

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

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March 16, 2026

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 Galveston County Financial Assistance Program that covered the period January 1, 2025 through December 31, 2025. Also attached is the response letter from Diana Huallpa, Chief Financial Officer, dated March 2, 2026.

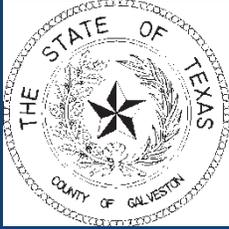
Sincerely,

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

Sergio Cruz  
County Auditor

cc: Diana Huallpa, Chief Financial Officer

Attachment: Financial Assistance Program Audit Report



# Galveston County Financial Assistance Program Audit

February 4, 2026

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 county funds provided to non-profit agencies.
- No material exceptions were noted in the review of Charity Tracker reports.

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

- No exceptions were noted in the review of the monthly reporting required by the contracts between Galveston County and the Non-Profit Agencies.
- No discrepancies were noted in the review of the Financial Assistance Guidelines Section E-Funding Criteria.
- No exceptions were noted for the review of the Charity Tracker reports for Reliant Energy (CARE) Program.
- No discrepancies were noted in the review of Financial Assistance Distribution for Extreme Circumstances.
- To ensure compliance with the contract and Financial Assistance Guidelines, each applicant's household income must be within the gross federal poverty guidelines.
- No material discrepancies were noted in the review of duplicate financial assistance.

# Introduction

The Internal Audit division conducted an audit of the Financial Assistance Program, in accordance with Local Government Code §115. The internal audit covered the period January 1, 2025 through December 31, 2025.

The objectives of the audit were to provide reasonable assurance concerning:

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

The scope of the internal audit encompassed the financial records and administrative procedures related to the Financial Assistance Program. The internal audit included, but was not limited to, the accounts, reports, contracts and records of the Financial Assistance Program.

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 official 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 the Financial Assistance Program 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.

### Non-Profit Agencies

Galveston County entered into agreements with various non-profit agencies to provide financial assistance for rent, utilities and medications to eligible clients. Under the agreement, funding to agencies is provided in single annual payments each fiscal year. Administration fees for providing the services make up 10% of the payment. During the audit period the county provided the following funds to non-profit agencies under the Financial Assistance Program. No material discrepancies were noted in the review of county funds provided to the agencies.

<b>St. Vincent's House</b>	
Financial Assistance Funds	72,727.28
Administration Fees	7,272.72
<b>Total</b>	<b>\$ 80,000.00</b>

<b>M.I. Lewis Social Service Center</b>	
Financial Assistance Funds	63,636.37
Administration Fees	6,363.63
<b>Total</b>	<b>\$ 70,000.00</b>

### Charity Tracker

Charity Tracker is a web-based application that Trident United Way provides free of charge to record and manage social services assistance. Pursuant to section 2.01 (c) and (d) of the contracts with Galveston County, the non-profit agencies agree to record all financial assistance in Charity Tracker. The Contract Services Division Financial Assistance Guidelines Section E - Funding Criteria states all client information must be completely filled out in Charity Tracker. No data fields should be left blank. Information recorded in Charity Tracker must include the following information:

- Client Name, Address and Date of Birth
- Number of Individuals in the Household
- Household Income and Expenses
- Amount of Assistance Provided
- Date of Assistance

Internal Audit reviewed the Charity Tracker reports from St. Vincent's House and M.I. Lewis Social Service Center. No material exceptions were noted in the review of Charity Tracker reports.

# Compliance with Statutes, Policies and Procedures

## Reporting Requirements

The contracts between Galveston County and the Non-Profit Agencies Section 2.03 Provider Reports require each non-profit agency to submit monthly expenditure reports to the Galveston County Contract Services Indigent Coordinator. A report must be submitted for each month even if funds were not distributed. The Financial Assistance Guidelines Section F - Contract Services Division Designee states all agencies receiving Galveston County funds must submit a monthly report to the Contract Services Indigent Coordinator. A report must be submitted for each month even if funds were not distributed.

The monthly reports must include the following information:

- Client's First & Last Name
- First & Last Name Reflected on the Vendor Bill
- Client Address, Including City and Zip Code
- Vendor Name
- Amount of Assistance Provided
- Date of Assistance

All of the non-profit agencies contracted with the county submitted monthly Charity Tracker reports to the Contract Services Indigent Coordinator, even for the months when funds were not distributed. Internal Audit reviewed a sample of monthly reports to ensure compliance with the contract and the guidelines. No exceptions were noted in the review of the contract between Galveston County and the Non-Profit Agencies Section 2.03.

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

### Financial Assistance Distributions

The Financial Assistance Guidelines Section E - Funding Criteria states, provided clients meet certain criteria and are not facing an extreme circumstance, financial assistance will be distributed as follows:

- Rent - \$500
- Electricity - \$200
- Water - \$75
- Gas - \$50
- Medication - \$175

### St. Vincent's House

During the audit period, St. Vincent's House provided financial assistance to 104 clients. Numerous clients received assistance in more than one category, resulting in 127 payments totaling \$39,299.16.

Category		Totals
Housing	68	\$ 31,605.00
Electric	39	6,402.16
Water	13	937.36
Gas	7	354.64
<b>Totals</b>	<b>127</b>	<b>\$ 39,299.16</b>

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

### M.I. Lewis Social Service Center

During the audit period, the M.I. Lewis Social Service Center provided financial assistance to 261 clients. Numerous clients received assistance in more than one category, resulting in 344 payments totaling \$97,875.76.

Category		Totals
Housing	134	\$ 64,068.02
Electric	66	11,662.77
Water	69	5,012.87
Gas	21	801.44
Medical	1	124.56
Reliant CARE	53	16,206.10
<b>Totals</b>	<b>344</b>	<b>\$ 97,875.76</b>

No discrepancies were noted in the review of the Financial Assistance Guidelines Section E - Funding Criteria.

### Community Assistance by Reliant Energy (CARE) Program

Reliant Energy provides financial assistance through their Community Assistance by Reliant Energy (CARE) Program. Reliant Energy allows Galveston County to act as a pass-through entity to provide CARE funds to non-profit agencies. The Financial Assistance Guidelines Section G - Reliant Energy states "All recipients of CARE contributions are eligible for a maximum annual payment not to exceed \$500. The assistance payment may be a one-time payment of up to \$500 in accordance with Galveston County Contract Services hardship criteria or the recipient may receive multiple assistance payments as long as the annual total does not exceed the maximum \$500 limit." The agency requesting financial assistance sends a letter of request and an invoice to the Contract Services Indigent Coordinator. The letter, invoice and support documentation are forwarded to the Accounts Payable department for processing. During the audit period, \$16,652.56 was disbursed for M.I. Lewis Social Service Center.

Internal audit reviewed the Charity Tracker reports for the Reliant Energy (CARE) Program for the audit period to ensure financial assistance provided was in compliance with the Financial Assistance Guidelines. No exceptions were noted for the review of the Charity Tracker reports for Reliant Energy (CARE) Program.

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

## Financial Assistance Distributions – Extreme Circumstances

In the event financial assistance is requested for an amount that exceeds the authorized limit, the Case Manager, their Supervisor and the Contract Services Indigent Coordinator must discuss the circumstances that caused the need for additional financial assistance and determine if the additional assistance should be provided. The client must provide adequate support documentation to the extreme circumstances.

Internal audit reviewed all clients who received additional assistance during the audit period. No discrepancies were noted in the review of Financial Assistance Distribution for Extreme Circumstances.

## Federal Poverty Guidelines

The Financial Assistance Guidelines Section D - Eligibility Requirements mandates the applicant must meet income guidelines in order to receive assistance. The Notice of Denial of Assistance form requires the applicant's household income to be within the gross federal poverty guidelines. The gross federal poverty guideline is determined by the number of individuals living in the household.

**Finding:** There were multiple applicants who received financial assistance whose income exceeded the gross federal poverty guidelines.

- M. I. Lewis Social Service Center – 119 Clients (34.59%)
- St. Vincent's House – 30 Clients (23.62%)

**Recommendation:** To ensure compliance with the contract and Financial Assistance Guidelines, the applicant's household income must be within the gross federal poverty guidelines.

## Duplicate Financial Assistance

The Financial Assistance Guidelines Section E - Funding Criteria states, "Each utility or rental can be paid only once in a 12-month period per individual or household, subject to approval. Medical assistance can be paid only twice in a 12-month period for any individual". Internal audit reviewed the Charity Tracker reports for the audit period to ensure financial assistance provided was in compliance with the guidelines.

No material discrepancies were noted in the review of duplicate financial assistance.



MEMORANDUM

Date: March 02, 2026

To: Sergio Cruz, County Auditor

From: Diana Huallpa, Chief Financial Officer, *DH*

CC: Christian Monterrubio, Deputy Chief Financial Officer

Tashonda Edwards, Indigent Coordinator

Lori McWhirter, Internal Audit Manager

Celeste McGilberry, Auditor Internal Controls II

Subject: Response to FY25 Galveston County Financial Assistance Program Audit

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The Department of Professional Services acknowledges receipt and review of the Financial Assistance Program Internal Audit Report.

We appreciate the Auditor's Office for conducting this review. We will continue to reinforce and promote our procedures to ensure ongoing compliance and address minor areas for improvement, maintaining consistency and accountability across operations.

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.