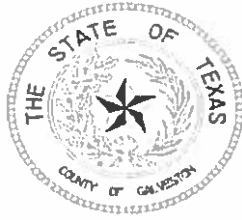


GALVESTON COUNTY



Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor
Kristin Bulanek CIA, First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5304

722 Moody Ave 4th Floor, Galveston, TX 77550

October 5, 2020

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 July 1, 2019 through June 30, 2020.

Sincerely,

Randall Rice CPA

Digitally signed by Randall Rice
CPA
Date: 2020.09.25 17:26:47 -05'00'

Randall Rice CPA
County Auditor

cc: James Gentile, Director of Grants

Attachment: Child Welfare Internal Audit Report
Response Letter, James Gentile



Galveston County Child Welfare Internal Audit

August 17, 2020

Galveston County
Internal Audit
Division

Randall Rice CPA
CITP CSA CIO CRM DABFA CGMA
County Auditor

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Executive Summary

Reliability and Integrity of Information (page 3-5)

- No discrepancies were noted in the review of the vouchers.
- The office should consistently date stamp each invoice upon receipt from the Advocacy Center for Children.
- Adequate support documentation to the invoices must include the name of the store, a clear description of the items purchased and a copy of the packing slip as proof the items were received.
- A policy should be implemented requiring the Rainbow Room to provide adequate support documentation for items distributed by the Rainbow Room.
- All funds in the District Attorney's change fund were accounted for at the time of the surprise cash count. Controls are in place to ensure staff uses a lockable drawer to secure funds until they are ready for use.

Compliance with Statutes, Policies and Procedures (pages 6-7)

- No discrepancies were noted in the review of the contract with the Advocacy Center for Children.
- On November 8, 2019, Galveston County issued payment to Resolve It, Inc. for the grant match in the amount of \$20,000 for the grant period of October 1, 2019 to September 30, 2020.
- No discrepancies were noted in the review of the contract with University of Texas Medical Branch at Galveston.

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 July 1, 2019 through June 30, 2020. The audit was performed from July 15, 2020 through August 17, 2020.

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 Robbins, Internal Auditor II, 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, diapers and school supplies 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. A copy of the sales receipt must accompany the invoice. Office policy requires the invoices to be submitted for reimbursement by the county in a timely manner. Invoices and all support documentation are scanned in OnBase.

Clothing vouchers must be redeemed at Ross Dress for Less clothing store, food and diaper vouchers must be redeemed at Kroger and school supplies vouchers must be redeemed at Office Depot. Clothing voucher amounts are determined by the age of the child; all others are a flat rate according to the type of voucher.

Clothing Vouchers:	
Birth to 5 years	\$45.00
6 to 12 years	\$60.00
13 to 17 years	\$85.00
Food Vouchers	\$50.00
Diaper Vouchers	\$20.00
School Supplies Vouchers	\$25.00

During the audit period, 1,467 vouchers were issued and 486 (33%) were redeemed. The following chart reflects the vouchers issued and redeemed from July 1, 2019 through June 30, 2020:

Type	Issued	Total Value	Redeemed	Total Value	% of Vouchers Redeemed
Clothing	1,147	\$76,335.00	386	\$21,963.34	33.65%
School Supplies	199	\$4,975.00	64	\$1,490.36	32.16%
Diaper Vouchers	121	\$2,420.00	36	\$682.42	29.75%
TOTALS	1,467	\$82,730.00	486	\$24,136.12	33.13%

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, car seats, toddler beds and mattresses to be distributed through the Rainbow Room. The 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 in a timely manner. Invoices and all support documentation are scanned in OnBase.

From July 1, 2019 through June 30, 2020, the Center was reimbursed for the following items purchased for the Rainbow Room:

Portable Cribs	8
Car Seats	2
Toddler Bed	1
Toddler Mattress	2

Finding: Internal audit was unable to verify the date of receipt of the invoices received from the Rainbow Room.

Recommendation CW-20-01: To ensure invoices are received and processed in accordance with the contract, the office should consistently date stamp the invoices upon receipt from the Advocacy Center for Children.

Finding: The Advocacy Center for Children is not providing adequate support documentation to the invoices for items purchased for the Rainbow Room and submitted to the county for reimbursement.

Recommendation CW-20-02: To improve the reliability and integrity of the requests for reimbursement, adequate support documentation to the invoices must include the name of the store, a clear description of the items purchased and a copy of the packing slip as proof the items were received.

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

Recommendation CW-20-03: 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.

Reliability and Integrity of Information (cont.)

District Attorney's Change Fund

Under Local Government Code (LGC) §130.902, a \$1,000.00 change fund for the District Attorney's Office was approved by Commissioners Court on September 13, 2016. The purpose of this change fund is to provide immediate financial support for Children's Protective Services (CPS) case inquiry and process service requests for time sensitive CPS cases. All cash and transactions are handled by District Attorney's employees, and replenishments to the fund are budgeted out of the District Attorney's Emergency Family Support account. A surprise cash count of the District Attorney's change fund was conducted as part of the audit on July 15, 2020. All funds were accounted for at the time of the surprise cash count. Controls are in place to ensure staff uses a lockable drawer to secure funds until they are ready for use.

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 November 4, 2019, 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, 2019 through September 30, 2020. 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, car seats, toddler beds and mattresses 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 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.

No discrepancies were noted in the review of the contract with the Advocacy Center for Children.

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 \$20,000 of the required matching funds. On November 4, 2019, 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, 2019 through September 30, 2020. 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. Under section VII Inspection of Records of the contract, Resolve It, Inc. is required to maintain the necessary financial records to support the expenditure of the funds paid by Galveston County on behalf of the Galveston County Children's Services Board. Under section IX Evaluation of the contract, a written report will be provided by Resolve It, Inc. to the Children's Services Board on a quarterly basis.

On November 8, 2019, Galveston County issued payment to Resolve It, Inc. for the grant match in the amount of \$20,000 for the grant period of October 1, 2019 to September 30, 2020.

University of Texas Medical Branch (UTMB)

On December 2, 2019, 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, 2019 through September 30, 2020. 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.



County of Galveston
Grants Administration Department

James Gentile
Director of Grants Administration

09/25/2020

Mr. Randall Rice
County Auditor
722 Moody, 4th Floor
Galveston, Texas 77550

Re: Galveston County Child Welfare Audit

Dear Mr. Rice,

I am in receipt of the current audit performed by the Galveston County's Auditing Department. I would like to thank and acknowledge your audit team for their timely, thorough and professional management of this audit. Please utilize this letter to serve as my response and acknowledgment of the audit materials.

Thank you for your time and attention.

Sincerely,

James M. Gentile

James Gentile
Director of Contract Services