

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

January 24, 2022

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

Honorable Mark A. Henry and Members of the Court:

Attached to be received and filed is the internal audit report of the Agreement between Galveston County and Friends for Life relating to Guardianship Services that covered the period October 1, 2020 through September 30, 2021. Also attached is the response letter from James Gentile, Director of Contract Services.

Sincerely,

Randall Rice CPA

Digitally signed by Randall Rice
CPA
Date: 2022.01.18 15:50:32 -06'00'

Randall Rice CPA
County Auditor

cc: James Gentile

Attachment: Guardianship Services Audit Report
Response Letter, James Gentile

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

December 14, 2021

To: Mr. James Gentile
Director of Contract Services

From: Celeste Wood
Internal Auditor I

Re: Galveston County Guardianship Program Audit Report

The Internal Audit Division conducted an audit of the agreement by and between Galveston County and Friends for Life for Guardianship Services (the Agreement) in accordance with Government Code §155.001. The Agreement was extended on October 1, 2021 and expires on September 30, 2023. The audit covered the period October 1, 2020 through September 30, 2021.

The objectives of the audit were to provide reasonable assurance concerning:

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

Persons Served

Friends for Life provides guardianship and related services to incapacitated persons in Galveston County or other persons in Galveston County who need assistance in making decisions concerning the respective person's own welfare or financial affairs. Article III Section 1(b) Persons Served states Friends for Life Guardianship Services shall comply with all applicable statutes, rules and standards of practice and serve up to 200 wards and representative payee clients in Galveston County.

The monthly average of persons served by Friends for Life during the audit period was 58 wards and 24 representative payees.

Certified Employees

Article III Section 1(c) Certification Required for Performing Services as guardian of the contract states Friends for Life shall only utilize employees with the certification required by the Texas Supreme Court, Estates Code and the Texas Judicial Branch Certification Commission to perform guardian services for a ward.

The auditor verified that Friends for Life staff providing guardianship and representative payee services to Galveston County clients were certified. No exceptions were noted.

Guardianship Expenditures

The auditor reviewed a sample of expenditures for guardianship of the estate and representative payee services provided during the audit period to ensure the individuals' financial affairs were used for the well-being of the ward and/or representative payee clients. No material discrepancies were noted in the review of expenditures.

Compensation

Article III Section 3(a) Compensation of the Agreement states Friends for Life shall submit monthly invoices with supporting documentation on a monthly basis, following the close of month during which services were performed. Article III Section 2 Payment states the county will pay Friends for Life for guardianship services actually performed, and/or money management services actually performed subsequent to Probate Court and/or Adult Protective Services request, based on the number of individuals served. The monthly costs per individual served are as follows:

- \$250 per month, between 1-75 individuals served.
- \$225 per month, between 76-200 individuals served.

The auditor reviewed monthly invoices submitted by Friends for Life during the period October 2020 – September 2021 to verify compliance with the agreement. No material discrepancies were noted.

Guardian of the Person Reporting Requirements

Annual Report of the Person

Estate Code (EC) §1163.101 Annual Account Report Required states once each year for the duration of the guardianship, a guardian of the person shall file with the court a report that contains the following information, but is not limited to:

- All receipts and disbursements for the support and maintenance of the ward
- Personal information regarding the ward's name, address, contact information, etc.
- Information regarding the type of home in which the ward resides
- The times the guardian has seen the ward in the past year
- If the guardian has possession or control over the wards' estate
- The ward's physical and mental health during the previous year
- Description of the ward's activities during the previous year
- Recommendation explaining whether the guardian's power should be increased, decreased or unaltered

The auditor tested a sample of cases to verify compliance with EC §1163.101. No material discrepancies were noted.

Guardian of the Estate Reporting Requirements

Inventory and Appraisalment of the Estate

EC §1154.051 Inventory and Appraisalment states not later than the 30th day after the date the guardian of the estate qualifies, unless a longer period is granted by the court, the guardian shall file with the court clerk a single written instrument that contains verified, full and detailed inventory of all the ward's property that has come into the guardian's possession or of which the guardian has knowledge.

EC §1154.052 List of Claims states the guardian of the estate shall make and attach to the inventory and appraisalment a complete list of claims due or owing to the ward.

The auditor tested a sample of cases to verify compliance with EC §1154.051 and EC §1154.052.

Finding: Friends for Life is not filing the Inventory, Appraisalment and List of Claims report within 30 days after the date of qualifying as guardian of the estate with the court clerk.

Recommendation FFL-22-01: To be in compliance with EC §1154.051 and 1154.052, the Inventory, Appraisalment and List of Claims report shall be submitted to the Probate Court within 30 days after the date of qualifying as guardian of the estate.

Initial and Annual Reporting of the Estate

EC §1163.001 Initial Account of Estate states not later than the 60th day after the first anniversary of the date the guardian of the estate of a ward qualifies, unless the court extends that period, the guardian shall file with the court an account consisting of a written exhibit made under oath that lists all claims against the estate presented to the guardian during the period covered by the account.

EC §1163.002 Annual Report of the Estate states a guardian of the estate shall file an annual account conforming to the essential requirements of EC §1163.001 regarding to changes in the estate assets occurring since the date the most recent previous account filed.

The auditor tested a sample of cases to verify compliance with EC §1163.001 and EC §1163.002.

Finding: Friends for Life is not submitting the Initial Annual Account of Estate report within 60 days after the first anniversary of the date of qualifying as guardian of the estate.

Recommendation FFL-22-02: To be in compliance with EC §1163.001, the Initial Annual Account of Estate report shall be submitted to the Probate Court within 60 days after the first anniversary of the date of qualifying as guardian of the estate.

We wish to thank Mr. Gentile and the Friends for Life office personnel for their cooperation and assistance.

cc: Randall Rice CPA, County Auditor
Madeline Walker CPA CFE, First Assistant County Auditor
Honorable Kim Sullivan, Galveston County Probate Judge



County of Galveston
Professional Services Department
James Gentile

Randall Rice
Galveston County Auditor
722 Moody (21st St.)
Galveston, TX. 77550

Re: Galveston County Guardianship Program Internal Audit

Dear Mr. Rice,

The Grants Administration Department of Galveston County is in receipt of the Guardianship Program Internal Audit. I would like to thank your team for their efforts and professional execution of this audit.

Going forward our office will direct the County's vendor to implement a procedure, with guidance from your staff, to monitor inventory filing, appraisements, list of claims and the initial annual account of estate report with the County Clerk's Office

Sincerely,

James Gentile