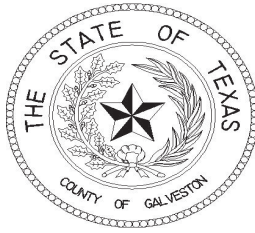


GALVESTON COUNTY



Office of the County Auditor

Sergio Cruz
County Auditor

Christie Motogbe, CPA
First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5300

722 Moody Ave, 4th Floor, Galveston, TX 77550

January 16, 2026

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 quarterly audit report of the payroll audit that covered the period October 1, 2024 to September 30, 2025 (biweekly #20, 2024 to biweekly #20, 2025).

Sincerely,

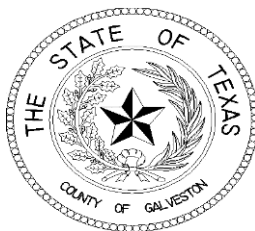
A handwritten signature in blue ink that reads "Sergio Cruz".

Sergio Cruz
County Auditor

cc: Christie Motogbe CPA, First Assistant County Auditor
Diana Huallpa, Department of Professional Services
Rebecca Gilliam, Department of Human Resources
Misty Witmer, Department of Information Technology

Attachment: FY2025 Payroll Audit Report

GALVESTON COUNTY



Office of the County Auditor

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To: Honorable Mark A. Henry, County Judge, and
Members of the Commissioners Court

From: Sergio Cruz *SC*
County Auditor

Date: December 30, 2025

CC: Christie Motogbe CPA, First Assistant County Auditor
Diana Huallpa, Department of Professional Services
Rebecca Gilliam, Department of Human Resources
Misty Witmer, Department of Information Technology

Re: FY 2025 Payroll Review, Biweekly # 20, 2024 – Biweekly # 20, 2025

Introduction

The Galveston County Auditor's Office, with the assistance of Professional Services and Human Resources, has examined the Biweekly Payroll in accordance with Local Government Code §115. The internal audit covered the period October 1, 2024 through September 30, 2025.

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

- Reliability and integrity of the information
- Preventing and/or detecting fraud
- Minimizing errors

As the internal audit was not a detailed examination of all transactions, there is a risk that errors or fraud may not be detected. However, our internal audit was performed with objectivity and due professional care.

The average total funded payroll for the audit period was \$4,696,343.85.

Personnel and Bank Information

In ONESolution, when there was a new hire, termination, promotion, transfer, reclassification or salary change, a Personnel Action Request form, signed by the Department Head, was submitted. When an employee elected to have their payroll check deposited via electronic funds transfer, an appropriate form reflecting the banking information, signed by the employee, was submitted. Human Resources used these forms to update information in ONESolution. Personnel and bank information was recorded in the Human Resources module of ONESolution by Human Resources personnel, then flowed through the system to the Payroll module. Internal Audit reviewed changes to personnel and bank information to ensure adequate support documentation was provided, changes were recorded completely and accurately in ONESolution and information flowed through the system as configured.

- Testing detected 4 data entry errors. All were corrected prior to the release of payroll. The absolute value of financial impact was \$0.00.

- Testing detected 2 benefit assignments not closed for terminated employees, attributed to a system error with ONESolution per Human Resources. Both were corrected prior to the release of payroll. The absolute value of financial impact was \$0.00.
- Changes made to electronic funds transfers were verified by Human Resources.
- Electronic funds transfers flowed through the system as configured.

In Workday, the above processes are no longer manually entered by Human Resources, but are now entered by the employees (for personal information including banking information) or by managers (for personnel actions). Due to these changes, Internal Audit is no longer able to compare data entered to a Personnel Action Request form or Authorization Agreement for Automatic Deposits form since these forms are no longer used.

Contributions and Deductions

A contribution is the portion of benefit expenses that Galveston County covers as a courtesy for employees and a benefit deduction is the portion of benefit expenses that an employee must pay in order to receive the benefit. There are mandatory and optional benefits. Mandatory benefits are administrated directly by the county and include benefits such as retirement benefits (TCDRS and AUL), State Unemployment Insurance and Medicare. Optional benefits are administrated by a third-party benefits administrator who provides a list of employee-selected benefits to Galveston County. Internal Audit reviewed payroll records for the audit period to ensure all benefit deductions and contributions were recorded accurately and completely in ONESolution. In Workday, the optional benefits are no longer sent in a file by the benefits administrator to be uploaded into the financial system; these benefits are now populated by integrations. Due to this change, the optional benefits are no longer able to be compared to the system since there is no longer an external file that can be used to compare with the system.

- 122 exceptions were noted in the review of the mandatory benefits for all employees. The exceptions were corrected prior to payroll being released. The absolute value of financial impact was \$164,840.29.
- 49 exceptions were noted in the review of the optional contributions and deductions for all eligible employees in ONESolution. All were corrected prior to payroll being released. The absolute value of financial impact was \$3,181.51.
- 2 exceptions were noted in the review of changes to voluntary retirement accounts in Workday. The errors were corrected prior to payroll being released. The absolute value of financial impact was \$250.00.

Timesheets (ONESolution)

Prior to Workday, at the end of each pay period, Professional Services exported all timesheet activity from TimeClockPlus and uploaded the data into ONESolution. Internal Audit reviewed the bi-weekly TimeClockPlus and ONESolution exports for the audit period.

- Payroll check stubs were reconciled to the TimeClockPlus timesheets export. No exceptions were noted.
- No duplicate timesheets were detected.
- 26 exceptions were noted in the review of employees with more or less than their expected hours. All were corrected prior to payroll being released. The absolute value of financial impact was \$21,174.69.
- District Attorney longevity pay was accurately paid to appropriate employees.
- 3 exceptions were noted in the review of all active employees who received \$0 net pay in a pay period. All were corrected prior to payroll being released. The absolute value of financial impact was \$149.69.
- No employees were set up to receive overtime pay without having worked at least 40 hours in the pay period.
- 1 exception was noted in the review of FMLA time used during the period. The error was corrected prior to payroll being released. The absolute value of financial impact was \$94.50.
- No employees were set up to receive both salary and hourly pay in a single pay period.
- 1 employee with exempt status was set up to receive overtime pay. This was corrected prior to payroll being released. The absolute value of financial impact was \$210.39.

- No exceptions were noted for gross pay (hours worked multiplied by the pay rates).
- No exceptions were noted for ratios between annual, biweekly and hourly pay.

Pay Components (Workday)

In Workday, a pay component is a fundamental element in payroll processing that includes earnings and related calculations. It is used to determine the total compensation for a worker during a specific pay period. Internal Audit performs various tests on the pay components in order to identify potential errors in employee hours and calculations.

- 133 exceptions were noted in the review of employees with more or less than their expected hours. All were corrected prior to payroll being released. The absolute value of financial impact was \$58,397.42.
- District Attorney longevity pay was accurately paid to appropriate employees.
- 36 exceptions were noted in the review of Law Enforcement longevity pay. All were corrected prior to payroll being released. The absolute value of financial impact was \$21,906.84.
- 4 exceptions were noted in the review of Certification Pay for Law Enforcement employees. All were corrected prior to payroll being released. The absolute value of financial impact was \$346.15.
- 1 exception was noted in the review of auto allowance for an elected official. The error was corrected prior to payroll being released. The absolute value of financial impact was \$2,616.40.
- 21 exceptions were noted in the review of all active employees who received \$0 net pay in a pay period. All were corrected prior to payroll being released. The absolute value of financial impact was \$19,763.03.
- No employees were set up to receive overtime pay without having worked at least 40 hours in the pay period.
- 3 employees with exempt status were set up to receive overtime pay. The errors were corrected prior to payroll being released. The absolute value of financial impact was \$3,440.82.
- 4 exceptions were noted in the review of unexpected changes between the first pay calculation and the second pay calculation. All were corrected prior to release of payroll. The absolute value of financial impact was \$870.91.

Holiday Pay

The Galveston County Human Resources Policy Manual, Policy HR008-Time-Off Holiday, states employees shall be allowed such holiday paid leave as is annually authorized by Commissioners Court, immediately upon hire. Internal Audit reviewed holiday pay to ensure compliance with the Human Resources Policy manual.

- 29 exceptions were noted for the audit period. All were corrected prior to payroll being released. The absolute value of financial impact was \$35,603.46.

Vacation, Sick Leave, and Compensatory Payouts

The Galveston County Human Resources Policy Manual, Policy HR008-Time-Off Vacation states employees hired prior to October 1, 2011 are paid accumulated vacation leave up to the maximum permitted and employees hired after October 1, 2011 are paid accumulated vacation leave up to 120 hours upon separation from the county. The Galveston County Human Resources Policy Manual, Policy HR008-Time-Off Sick Leave states employees hired prior to October 1, 2011 and who retire under TCDRS or AUL are paid one-half awarded unused sick leave and employees hired after October 1, 2011 are not paid for unused sick leave upon separation from the county. The Galveston County Human Resources Policy Manual, Policy HR009-Salary Administration Policy states employees who exceed compensatory accrual of 80 hours or 160 hours (for Law Enforcement) will be paid for the overage. Internal Audit reviewed payouts to terminated employees and for excess compensatory time to ensure compliance with the Human Resources Policy manual.

- 35 exceptions were noted in the review of sick and vacation payouts. The errors were corrected prior to payroll being released. The absolute value of financial impact was \$99,834.63.
- 29 exceptions were noted in the review of compensatory time in excess of county policy. All excess hours were paid out to the employees in compliance with county policy prior to payroll being released. The absolute value of financial impact was \$73,140.68.

Miscellaneous Testing

Internal Audit performs other miscellaneous tests to help detect errors or potentially fraudulent activity related to payroll.

- 8 exceptions were noted in the review of active employees not receiving pay. All were corrected prior to payroll being released. The absolute value of financial impact was \$6,139.50.
- 6 exceptions were noted in the review of exempt employees missing salary pay. All were corrected prior to payroll being released. The absolute value of financial impact was \$16,377.55.
- 12 exceptions were noted in the review of general ledger validity. All were corrected prior to payroll being released. The absolute value of financial impact was \$181.09.

The Auditor's Office continues to work with Professional Services, Human Resources and Information Technology to monitor each payroll, with the intent to reduce the number of payroll errors. We would like to thank the staff of all three offices for their cooperation.