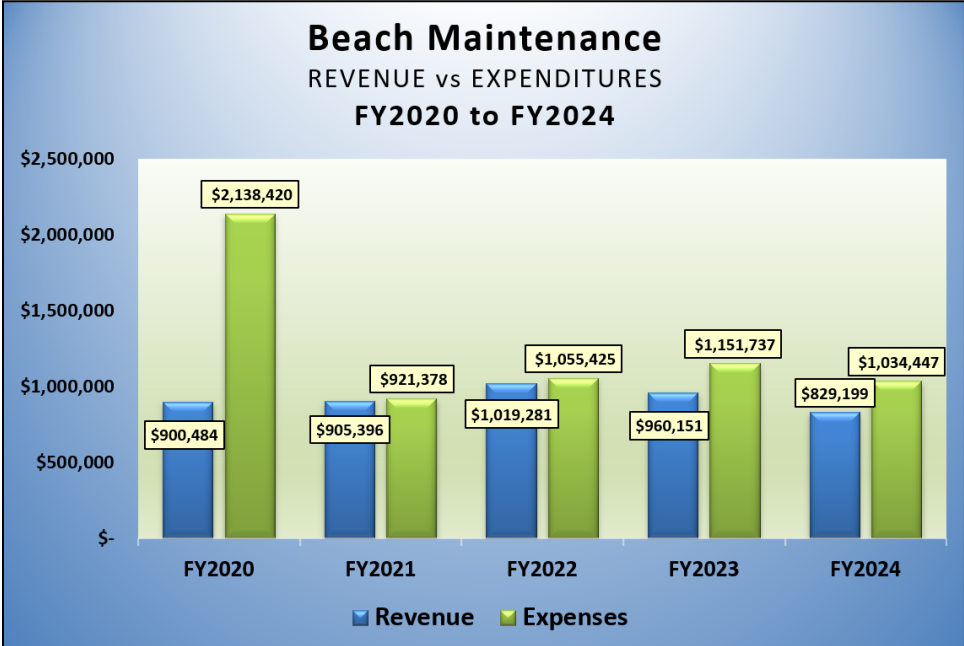




# Statistical Analysis (cont.)

## Bolivar Beach Maintenance

The Bolivar Beach parking sticker sales and beach vendor permits generate the revenue that funds the beach maintenance program. Parking stickers sales make up over 80% of the total revenue. Revenue from the Bolivar Beach parking sticker sales totaled \$829,199 for the audit period. As a whole, from FY2020 through FY2024, revenue averaged \$922,902 while expenditures averaged \$1,260,281. As of September 30, 2024 the Unreserved Fund Balance for the Bolivar Beach Parking Sticker Program was \$1,201,414.





**COUNTY of GALVESTON**  
**Department of Parks & Cultural Services**  
4102 Main Street (FM 519) • La Marque, Texas 77568  
Phone: (409) 934-8101 • Fax: (409) 621-7986

January 17<sup>th</sup>, 2025

Randall Rice CPA County Auditor  
The County of Galveston  
County Auditor's Office  
P. O. Box 1418  
Galveston, Texas 77553

**RE: Parks and Cultural Services Audit**

Dear Mr. Rice,

The purpose of this letter is to present the Department of Parks and Cultural Services response to your office's Parks and Cultural Services Audit, which was conducted on September 1<sup>st</sup> 2023 through August 31<sup>st</sup>, 2024.

No discrepancies were found in any of the categories and the information provided was accurate and informative.

I would like to thank Cynthia Hicks for her professionalism as she conducted her visit and interactions with our staff.

Thank you,

A handwritten signature in purple ink that reads "Julie Walker".

Julie Walker  
Director  
Galveston County Parks & Cultural Services  
409-934-8114  
[Julie.Walker@galvestoncountytexas.gov](mailto:Julie.Walker@galvestoncountytexas.gov)