

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

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722 Moody Ave 4th Floor, Galveston, TX 77550

April 18, 2022

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 Children's Center. The audit covered the period October 1, 2020 through September 30, 2021. Also attached is the response letter from Veronica Van Horn, Legal Services Coordinator, dated March 29, 2022.

Sincerely,

Randall Rice CPA

Digitally signed by Randall Rice CPA
Date: 2022.03.31 13:09:46 -05'00'

Randall Rice CPA
County Auditor

cc: Veronica Van Horn

Attachment: The Children's Center Internal Audit Report
Response Letter, Veronica Van Horn

GALVESTON COUNTY



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722 Moody Ave 4th Floor, Galveston, TX 77550

February 28, 2022

To: Honorable Mark A. Henry
County Judge

From: Randall Rice CPA
County Auditor

Re: The Children's Center, Inc. Internal Audit Report

The Internal Audit Division conducted an internal audit of The Children's Center, Inc. on behalf of the Department of Professional Services. The audit covered the period October 1, 2020 through September 30, 2021. The purpose of the audit was to ensure compliance with the agreement between the County of Galveston and The Children's Center, Inc.

Introduction

The Children's Center, Inc. ("Center") is a non-profit corporation authorized to do business in the state of Texas. The Center entered into an agreement ("Agreement") with Galveston County to provide short-term licensed emergency shelter services for children. The Agreement is for a period of two years and is renewed in writing for subsequent periods of 1-2 years. The current contract was approved by Commissioners' Court on June 29, 2020. The effective date of the contract was October 1, 2020 through September 30, 2021.

Scope of the Center's Duties and Responsibilities

Yeager Center

Section 1(A)(1) of the Agreement states the Center agrees to provide, 24 hours a day, 7 days a week, year round, state licensed short-term emergency shelter services at its Yeager Center. The services provided at or by the Yeager Center will include all reasonably necessary food and snacks, lodging, minor articles of clothing, personal hygiene items and required transportation. These services will be provided to children between the ages of 7 through 17, other than those who are in the legal conservatorship of the Department of Protective Services. The County agrees to pay \$106.22 per day, up to 14 days, for each child admitted to the Yeager Center.

Finding: The Yeager Center is no longer being used to provide services to children as stated in the contract. Children have not been admitted to the Yeager Center since Hurricane Harvey in August 2017. Since the inception of the contract in FY2011, the County has never been invoiced for charges for the Yeager Center. *This was a finding in the FY2020 audit.*

Jameson Center

Section 1(A)(2) of the Agreement states the Center, through its Jameson Center, will arrange for the provision of emergency child placement services in a licensed foster group home for children from birth through age 6. The services provided in the licensed foster group home will include all reasonably necessary food and snacks, lodging, minor articles of clothing, personal hygiene items and required transportation. These services will be provided to children who are referred to the Center by a referral source. The County agrees to pay \$106.22 per day, up to 14 days, for each child admitted to the Jameson Center.

Finding: The Jameson Center is not used to provide services to children as stated in the contract, but is a child-placing agency in partnership with Child Protective Services (CPS) that provides foster homes in Galveston County, Fort Bend County, Brazoria County, Harris County and in the McAllen, Texas area near the border. Since the inception of the contract in FY2011, the County has never been invoiced for charges for the Jameson Center. *This was a finding in the FY2020 audit.*

Family Crisis Center

Section 1(A)(3) of the Agreement states the Center agrees to accept referrals from an authorized representative of the Department of Protective Services to place a parent and their child (or children) in temporary housing at the Family Crisis Center. The services provided include emergency shelter, counseling, case management and support for return to work and permanent housing. The Family Crisis Center invoices the County each month for the children that were housed during that month. The County agrees to pay \$15.00 per day, up to 60 days, for each child admitted to the Family Crisis Center.

The Family Crisis Center provided services to children as stated in the contract during the audit period.

Referral Source

Section 5 of the Agreement states a referral source is a Texas Department of Family and Protective Services, Galveston County Division case worker, a County Sheriff’s Department deputy, a police officer who is in the employ of either a municipality or a school district located wholly or partially within Galveston County, County Juvenile Probation Officers, physicians, social workers, attorneys, counselors, parents, ministers, hospitals, Red Cross, self-referred youth, local youth referred by the National Runaway Hotline or other referrals that are approved as such by the Children’s Services Board or the County. The support documents to the monthly invoices submitted to the County reflect the referral source for each family. The support documentation to the referral sources were reviewed for the audit period.

The following table reflects the referral sources for cases (children) admitted to the Family Crisis Center during the audit period:

	FY2021	
Emergency Hotline	355	99.72%
BLANK	1	0.28%
	<u>356</u>	

Admission/Screening Process

Section 1(B) of the Agreement states the Center is responsible for screening each child prior to admission to a Center program. The Center shall diligently inquire about the background history of each child referred to it before deciding whether or not to admit the child for temporary housing. The screening process shall include, but not be limited to, the questions listed on Exhibit "A" of the contract. The Center shall record in writing the date and time the referral is made, the person and entity making the referral, the person screening the referral for the Center, and the answer to the questions on Exhibit "A", as well as all other pertinent matters.

Section 1(C) of the Agreement states that each admitted shall fill out the form Exhibit "C" and deliver to the Program Director. The section also states that the Center shall fill in and deliver Exhibit "D" by or before the 26th day of stay.

The Center's policies and procedures for the Family Crisis Center intake process states staff will perform a criminal records background check and a check of the National Sex Offender Registry for each applicant.

As part of the audit, a sample of applicant intake forms were reviewed for compliance with the agreement and the Center's policies and procedures.

Finding: The Children's Center, Inc. does not inquire about the background history of any child referred to it before deciding whether or not to admit the child for temporary housing. *This was a finding in the FY2020 audit.*

Finding: The applicant intake forms did not include the date and time the referral was made nor the person and entity making the referral. *This was a finding in the FY2020 audit.*

Finding: The Children's Center, Inc. does not use the child placement form Exhibit "C" as required by the contract. This is an outdated child placement form. *This was a finding in the FY2020 audit.*

Finding: The Children's Center, Inc. does not complete the request for extension form Exhibit "D" by or before the 26th day. *This was a finding in the FY2020 audit.*

Finding: A check of the National Sex Offender Registry was not performed on any of the applicants as part of the intake process. *This was a finding in the FY2020 audit.*

Length of Stay

Section 3(A) of the Agreement states each child referred to the Yeager Center will be permitted to stay at the center a maximum of 14 days even if not consecutive. Longer stays must be approved by the Program Director.

Section 3(B) of the Agreement states each child referred to the Jameson Center will be permitted to stay at the center a maximum of 14 days even if not consecutive. Longer stays must be approved by the Program Director.

Section 3(C) of the Agreement states each child referred to the Family Crisis Center will be permitted to stay a maximum of 30 days even if not consecutive. Longer stays and repeated stays (even if not consecutive) will be permitted only if determined necessary by the Program Director, such determination to be made by the Program Director upon receipt of a timely written request from the Center, not later than the twenty-sixth (26) day of stay. Notwithstanding the foregoing, no child will be permitted to stay longer than 60 days a year.

Length of Stay (cont.)

The Center invoices the County each month for the services provided by the Family Crisis Center. A roster of the residents is submitted with the invoice. Internal audit reviewed the monthly rosters for the audit period.

Finding: 13% of the cases (children) admitted to the Family Crisis Center during the audit period exceeded the maximum length of stay as stated in the contract. The following table reflects the length of stay for the cases reviewed:

Length of Stay	# of Cases	
1 - 30 days	110	55.00%
31 - 60 days	61	30.50%
61 - 64 days	3	1.50%
65+ days	26	13.00%
	<u>200</u>	

Finding: The support documentation to the invoices submitted by the Center did not provide the discharge date for 24 (12%) of the cases (children) admitted to the Family Crisis Center. The length of stay for those cases was determined by the last month they were included on an invoice to the County.

Finding: The support documentation to the invoices submitted by the Center did not provide a case number for 19 (9.50%) of the cases (children) admitted to the Family Crisis Center.

Personnel

Section 5 of the Agreement states the Center agrees to provide sufficient properly licensed and qualified personnel to ensure the safety, security, health and welfare of the children temporarily housed at or through the Yeager Center, Jameson Center or Family Crisis Center. The professional and educational qualifications of such personnel are those established by the Texas Department of Family and Protective Services, Galveston County Division for employees of emergency shelters. The Center represents and covenants that its personnel shall comply with established supervision guidelines, including but not limited to those listed on Exhibit “B” of the contract.

Children admitted to the Family Crisis Center are accompanied by their parent(s), thus, per the president of the Center, qualified personnel are not needed to ensure the safety, security, health and welfare of the children.

Finding: Exhibit “B” of the contract does not address supervision guidelines as stated in the Agreement. Exhibit “B” is an outdated form used to request an extended stay for the resident and their family. *This was a finding in the FY2020 audit.*

Insurance

Section 21 of the Agreement states the Center will maintain in force policies of general liability insurance with minimum limits of \$250,000 for each person and \$500,000 for each occurrence as insurance against loss to any person or property occasioned by acts or omissions of the Center. The Center will acquire and maintain workers’ compensation insurance as provided and required by applicable Texas State law for its employees.

The Center is in compliance with Section 21 of the Agreement.

Alternative Funding Sources

Section 24 of the Agreement states the County is a payer of the last resort. The Center will actively seek payment for its services on each child from alternative sources such as parents, charities, state or federal grants and other similar sources prior to billing the Galveston County Children’s Services Board for services. During the audit period, the Center received \$134,130.00 from the County. The Center’s bank statements were reviewed to determine the sources of funding for the Center. Not all deposits from the bank statements contained a description of the payer. During the audit period, the Center received funding from the following sources:

Source of Funding	FY2021 <i>(Oct-Sept)</i>
TX Department of Health & Human Services	\$1,057,338.04
TX Department of Family Protective Services	\$540,219.77
TX Department of Housing & Community Affairs	\$292,821.94
TX Department of Housing & Urban Development	\$184,127.48
Mainland Community	\$66,050.09
Emergency Food & Shelter Program	\$42,817.00
Texas Commission on the Arts	\$5,000.00
Facebook	\$420.00
Deposits – Unknown Sources*	\$291,914.73
Total Known Funding	\$2,502,809.04

*These deposits may contain Galveston County funding

Scope of Board’s Duties and Responsibilities

Payment for Services

Section 2(A) of the Agreement states the County agrees to pay the Center \$15.00 per day for each child housed in the Family Crisis Center. In addition, the County agrees to pay \$3,333.33 per month in support of the Safe Place Program as described in Exhibit “E” of the Agreement.

Section 2(B) of the agreement states written requests for payment will be submitted to the County on a monthly basis and must include at a minimum the following information:

- a) Name of child
- b) Name of person and source of referral
- c) Intake and discharge dates
- d) Number of days in care for which payment is being requested *and* prior stays at the Center.

The Center invoices the County each month for the services provided by the Family Crisis Center. The invoice reflects the total number of days stay for all cases (children) who were being housed at the Family Crisis Center the previous month. A roster of the residents is submitted with the invoice as support documentation.

Payment for Services (cont.)

Finding: Starting January 2020, the County has not paid to support the Safe Place Program. *This was a finding in the FY2020 audit.*

Finding: The support documentation to the invoices submitted by the Center did not provide the name of the person who made the referral of each child to the Family Crisis Center. *This was a finding in the FY2020 audit.*

Finding: The support documentation to the invoices submitted by the Center did not provide the discharge date for 24 (12%) of the children admitted to the Family Crisis Center. *This was a finding in the FY2020 audit.*

Financial Records

Section 17 of the contract states the Center shall maintain the necessary financial records to support the expenditure of the funds delivered by the County. Section 18 states the Center agrees to maintain and make available for inspection, audit or reproduction by the County, records pertaining to the costs and expenses of this Agreement, to the extent and in such detail as will properly reflect all net costs, direct and indirect, or labor, material, equipment, supplies, services and other costs and expenses of whatever nature for which payment is claimed under this Agreement.

Finding: All funding received by the Center is deposited to and spent from the same bank account. The Center was unable to provide a report reflecting expenditures of the funds provided by the County specifically related to the Family Crisis Center. *This was a finding in the FY2020 audit.*

We wish to thank Mr. Gentile and his staff for their cooperation and assistance.

cc: Randall Rice CPA, County Auditor
Madeline Walker CPA CFE, First Assistant County Auditor



COUNTY of GALVESTON
COUNTY COURTHOUSE

722 MOODY AVENUE 2nd FLOOR GALVESTON, TEXAS 77550
Phone: 409-770-5562 Fax: 409-770-5560

March 29, 2022

Randall Rice
County Auditor
722 Moody Ave., 4th Floor
Galveston, TX 77550

Via Email: randall.rice@co.galveston.tx.us

Re: The Children's Center, Inc. Internal Audit Report

Dear Mr. Rice:

I am in receipt of the current audit performed by the Galveston County's Auditing Department.

Please utilize this letter to serve as my response and acknowledgement of the audit materials. I have reviewed the findings of this audit and every due diligence possible will be taken to remedy the findings.

Sincerely,

A handwritten signature in blue ink that reads "Veronica Van Horn".

Veronica Van Horn
Legal Services Coordinator