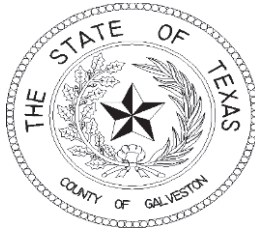


GALVESTON COUNTY



Office of the County Auditor

Sergio Cruz
County Auditor

Christie Motogbe, CPA
First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5300

722 Moody Ave, 4th Floor, Galveston, TX 77550

October 13, 2025

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

Honorable Mark A. 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, 2024 through July 31, 2025.

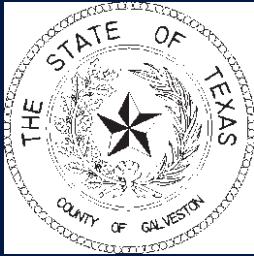
Sincerely,

A handwritten signature in blue ink that reads "Sergio Cruz".

Sergio Cruz
County Auditor

cc: Diana Huallpa, Chief Financial Officer

Attachment: Child Welfare Internal Audit Report
Response Letter, Diana Huallpa



Galveston County Child Welfare Internal Audit

August 22, 2025

Galveston County
Internal Audit Division

Sergio Cruz
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.
- No material discrepancies were noted in the review of the Rainbow Room items reimbursed by the Child Welfare Fund.

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

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

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, 2024 through July 31, 2025. The audit was performed from August 4, 2025 through August 22, 2025.

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.

Celeste McGilberry, 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 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's 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 sale receipts are scanned in Workday. 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 - 5 years	\$60.00
6 - 12 years	\$80.00
13 - 18 years	\$95.00
Food Vouchers	\$50.00
Diaper Vouchers	\$20.00

During the audit period, 688 vouchers were issued and 377 (49%) were redeemed. The following chart reflects the vouchers issued and redeemed from August 1, 2024 through July 31, 2025:

Type	Issued	Total Value	Redeemed	Total Value	Vouchers Redeemed %
Clothing	613	\$45,000.00	326	\$22,975.25	53.18%
Diaper	75	\$1,500.00	11	\$217.52	14.67%
Totals	688	\$46,500.00	337	\$23,192.77	48.98%

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 Workday. Additional support documentation is provided by the Child Welfare Specialist.

From August 1, 2024 through July 31, 2025, Advocacy Center was reimbursed for the following items purchased for the Rainbow Room:

Portable Crib	27
Car Seat	19

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

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 30, 2024, 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, 2024 through September 30, 2025. 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 \$13,000.00; breakdown of the expenditures are as follows:

Administrative Expenses (Salary)	\$5,000.00
Rainbow Room	\$3,000.00
Outreach Coordinator	\$2,500.00
Coordinator	<u>\$2,500.00</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 7th 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.

No discrepancies were noted in the review of the contract with 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 \$416,090.00 with a requirement of 20% matching funds. This requires Resolve It, Inc. to obtain matching funds of \$83,218.00 annually. Galveston County agreed to provide \$30,000.00 of the required matching funds. On September 30, 2024, 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, 2024 through September 30, 2025. 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 14, 2024, Galveston County issued payment to Resolve It, Inc. for the grant match in the amount of \$30,000.00.

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 September 30, 2024, 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, 2024 through September 30, 2025. 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 70% of the PA/PNP's annual salary and benefits in the amount of \$110,431.00, payable in 12 equal installments of \$9,202.58. Also, compensating for 20% of the Program Coordinator annual salary and benefits in the amount of \$17,846.00, payable in 12 equal installments of \$1,487.16. In addition to the salary and benefits, Galveston County shall provide UTMB \$40,723.00 for maintenance and operations and overhead costs, payable in 12 equal installments of \$3,393.58. The total amount of compensation to be received per fiscal year by UTMB shall not exceed \$169,000.00. 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.



MEMORANDUM

Date: September 17, 2025

To: Sergio Cruz, County Auditor

From: Diana Huallpa, Chief Financial Officer *DH*

CC: Christian Monterrubio, Deputy Chief Financial Officer

Froy Arcega, Child Welfare Coordinator

Lori McWhirter, Internal Audit Manager

Celeste McGilberry, Auditor Internal Controls II

Subject: Response to FY25 Galveston County Child Welfare Internal Audit

The Department of Professional Services acknowledges receipt and review of the Galveston County Child Welfare Internal Audit Report covering the period of August 1, 2024 through July 31, 2025.

We appreciate the Auditor's Office for conducting this review. Our department will continue to adhere to all applicable statutes, policies, and procedures to ensure full compliance.

Please accept this memorandum as our formal response to the audit findings. Should any further clarification be needed, our office remains available to provide additional information or discuss the report in greater detail.