

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 17, 2023

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, 2021 through September 30, 2022. Also attached is the response letter from Sergio Cruz, Chief Financial Officer, dated March 29, 2023.

Sincerely,

Randall Rice CPA

Digitally signed by Rice, Randall
Date: 2023.03.31 13:54:12
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Randall Rice CPA
County Auditor

cc: Sergio Cruz
Veronica Van Horn

Attachment: The Children's Center Internal Audit Report
Response Letter, Sergio Cruz

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722 Moody Ave 4th Floor, Galveston, TX 77550

February 2, 2023

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, 2021 through November 30, 2022. The County of Galveston does not operate according to a contract with The Children's Center, Inc., instead accepting invoices on a month-to-month basis. The purpose of the audit was to ensure the accuracy of invoices paid by the County of Galveston to The Children's Center, Inc. The audit was performed by Jessica Gaul, Internal Auditor.

Introduction

The Children's Center, Inc. ("Center") is a non-profit corporation authorized to do business in the state of Texas. The Family Crisis Center ("Shelter") is one of the shelters located in Galveston and operated by the Center. The Shelter provides emergency housing for families with children in the Galveston County area. During their stay they are provided meals, case management and support for return to work and permanent housing.

Invoice Review

The Center invoices the county monthly for services provided to the children housed at the Shelter. The invoice includes the total number of days stay for each child during the previous month and a roster of the residents is submitted with the invoice as support documentation. The Center allows individuals to stay for up to 90 days. The county pays the Center \$15 per day for each child in the Shelter.

During the audit period, 4 invoices were submitted by the Center and paid by the county.

	Children Housed	Amount
October 2021	42	\$ 10,365.00
November 2021	50	\$ 10,665.00
December 2021	29	\$ 5,595.00
January 2022	2	\$ 360.00
Totals	123	\$ 26,985.00

In order to provide support for the invoices, Galveston County requested the Center provide an electronic file containing the names and demographics for each child, the case number assigned to the child, the referral source for the family, as well as the admission and discharge dates. Internal audit reviewed all invoices submitted during the audit period to ensure adequate support documentation was provided.

The following table reflects the length of stay for the children (cases) reviewed:

Length of Stay	# of Cases	
1 - 30 days	34	47.89%
31 - 60 days	23	32.39%
61 - 64 days	0	0.00%
65+ days	14	19.72%
Total	71	

Finding: The support documentation for the invoices submitted by the Center did not provide the discharge date for 9 (7%) of the children admitted to the Shelter. The length of stay for those children was determined by the last month they were included on an invoice to the county.

Finding: The support documentation for the invoices submitted by the Center did not provide a case number for 18 (14%) of the children admitted to the Shelter.

Finding: The support documentation for the invoices submitted by the Center did not provide demographics for 8 (7%) of the children admitted to the Shelter.

Recommendation TCCI-23-01: To improve reliability and integrity of information, adequate and complete support documentation must be provided with invoices submitted for payment.

Admission Packet

The Center’s policies and procedures for the Shelter’s intake process states each applicant must provide two forms of identification, and must complete intake forms and an interview with staff. Staff are to 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 Center’s policies and procedures.

Finding: The Shelter was unable to provide the records for 1 of the 15 sample cases requested.

Finding: Copies of the applicant’s forms of identification were not retained for any of the applicants.

Finding: A criminal records background check was not performed on any of the applicants as part of the intake process.

Finding: A check of the National Sex Offender Registry was not performed on any of the applicants as part of the intake process.

Recommendation TCCI-23-02: To improve reliability and integrity of information, a copy of the applicant’s forms of identification should be retained in the Shelter’s records.

Recommendation TCCI-23-03: To ensure compliance with the Center's policies and procedures and safety for Shelter occupants, criminal records and National Sex Offender Registry background checks should be performed on every child and adult resident.

Support Documentation

The Shelter documents each applicant's days of stay and referral source in the applicant case files. Invoices received from the Center must accurately reflect the support documentation in the Shelter's applicant case files. As part of the audit, a sample of applicant case files were reviewed for accuracy and completeness.

Finding: The support for invoices did not state the same arrival and departure dates as the support for admission packets. The Center did not provide accurate days of stay for 6 (43%) of the case files.

Finding: The support for invoices did not state the same referral source as the support for admission packets. The Center did not provide accurate referral sources for 14 (100%) of the case files.

Recommendation TCCI-23-04: Invoice support must accurately reflect the same days of stay and referral sources stated in the Shelter's records.

Services Provided

The Center's policies and procedures for the Shelter states each applicant will be provided support for return to work and permanent housing. As part of the audit, a sample of applicant case files were reviewed for compliance with the Center's policies and procedures.

Finding: No support documentation indicated the Shelter was providing education or assistance to the families regarding job stability or permanent housing.

Recommendation TCCI-23-05: To improve reliability and integrity of information, adequate support documentation must be retained in the Shelter's records for all families receiving assistance with job stability or permanent housing.

We wish to thank The Children's Center, Inc. staff for their cooperation and assistance.

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



MEMORANDUM

Date: March 29, 2023

To: Randall Rice, County Auditor

From: Sergio Cruz, Chief Financial Officer *SC*

CC: Diana Huallpa, Deputy Chief Financial Officer
Veronica Van Horn, Legal Services Coordinator
Lori McWhirter, Internal Audit Manager
Jessica Gaul, Internal Auditor

Subject: Response to FY 2023 The Children's Center, Inc. Internal Audit Report

The Department of Professional Services has reviewed The Children's Center, Inc. Internal Audit Report and agrees with the Auditor's Office comments and findings. Unfortunately, The Children's Center, Inc. has numerous areas that require improvement in order to be in compliance with the County. Therefore, the Department of Professional Services staff will work with the County's Legal Counsel to bring any deficiencies into compliance.