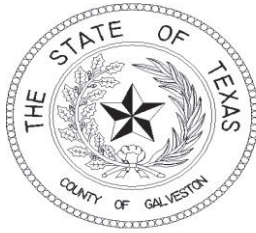


GALVESTON COUNTY



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 4th Floor, Galveston, TX 77550

September 30, 2024

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 June 1, 2023 through May 31, 2024. Also attached is the response letter from Honorable Henry Trochesset, dated September 16, 2024.

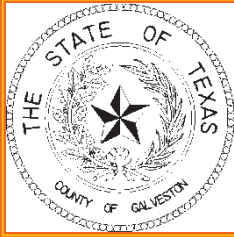
Sincerely,

Randall Rice CPA

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

July 11, 2024

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 county issued manual receipts for petty cash disbursements.
- No discrepancies were noted in the review of purchase order requests.
- No material discrepancies were noted in the review of the petty cash transaction log.

Safeguarding of Assets (page 4)

- All petty cash funds were accounted for at the time of the surprise cash count.
- Physical security over assets (petty cash funds) is adequate.

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 June 1, 2023 through May 31, 2024. The audit was performed from June 11, 2024 through July 11, 2024.

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.

Celeste McGilberry, 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 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 should contain the signatures of both the issuer and the recipient of the petty cash distribution. The manual receipt books are secured in a safe in the Senior Financial Coordinator's office. No material discrepancies were noted in the review of county issued manual receipts for petty cash disbursements.

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 discrepancies were noted in the review of purchase order requests.

Transaction Log

All exchanges of funds regarding petty cash 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
- Reason for the transaction
- Purchase order number, when applicable
- Accounts payable check number and amount, when applicable

No material discrepancies were noted in the review of the petty cash 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 lockable safes to secure the petty cash funds and manual receipt books until disbursements are ready to be made. The safes remain locked when not in use.

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

S.O. Bond Division Change Fund	\$200.00
Criminal Investigations Division (CID) Major	\$500.00
Special Crimes Unit Lieutenant	\$2,000.00
Senior Financial Coordinator	<u>\$4,300.00</u>
Total Petty Cash Fund	\$7,000.00

As part of the audit, the auditor conducted a surprise cash count on June 27, 2024. All funds from the Senior Financial Coordinator, CID and the Lieutenant of the Special Crimes Unit were accounted for.



Henry A. Trochesset
Sheriff
Galveston County

September 16, 2024

To: Randall Rice, CPA
County Auditor
Re: Petty Account Audit

Mr. Rice,

We appreciate the time and attention that Celeste gave to our Petty Cash audit this year. The information she provides is a great assistance to the regulation of this account.

If any further information is needed please feel free to contact me.

Best Regards,

A handwritten signature in black ink that reads 'Henry Trochesset'.

Henry A. Trochesset
Galveston County Sheriff

To Protect and Serve