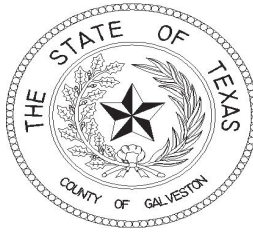


GALVESTON COUNTY



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

June 8, 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 Agreement between Galveston County and Friends for Life relating to Guardianship Services that covered the period March 1, 2025 through February 28, 2026. Also attached is the response letter from Diana Huallpa, Chief Financial Officer, dated May 19, 2026.

Sincerely,

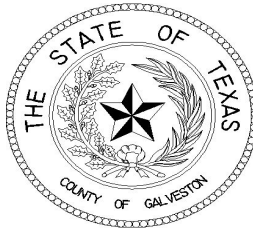
A handwritten signature in blue ink that reads "Sergio Cruz".

Sergio Cruz
County Auditor

cc: Diana Huallpa, Chief Financial Officer

Attachment: Friends for Life – Guardianship Services Audit Report

GALVESTON COUNTY



Office of the County Auditor

Sergio Cruz
County Auditor

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(409) 770-5300

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

To: Diana Huallpa
Chief Financial Officer

From: Sergio Cruz *SC*
County Auditor

Date: April 28, 2026

Re: Galveston County Friends for Life for Guardianship Services Audit Report

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, 2025 and expires on September 30, 2026. The audit covered the period March 1, 2025 through February 28, 2026.

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 54 wards and 17 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 (EC) 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. No discrepancies were noted.

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:

- \$300.00 per month, between 1-75 individuals served
- \$275.00 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

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 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 30th 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. No discrepancies were noted.

Initial and Annual Reporting of the Estate

EC §1163.001 Initial Account of Estate states not later than the 60th 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. No material discrepancies were noted.

We wish to thank Mrs. Huallpa and the Friends for Life office personnel for their cooperation and assistance.

GALVESTON COUNTY

Budget Office



MEMORANDUM

Date: May 19, 2026

To: Sergio Cruz, County Auditor

From: Diana Huallpa, Chief Financial Officer *DH*

CC: Christian Monterrubio, Deputy Chief Financial Officer
Tashonda Edwards, Indigent Coordinator
Celeste McGilberry, Auditor Internal Controls II

Subject: Response to Guardianship Services (Friends for Life) Internal Audit Report

The Department of Professional Services acknowledges receipt and review of the draft internal audit report related to the Agreement between Galveston County and Friends for Life for Guardianship Services, covering the period March 1, 2025 through February 28, 2026.

We appreciate the Auditor's Office for conducting this review and for the time and effort invested in evaluating these processes. The report provides valuable insight into our current practices and identifies opportunities to further strengthen controls and improve operational efficiency.

Please accept this memorandum as our formal response to the audit report. Should additional clarification or discussion be needed, our office remains available to provide further information.

