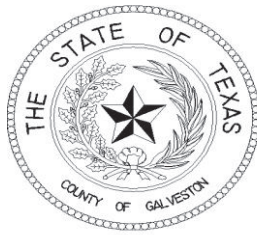


# GALVESTON COUNTY



## 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 4<sup>th</sup> Floor, Galveston, TX 77550

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May 15, 2023

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

Sincerely,

*Randall Rice CPA*

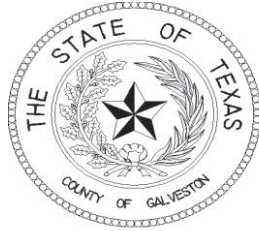
Digitally signed by Rice, Randall  
Date: 2023.05.09 14:19:14  
-05'00'

Randall Rice CPA  
County Auditor

cc: Sergio Cruz

Attachment: Guardianship Services Audit Report  
Response Letter, Sergio Cruz

# GALVESTON COUNTY



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March 22, 2023

**To:** Mr. Sergio Cruz  
Chief Financial Officer

**From:** Celeste McGilberry  
Internal Auditor I

**Re:** Galveston County Guardianship Program Audit Report

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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, 2021 through September 30, 2022.

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 32 wards and 21 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 only for the well-being of the ward and/or representative payee clients.

**Finding:** Friends for Life was unable to provide adequate receipt support for various payments.

**Recommendation FFL-23-01:** To ensure reliability of the information and validity of the expenditures, Friends for Life should provide adequate support documentation for all payments related to Guardianships and Representative Payees.

### **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:

- \$275 per month, between 1-75 individuals served
- \$250 per month, between 76-120 individuals served

The auditor reviewed monthly invoices submitted by Friends for Life during the audit period 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 Appraisement of the Estate

EC §1154.051 Inventory and Appraisement states not later than the 30<sup>th</sup> 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 appraisement 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, Appraisement and List of Claims report within 30 days after the date of qualifying as guardian of the estate with the court clerk. *This is a prior audit finding*

**Recommendation FFL-23-02:** To be in compliance with EC §1154.051 and 1154.052, the Inventory, Appraisement 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 60<sup>th</sup> 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. *This is a prior audit finding*

**Recommendation FFL-23-03:** 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. Cruz 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



## MEMORANDUM

Date: April 21, 2023

To: Randall Rice, County Auditor

From: Sergio Cruz, Chief Financial Officer *SC*

CC: Diana Huallpa, Deputy Chief Financial Officer  
Tashonda Edwards, Indigent Coordinator  
Lori McWhirter, Internal Audit Manager  
Celeste McGilberry, Internal Auditor

Subject: Response to 2023 Guardianship Program – Friends for Life Internal Audit Report

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The Department of Professional Services has reviewed the Financial Assistance Program Internal Audit Report and agrees with the auditor's comment and will take the following action to address the auditor's findings.

The Department of Professional Services staff has and will continue to meet with Friends For Life to ensure they are addressing the findings of the internal audit and be in compliance with the Estates Code.