



FULTON COUNTY, GEORGIA
OFFICE OF INTERNAL AUDIT
Juvenile Court Follow-Up Grant Review-2012
August 21, 2013

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Introduction

Fulton County Juvenile Court is committed to the care, safety and guidance of children and their families within Fulton County, Georgia. With restoration of victims and communities at the forefront of their mission, Juvenile Court has been a continued recipient of numerous grants that are awarded on an annual basis, which are designed to protect and enhance the well-being of children and families within the county. As Administrators of these grants, Juvenile Court has a fiduciary responsibility to abide by the terms of all grant agreements, in addition to all State and Federal laws and/or mandates pertaining to grant administration. In 2012 Juvenile Court was responsible for managing \$1,500,000 in grant dollars.

Background

An initial review of Juvenile Court was completed in 2011. As a part of the on-going continued audit process, this follow-up audit was conducted to determine if the recommendations suggested in the initial review were implemented. Additionally, this follow-up review evaluated the effectiveness of the court's continued oversight of the grant funds and operations.

Objective

The objective of this follow-up audit was to review the financial and programmatic aspects of grants managed by Juvenile Court to determine whether they were being managed in accordance with the grant agreements and followed applicable laws and guidelines pertaining to grant management.

Scope

The audit review period covered all Juvenile Court Grant Contracts in effect during the year 2012. They are as follows:

	TOTAL AMOUNT BUDGETED	TITLE	SCOPE PERIOD	GRANTING AGENCY - (GRANTOR)
FDC - 1	\$12,246.00	FAMILY DRUG COURT GRANT	7/01/11 TO 6/30/12	CRIMINAL JUSTICE COORDINATING COUNCIL
FDC - 2	\$3,062.00	FAMILY DRUG COURT GRANT	7/1/12 TO 9/30/12	CRIMINAL JUSTICE COORDINATING COUNCIL
FDC - 3	\$15,383.00	FAMILY DRUG COURT GRANT	10/01/12 TO 6/30/12	CRIMINAL JUSTICE COORDINATING COUNCIL
	\$30,691.00			
GPP-1	\$16,686.00	G.E.D. PREPARATORY PROGRAM	9/1/2011 TO 8/31/13	GOVERNOR'S OFFICE FOR CHILDREN & FAMILIES
GPP-2	\$16,686.00	G.E.D. PREPARATORY PROGRAM	11/1/12 TO 10/31/13	GOVERNOR'S OFFICE FOR CHILDREN & FAMILIES
	\$33,372.00			
JDC-1	\$14,747.00	JUVENILE DRUG COURT	7/01/11 TO 6/30/12	CRIMINAL JUSTICE COORDINATING COUNCIL
JDC-2	\$3,687.00	JUVENILE DRUG COURT	7/1/12 TO 9/30/12	CRIMINAL JUSTICE COORDINATING COUNCIL
JDC-3	\$15,383.00	JUVENILE DRUG COURT	10/01/12 TO 6/30/13	CRIMINAL JUSTICE COORDINATING COUNCIL
	\$33,817.00			

Juvenile Court Follow-Up Grant Review 2012

	TOTAL AMOUNT BUDGETED	TITLE	SCOPE PERIOD	GRANTING AGENCY - (GRANTOR)
P-9	\$475,618.00	JUSTICE DEPARTMENT PROGRAM (FOR JUVENILE DRUG COURT)	9/01/2009 TO 8/31/12	DEPARTMENT OF JUSTICE – FED. GOVT.
JOP-1	\$8,850.00	JUVENILE OFFENDERS PROGRAM	10/01/11 TO 9/30/12	COUNCIL OF JUVENILE COURT JUDGES
JAJ-1	\$24,391.00	JUDICIAL ASSISTANCE GRANT (FOR JUVENILE DRUG COURT)	3/01/12 TO 9/30/14	CITY OF ATLANTA
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TOTAL	\$606,739.00			

Methodology

During the audit of Juvenile Court, we interviewed key personnel involved in the administration of grants to identify the following tasks and processes related to the administration of grants awarded to Juvenile Court:

- Reviewed individual grant proposals, grant agreements, and original agenda items authorizing county staff to apply for and accept grant awards;
- Reviewed quarterly progress and financial reports submitted to the grantors; and
- Reviewed all documentation related to the accounting of grant expenditures including:
 - Invoices
 - Court orders for payments of restitutions
 - Fulton County financial systems reports
 - Correspondence with grantor agencies

Findings and Recommendations

Finding 1 – Grant File Documentation Inaccurate and Incomplete

As a part of effective record keeping, each grant file should contain adequate documentation verifying timely submission to support the disbursements and program activities. As outlined in the grant agreements, budget adjustments must be submitted and approved in writing and grant funds must be expended by the end of the grant period. The findings are listed by grant as follows:

- Family Drug Court Grant (FDC -1): No written or approved documentation existed in the grant files to support the approval of budget adjustments or expenditures.
- Family Drug Court Grant (FDC-2): Grant funds in the amount of \$305.00 were not spent by the end of the grant period. Additionally, no documentation existed that provided a sufficient reason as to why this condition was not met.
- Family Drug Court Grant (FDC-3): The original and revised budget amounts for this grant did not match. The revised budget reflected \$750.00 less than the original budget amount as a result of a calculation error.

- Documentation for the Family Drug Court Grant Budget was not consistent with budget information recorded in the Asset Management Financial System (AMS).

Following interviews with key personnel, we were able to conclude that the cause of the above internal control deficiencies was a result of Juvenile Court Administrators failure to periodically review grant files.

Continued failure to submit written and approved budget adjustments, expend grant funds within the grant period and maintain adequate supporting documentation, will result in material noncompliance, subjecting the grant(s) to possible termination.

Recommendation

All Juvenile Court grant files should be reviewed by the Grant Manager for complete documentation. The Administrators should conduct random spot checks of grant files to ensure adequate and accurate documentation. The Financial Manager should verify budget adjustment requests and documentation for accuracy prior to submission to the granting authority.

Finding 2 – Personnel Expenses Overpaid for JDP9 Grant

The JDP9 Grant required creation of three positions for the administration of the Family Drug Court Program. Within the grant was the budget agreement that specified the rates of pay for these three positions. The positions were classified as temporary positions and as a result were not eligible for the accrual of paid leave. A review of time sheets and payroll registers indicated two of the three employees were overpaid a total of \$11,312.09 in 2012, and the employer's portion of Social Security and Medicare expenses was over paid by \$865.37. A review of the 2011 payroll records indicated all employees were paid correctly. Based on a review of documentation, the overpayments appear to be payroll input errors and the payment of hours listed as "*Leave without Pay*" (LWOP) appear to be a misapplication of Fulton County payroll policies and procedures.

Recommendations

Juvenile Court should implement a verification method of payroll data entry to ensure the accuracy of its payroll expenses. The reports generated from payroll data entry should be reviewed bi-monthly by the Juvenile Court Administrative Coordinator and quarterly by the Juvenile Court Clerk. As a result of the overpayment, it is our recommendation the Justice Department is reimbursed \$12,177.46 by the Fulton County Finance Department for overpaid expenses.

Finding 3 – Late Progress Report Filing

Quarterly Progress Reports and Financial Status Reports are due 30 days following the end of the project quarter. Our review of these reports indicate that the first progress report filed for the Juvenile Court Accountability Block Grant was filed 21 days late and the financial status report for the Family Drug Court Program was filed 49 days late for the 4th quarter of 2012. Late filing

and/or incomplete reports will adversely affect continuation funding and opportunities for future funding.

Recommendations

The Juvenile Court Administrator should communicate to the Grant Project Managers the importance of timely filing of the quarterly progress, performance and financial status reports as they are essential for compliance with the terms of the grant agreements. When a report cannot be filed timely, the Juvenile Court Administrator should receive written notification from the Grant Manager outlining the cause of the reporting delay and this notification should be kept with the grant files. Additionally, the Grant Manager should contact the grantor in writing notifying them of the cause of the reporting delay and request an extension or waiver.

Audit Concern 1 – April Temporary Labor Expenses posted to May AMS General Ledger

All grant expenses should be reported and organized such that they conform to Generally Accepted Accounting Principles (GAAP.) An examination of the GED Preparation Program (GPP2) expenses revealed for pay period ending April 23, 2013, the expenses were reported as May 2013 expenses in the AMS General Ledger. The cause of this action could not be traced to posting errors or forwarding of journal entry forms to the Accounts Payable Division. The supporting documentation did not include a time stamp or date of delivery. This same type of error was also found in the JDP9 grant personnel expenses in 2011 and 2012. It is vital that expenses are reported in the time period in which they are actually incurred to ensure accurate periodic expense reporting and to mitigate the risk of duplicate payments.

Recommendations

All grant expenses should be forwarded to the Accounts Payable Division within a defined period of time designated by the Grant Manager. The documentation should be time and date stamped to record the time and day documents were delivered to the Accounts Payable Division. The AMS ledger should be reconciled monthly to the Juvenile Court's internal reports and any discrepancies should be reviewed with the Finance Department's Accounts Payable Supervisor.

Conclusion

Juvenile Court is continuing to address internal control issues as they are discovered. The Office of Internal Audit observed improvements in the timeliness of filing Grant Activity Reports and the reconciliation of the Marta passes and gift cards. Policies and review procedures governing payroll activity should be addressed immediately. A follow-up review should be conducted within 120 days to determine if newly recommended processes have been implemented that would provide Juvenile Court's Administrator reasonable assurance payroll is processed accurately.

Please provide a written response to this audit within 30 days. You may email your written response to the County Manager and Brigitte Bailey, Administrative Coordinator III in the Office of Internal Audit at Brigitte.Bailey@fultoncountyga.gov. We would like to thank management and staff for their timely cooperation and assistance during this audit.