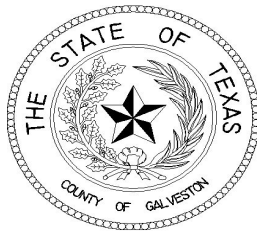


# GALVESTON COUNTY



## 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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November 13, 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 Galveston County Child Welfare that covered the period August 1, 2022 through July 31, 2023.

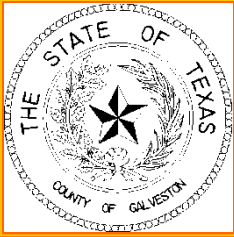
Sincerely,

*Madeline Walker CPA*

on behalf of  
Randall Rice CPA  
County Auditor

cc: Sergio Cruz, Chief Financial Officer

Attachment: Child Welfare Internal Audit Report  
Response Letter, Sergio Cruz



# Galveston County Child Welfare Internal Audit

**September 28, 2023**

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 (page 3-4)

- No material discrepancies were noted in the review of vouchers issued.
- A policy should be implemented requiring the Rainbow Room to provide adequate support documentation for items distributed by the Rainbow Room.

## Compliance with Statutes, Policies and Procedures (pages 5-7)

- The Advocacy Center for Children must submit invoices to the county within 7 days following the end of the month, as contractually required.
- No discrepancies were noted in the review of the contract with Resolve It, Inc.
- No discrepancies were noted in the review of the contract with University of Texas Medical Branch at Galveston for Physician's Assistant and Pediatric Nurse Practitioner services.
- No discrepancies were noted in the review of the contract with University of Texas Medical Branch at Galveston for Physician and Coordinator/Social Worker services.

# Introduction

The Internal Audit Division conducted an internal audit of Galveston County Child Welfare in accordance with Local Government Code §115. The internal audit covered the period August 1, 2022 through July 31, 2023. The audit was performed from August 16, 2023 through September 27, 2023.

The primary objectives of the internal audit are to provide reasonable assurance concerning:

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

The scope of the internal audit encompassed the financial records and administrative procedures related to Child Welfare. The internal audit included, but was not limited to, the applicant files, accounts, reports, contracts and records of Child Welfare. The internal audit may also include reports or other records of the County Auditor, other county officials and third party entities.

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 department head 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 Child Welfare as defined by the AICPA professional standards. However, our internal audit was performed with objectivity and due professional care.

Jessica Gaul, Internal Auditor, performed the audit.

## Reliability and Integrity of Information

Reliable information is accurate, timely, complete and useful. In order to achieve this, controls over record keeping and reporting must be adequate and effective.

### Vouchers

Vouchers for clothing, food and diapers are provided by the county for children who are in temporary or sudden placement situations. The vouchers are approved by the Children’s Services Board then issued by the Galveston County Child Welfare Specialist. Each child may be issued one of each type of voucher every quarter. The vouchers are typically mailed to the caretaker, however, on occasion a case worker may pick up the voucher and deliver it to the caretaker. The caretaker has 31 days from the date of issuance to use the voucher. Each voucher reflects the purchaser’s name and address, the child’s name and age, the type of voucher, the store at which it may be redeemed and the amount of the voucher. Vouchers must be redeemed at the customer service desk of the store. If the total purchase exceeds the face value of the voucher, it is the responsibility of the caretaker to cover the difference. The store invoices the county for the purchases. Per office policy, a copy of the sales receipt must accompany the invoice and the invoice must be submitted in a timely manner. Invoices and copies of sales receipts are scanned in OnBase. All other support documentation is provided by the Child Welfare Specialist.

Clothing vouchers must be redeemed at Ross Dress for Less clothing store and food and diaper vouchers must be redeemed at Kroger. Clothing voucher amounts are determined by the age of the child; food and diaper vouchers are a flat rate.

Clothing Vouchers:	
Birth to 5 years	\$60.00
6 to 12 years	\$80.00
13 to 18 years	\$95.00
Food Vouchers	\$50.00
Diaper Vouchers	\$20.00

During the audit period, 677 vouchers were issued and 351 (52%) were redeemed. The following chart reflects the vouchers issued and redeemed from August 1, 2022 through July 31, 2023:

Type	Issued	Total Value	Redeemed	Total Value	% of Vouchers Redeemed
Clothing Vouchers	621	\$43,485.00	340	\$22,376.68	54.75%
Diaper Vouchers	56	\$1,120.00	11	\$214.00	19.64%
<b>TOTALS</b>	<b>677</b>	<b>\$44,605.00</b>	<b>351</b>	<b>\$22,590.68</b>	<b>51.85%</b>

No material discrepancies were noted in the review of the vouchers reimbursed by the Child Welfare Fund.

## Reliability and Integrity of Information (cont.)

### Rainbow Room

Galveston County reimburses the Advocacy Center for Children for the cost of portable cribs and car seats to be distributed through the Rainbow Room. The Advocacy Center submits a monthly invoice to the county for reimbursement of the expenditures. Contract Services date stamps the invoices upon receipt. Adequate support documentation must be provided with each invoice. Office policy requires the invoices to be submitted for reimbursement by the county within 7 days following the last day of the month in which the expenditures were made. Invoices and support documentation are scanned in OnBase. Additional support documentation is provided by the Child Welfare Specialist.

From August 1, 2022 through July 31, 2023, the Center was reimbursed for the following items purchased for the Rainbow Room:

Portable Crib	34
Car Seat	20
Safety Gate	1
Toddler Bed Frame	1
Toddler Mattress	1

**Finding:** Internal audit was unable to obtain adequate support documentation for the items distributed by the Rainbow Room.

**Recommendation CW-23-01:** To improve the reliability and integrity of the information, a policy should be implemented requiring the Rainbow Room to provide adequate support documentation for items distributed by the Rainbow Room.

# Compliance with Statutes, Policies and Procedures

As part of the audit, the following areas were reviewed to provide reasonable assurance of compliance with statutes, regulations and contracts within child welfare.

## Contracts

Through the approval of Commissioners Court, the Children’s Services Board has contracted with various entities to provide child welfare services throughout Galveston County. The following entities are contracted with the county to provide these services.

### Advocacy Center for Children

The Advocacy Center for Children of Galveston County facilitates a team approach to the prevention, intervention, investigation, prosecution and treatment of child abuse. Licensed therapists, case workers and Advocacy Center staff work together to eliminate the re-victimization of child abuse victims through comprehensive services to child abuse victims and their families. The Rainbow Room at the Advocacy Center for Children accepts donations to be distributed to children from birth through 17 years old. On September 19, 2022, Commissioners Court approved the renewal of the contract between Galveston County Children’s Services Board, Galveston County and the Advocacy Center for Children of Galveston County. The term of the contract renewal was October 1, 2022 through September 30, 2023. The purpose of the contract is to provide partial administrative cost reimbursement of salary and benefits to help assist the Advocacy Center in the performance of its duties. In addition, the contract provides funds for portable cribs and car seats for the Rainbow Room. Under section III Maximum Amount of Expenditures of the contract, the maximum expenditure amount to be paid shall not exceed \$13,000. The breakdown of the expenditures are as follows:

Administrative Expenses (Salary)	\$5,000.00
Outreach Coordinator	\$5,000.00
Rainbow Room	<u>\$3,000.00</u>
Total Expenditures	\$13,000.00

Under section III Maximum Amount of Expenditure, the Advocacy Center for Children is required to make requests for payment monthly by the 7<sup>th</sup> day following the last day of the month.

Under section VII Inspection of Records, the Advocacy Center for Children is required to maintain the necessary financial records to support the expenditure of the funds paid by Galveston County. The Center submits an invoice to the county for reimbursement of the expenditures. Adequate support documentation must be provided with each invoice.

**Finding:** Invoices and support documentation were not sent to the county within 7 days following the end of the month.

**Recommendation CW-23-02:** To ensure compliance with the contract, the Advocacy Center for Children must submit invoices to the county within 7 days following the end of the month.

## **Compliance with Statutes, Policies and Procedures (cont.)**

### **Resolve It, Inc.**

Resolve It, Inc. is a non-profit organization, established in 1998, in response to critical gaps in mental health services available to children who have been exposed to family violence, child abuse and neglect. Resolve It, Inc. programs address important, unmet mental health needs of children in the Houston/Galveston Area. Resolve It, Inc. was awarded a Victims of Crime Act (VOCA) grant in the amount of \$400,000 with a requirement of 20% matching funds. This requires Resolve It, Inc. to obtain matching funds of \$80,000 annually. Galveston County agreed to provide \$30,000 of the required matching funds. On September 19, 2022, Commissioners Court approved the renewal of the contract between Galveston County Children's Services Board, Galveston County and Resolve It, Inc. The term of the contract renewal was October 1, 2022 through September 30, 2023. The purpose of the contract is to provide those matching funds for use towards administrative costs for contractual and professional services, staff training and development, mileage costs, project expenses, project supplies and project curriculum. On October 24, 2022, Galveston County issued payment to Resolve It, Inc. for the grant match in the amount of \$30,000.

Under section VII Inspection of Records, Resolve It, Inc. is required to maintain the necessary financial records to support the expenditure of the funds paid by Galveston County. Support documentation was provided by Resolve It, Inc.

No discrepancies were noted in the review of the contract with Resolve It, Inc.

### **University of Texas Medical Branch (UTMB) Physician's Assistant**

On November 14, 2022, Commissioners Court approved the renewal of the contract between UTMB, Galveston County Children's Services Board and Galveston County. The term of the contract renewal was October 1, 2022 through September 30, 2023. UTMB agreed to provide a Physician's Assistant (PA) and a Pediatric Nurse Practitioner (PNP) to provide or assist with child abuse forensic medical evaluations at either the UTMB ABC Center or the medical facility at the Advocacy Center for Children of Galveston County. The PA/PNP also agreed to facilitate, coordinate and standardize the work of faculty, residents, nurses, UTMB social workers and Child Protective Services case workers. Under section III Terms for Payment of the contract, Galveston County agreed to compensate UTMB for 52% of the PA/PNP's annual salary and benefits in the amount of \$76,047.00, payable in 12 equal installments of \$6,337.25. In addition to the salary and benefits, Galveston County shall provide UTMB \$24,922.00 for maintenance and operations and overhead costs, payable in 12 equal installments of \$2,076.83. The total amount of compensation to be received per fiscal year by UTMB shall not exceed \$100,969.00. Under section I Reporting of the contract, UTMB is required to send monthly reports to the Children's Services Board and Galveston County's Director of Community Services containing information detailing the number of children seen, type of abuse noted and type of exam each patient was given. At the end of the contract year, the PA/PNP will send a final report to the Children's Services Board and Galveston County's Director of Community Services.

No discrepancies were noted in the review of the contract with UTMB for Physician's Assistant and Pediatric Nurse Practitioner services.



## **Compliance with Statutes, Policies and Procedures (cont.)**

### **UTMB Physician Services & Coordinator**

On October 31, 2022, Commissioners Court approved a contract between UTMB, Galveston County Children's Services Board and Galveston County. The term of the contract renewal was October 1, 2022 through September 30, 2023. UTMB agreed to provide Physician Services and a Coordinator/Social Worker. Physician requirements include providing testimony, expertise, guidance and case reviews. Coordinator/Social Worker requirements include case management and facilitating communication between agencies. Under section III Terms for Payment of the contract, Galveston County agreed to compensate UTMB for 20% of the Physician Services annual salary and benefits in the amount of \$51,381.00, and 50% of the Coordinator/Social Worker annual salary and benefits in the amount of \$27,804.00. In addition to the salary and benefits, Galveston County shall provide UTMB \$20,588.00 for maintenance and operations and overhead costs. The total amount of compensation to be received by UTMB shall not exceed \$99,773.00. Under section I Reporting of the contract, UTMB is required to send monthly reports to the Children's Services Board and Galveston County's Director of Grants. This reporting was combined with the monthly reports required by the UTMB contract to provide Physician's Assistant services.

No discrepancies were noted in the review of the contract with UTMB for Physician and Coordinator/Social Worker services.



**MEMORANDUM**

Date: October 31<sup>st</sup>, 2023  
To: Galveston County Auditor's Office  
From: Sergio Cruz, Chief Financial Officer *SC*  
CC: Diana Huallpa, Deputy Chief Financial  
Froy Arcega, Child Welfare Coordinator  
Lori McWhirter, Auditing Manager  
Jessica Gaul, IT Systems Auditor  
Subject: Galveston County Child Welfare Audit

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The internal audit completed by the Galveston County Auditor's Office has been received and reviewed by the Department of Professional Services. Our office will continue to follow the statutes, policies, and procedures in order to continue to be in compliance. In addition, a policy will be drafted and implemented in regard to the Rainbow Room to provide adequate support documentation for items distributed as needed.

Please accept this memorandum as my formal response to the audit findings.

Thank you.