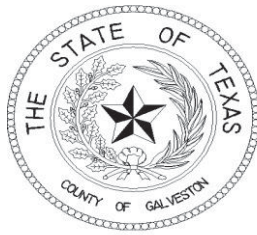


GALVESTON COUNTY



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

March 6, 2023

Honorable Mark A. Henry, County Judge, and
Members of the Commissioners Court
722 Moody Avenue
Galveston, Texas 77550

Honorable Judge and Members of the Court:

Attached to be received and filed is the internal audit report of the Alternative Dispute Resolution Fund that covered the period October 1, 2021 through September 30, 2022. Also attached is the response letter from Thayer Evans, dated February 9, 2023.

Sincerely,

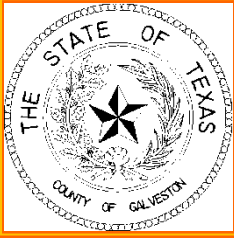
Randall Rice CPA

Digitally signed by Rice, Randall
Date: 2023.02.21 11:59:55 -06'00'

Randall Rice CPA
County Auditor

cc: Thayer Evans, President

Attachment: Mediation Services Program Fund Audit Report
Response Letter, Thayer Evans



Galveston County Alternative Dispute Resolution Fund Audit

December 28, 2022

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 (pages 3-4)

- All mediation fees collected by all courts were deposited in the county demand account and recorded in the special revenue fund titled 'Alternative Dispute Resolution'.
- No exceptions were noted in the testing of mediator invoices for family cases.
- No exceptions were noted in the testing of mediator invoices for CPS cases.

Compliance with Statutes, Policies and Procedures (pages 5-6)

- No exceptions were noted in the review of Mediator Rotation Wheel.
- All mediators who submitted an invoice for mediation services during the audit period were on the list of approved mediators.

Statistical Analysis (pages 7-8)

- Approximately 55% of Alternative Dispute Resolution Fund cases were family cases and 45% were CPS cases.
- Revenue collections from FY2018 through FY2022 have increased 16%. Expenditures have decreased 8% since FY2018 due to a decrease in the number of mediation hearings held. FY2021 had 626 mediation hearings, then decreased to 439 in FY2022.
- There were 517 cases for which expenditures were made from both the Alternative Dispute Resolution Fund and the Galveston County general fund for CPS and Family cases from FY2018 through FY2022

Introduction

The Internal Audit division conducted an audit of the Alternative Dispute Resolution Fund, in accordance with Local Government Code (LGC) §115. The internal audit covered the period October 1, 2021 through September 30, 2022.

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

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

The scope of the internal audit encompassed the financial records and administrative procedures related to the Alternative Dispute Resolution Fund. The internal audit included, but was not limited to the, accounts, reports, contracts and records of the Alternative Dispute Resolution 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 Alternative Dispute Resolution Fund 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

Mediation Fee

LGC §135.103 states (a) In addition to all other fees and court costs, a person shall pay a local consolidated filing fee of \$33 on filing of any civil case in a justice court and on any action other than an original action for a civil case, including an appeal and any counterclaim, cross-action, intervention, contempt action, interpleader, motion for new trial, or third-party action. (b) The county treasurer shall allocate the fees received under this section to the following accounts and funds so that each receives to the extent practicable, utilizing historical data as applicable, the same amount of money the account or fund would have received if the fees for the accounts and funds had been collected and reported separately, except that the account or fund may not receive less than the following percentages:

- 1) The justice court support fund 75.7576 percent
- 2) The county dispute resolution fund 15.1515 percent
- 3) The language access fund 9.0909 percent

The mediation fee collected by all courts is deposited in the county demand account and recorded in the special revenue fund titled 'Alternative Dispute Resolution', previously called the 'Mediation Services'.

The following table reflects the total mediation fees collected by the county during the audit period:

District Clerk's Office	\$ 62,727.96
County Clerk's Office	\$ 38,203.38
Justice Precinct -Court #1	\$ 9,350.00
Justice Precinct -Court #2	\$ 8,970.00
Justice Precinct -Court #3	\$ 6,390.00
Justice Precinct -Court #4	\$ 5,645.00
Court Collections	\$ 320.00
Total Collections	<u>\$ 131,606.34</u>

Reliability and Integrity of Information (cont.)

Mediator Invoices – Family Cases

Article VII Section 1 of the Galveston County Mediation Services Board (the Board) By-Laws states the Board shall authorize the hourly rate of compensation for mediation from the Alternative Dispute Resolution Fund. The fees shall be paid to mediators performing subsidized mediation pursuant to the fee guidelines promulgated by the Board. Actual payment shall be authorized and approved by the judge of the referring court on a case-by-case basis. The Board set the standard rate for mediation services as \$200 per hour with a maximum of four hours of mediation services allowed per mediator session. The form titled 'Claim and Order for Payment for Mediation Services under Special Authorization of the Galveston County Mediation Board', submitted by the mediator and signed by the presiding judge, serves as an invoice to the county and must reflect the date of the mediation session, the number of hours for the session and any payments made to the mediator by either party.

A sample of authorization forms was tested for compliance with the rate and hours set by the Board and for proper authorization. No exceptions were noted.

Mediator Invoices – Child Protective Services Cases

Family Code §107.015 states an attorney appointed ad litem for a child, an attorney in the dual role, or attorney ad litem for a parent is entitled to reasonable fees and expenses in the amount set by the court to be paid by the parents of the child unless the parents are indigent. If indigence of parents is shown, attorney ad litem appointed to represent a child or parent in a suit filed by a governmental entity shall be paid from the general funds of the county according to the fee schedule that applies to an attorney appointed to represent a child in a suit under Title 3 as provided by Chapter 51. A person appointed as a guardian ad litem or attorney ad litem shall complete and submit to the court a voucher or claim for payment that lists the fees charged and hours worked by the guardian ad litem or attorney ad litem.

For every mediator invoice submitted for a child protective services (CPS) case, a corresponding attorney voucher is submitted for the mediation session. A sample of mediator invoices for CPS cases was tested to ensure an attorney voucher was also submitted. No exceptions were noted.

Compliance with Statutes, Policies and Procedures

Mediator Rotation Wheel

Government Code §37.004 Appointment of Attorneys Ad Litem, Guardians Ad Litem, Mediators and Guardians; Maintenance of Lists states, each case in which the appointment of an attorney ad litem, guardian ad litem or guardian is necessary, a court using a rotation system shall appoint the person whose name appears first on the applicable list.

The court may appoint a person included on the applicable list whose names does not appear first, if:

- The appointment is agreed on by the parties and approved by the court
- The person possesses relevant specialized education, training, certification, skill, language proficiency, or knowledge of the subject matter of the case
- Has relevant prior involvement with the parties or case
- Is in relevant geographic location

The Board policy for appointing mediators requires that for every case, the Court will select a mediator from the Calendar Wheel created from the Approved Court Appointed Mediators List. A mediator may not be bypassed for appointment more than two (2) times unless the Court/Judge finds, and puts in writing, that a conflict of interest exists or that other good cause exists for bypassing the Mediator.

The following table reflects the mediators on the approved list and the amount of mediation services provided. Total mediation services during the audit period were \$164,416.00.

PEID	MEDIATOR	AMOUNT	COUNT	%
702478	RODGER DAN AMERSON	\$ 18,350.00	38	8.7%
701360	CHRISTINE TURNER	\$ 16,238.00	46	10.5%
710160	MARCELA ORTIZ-TAING	\$ 15,095.00	34	7.7%
721975	SUSAN ALSTON	\$ 14,200.00	38	8.7%
33290	DIANE CLARK	\$ 13,950.00	31	7.1%
708153	LAW OFFICES OF KATHRYN BRADFIELD LANAN	\$ 9,200.00	22	5.0%
405987	DINAH MUELLER	\$ 8,690.00	28	6.4%
714244	THE VEENSTRA LAW FIRM PLLC	\$ 8,295.00	22	5.0%
403751	SHAUNA BERARDINELLI CORREA	\$ 6,950.00	16	3.6%
703381	BRENDA DUSHANE	\$ 6,300.00	17	3.9%
136689	ALEXANDER MCLEOD	\$ 5,920.00	18	4.1%
708879	LAW OFFICES OF SUSAN M EDMONSON PLLC	\$ 5,700.00	15	3.4%
702604	KRISTINA LUCAS	\$ 5,500.00	14	3.2%
719352	WADE GREINER	\$ 5,300.00	13	3.0%
700067	JEFF KILGORE	\$ 5,128.00	16	3.6%
721676	JOHN MCKENNA	\$ 4,000.00	12	2.7%
721628	WILLIAM BONEY	\$ 3,450.00	8	1.8%
721675	SYNTHE MCKENNA	\$ 2,800.00	7	1.6%
709070	SUZANNE SCHWAB-RADCLIFFE	\$ 2,700.00	5	1.1%
708298	SHARI GOLDSBERRY	\$ 2,000.00	5	1.1%
710066	EMILY FISHER	\$ 1,450.00	5	1.1%
404921	SHIRLEY MILLS	\$ 1,200.00	3	0.7%
709125	MALONEY & PARKS LLP	\$ 750.00	2	0.5%
701045	MARIE TREFETHERN	\$ 600.00	2	0.5%
192161	BOB SHATTUCK	\$ 350.00	1	0.2%
722141	REBECCA MARSH	\$ 300.00	1	0.2%

Compliance with Statutes, Policies and Procedures (cont.)

Mediator Qualifications

Civil Practice & Remedies §154.052 requires individuals to have completed a minimum of 40 classroom hours in mediation training in order to qualify as a mediator. A court may appoint in certain circumstances a mediator who does not qualify under sections (a) or (b) if the mediator is appointed based on legal, professional training or experience in mediation.

The Board requires each mediator to submit an application for appointment as mediator to the County Court Administrator. The applications are submitted to the Board for approval and, if approved, are added to the approved appointed list. All mediators must submit a sworn affidavit to the County Court Administrator every year by December 31st in order to be included on the approved mediator list. The following qualifications must be met for all mediators:

- Membership in the Galveston County Bar Association, if an attorney
- Membership in the Galveston County Mediation Association
- Complete forty (40) hour basic training
- Complete any advanced training for Family, Juvenile, Children's Protective Services cases, and/or Criminal matters which may be required by the Board

For some specific types of cases, there are additional qualifications requirements:

Parent-Child Relationship Disputes:

- Additional 24 hours in the fields of Family Dynamic, Child Development and Family Law
- Minimum of 4 hours of family violence training

CPS Pre-Trial Mediators:

- Complete at least an 8-hour CPS Mediation Training program

CPS Pre-Trial Adversary:

- Complete at least an 8-hour CPS Mediation Training program
- Perform 3 years of Family Mediation
- Perform 15 mediations either Family or CPS Pretrial Mediations
- Attorney Mediators must participate in Pre-Adversary Mediations at least 10 times, of which 5 are pick-up mediations
- Non-Attorney Mediators must conduct at least 5 CPS pre-trial mediations and observed at least 5 Pre-Adversary Mediations.

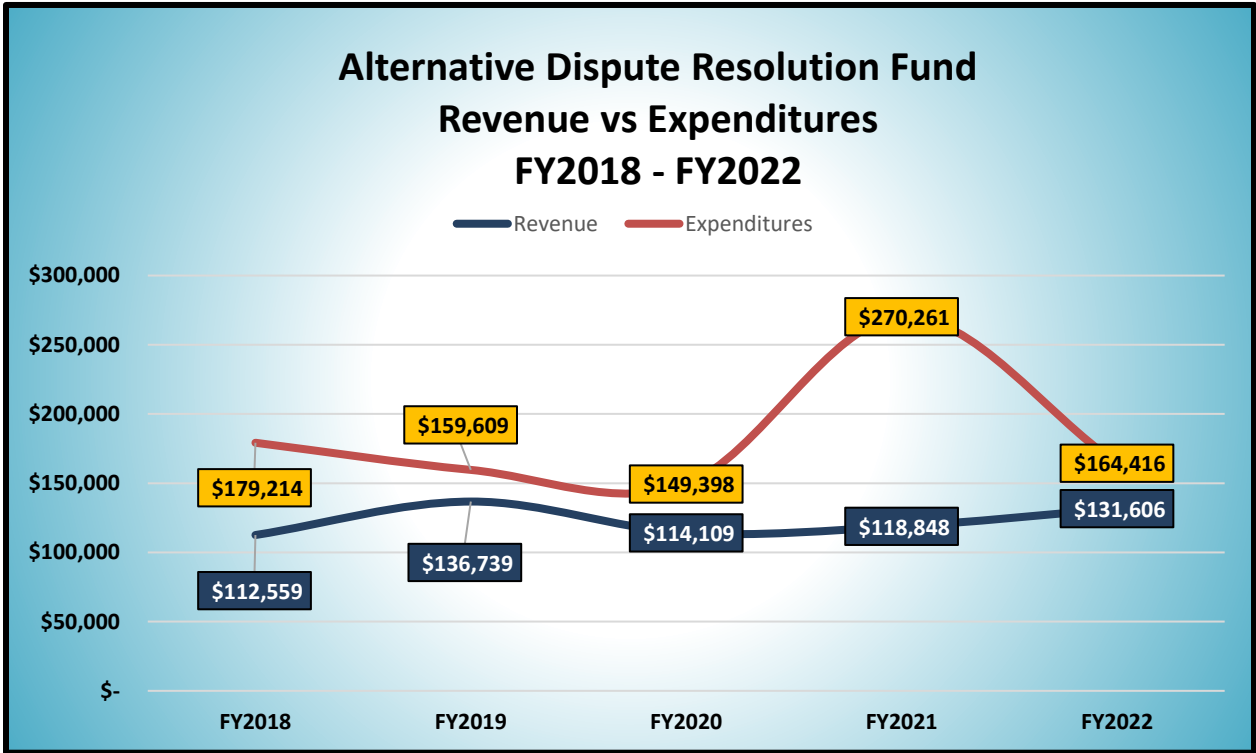
The approved mediator lists for the audit period was obtained from the County Court Administrator. All mediators who submitted an invoice for mediation services during the audit period were on the list of approved mediators.

Statistical Analysis

An analysis was performed on the case types for which expenditures were made from the Alternative Dispute Resolution Fund for the audit period. A total of 439 cases were included in the analysis. The following reflects the case types for which expenditures were made from Alternative Dispute Resolution Fund.

Family	242	55.13%
CPS	197	44.87%
Total # of Invoices	439	100.00%

A statistical analysis was performed from FY2018 through FY2022 on the Alternative Dispute Resolution Fund. Since FY2018, revenue has increased 16% and expenditures have decreased 8%. The chart below reflects the trend of revenue and expenditures from the Alternative Dispute Resolution Fund.



Statistical Analysis (cont.)

An analysis was performed on cases for which expenditures were made from both the Alternative Dispute Resolution Fund and the Galveston County general fund for CPS and Family cases from FY2018 through FY2022. The following reflects the cases for which expenditures were made from both funds:

Case #	Mediation Fees		Attorney Fees		Total Expenditures
	Fund 2212		Fund 1101		
19CP0155	\$ 2,860.00		\$ 71,931.89		\$ 74,791.89
18CP0025	\$ 2,450.00		\$ 40,408.67		\$ 42,858.67
21CP0004	\$ 1,100.00		\$ 37,781.25		\$ 38,881.25
19CP0162	\$ 600.00		\$ 37,514.31		\$ 38,114.31
20CP0195	\$ 1,600.00		\$ 31,961.25		\$ 33,561.25
18CP0190	\$ 2,350.00		\$ 30,457.63		\$ 32,807.63
19CP0012	\$ 2,000.00		\$ 29,993.22		\$ 31,993.22
18CP0148	\$ 1,750.00		\$ 28,683.59		\$ 30,433.59
20CP0062	\$ 850.00		\$ 29,316.00		\$ 30,166.00
Total expenditures from \$10,000 - \$30,000					
147 Cases	\$ 201,200.00		\$ 2,024,051.28		\$ 2,225,251.28
Total expenditures from \$5,000 - \$9,999					
195 Cases	\$ 172,921.25		\$ 1,212,871.64		\$ 1,385,792.89
Total expenditures less than \$5,000					
166 Cases	\$ 107,900.00		\$ 403,297.08		\$ 511,197.08
Totals	517 Cases	\$ 497,581.25	\$ 3,978,267.81		\$ 4,475,849.06

2-9-23

Celeste,

The Galveston County Mediation Services Board reviewed, discussed and unanimously approved the October 1, 2021-September 30, 2022 audit report's findings during its February 7th meeting.

The board appreciates your assistance and patience during the audit process.

Sincerely,

A handwritten signature in black ink, consisting of two overlapping, slightly curved lines that form a stylized representation of the name 'Thayer Evans'.

Thayer Evans
President
Galveston County Mediation Services Board