



**FULTON COUNTY**

**FULTON COUNTY, GEORGIA**

**OFFICE OF THE COUNTY AUDITOR**

**Audit of Senior Multipurpose Facilities' Cash  
Management Procedures**

**December 18, 2017**

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## INTRODUCTION

The Office of the County Auditor has conducted an audit of the Senior Multipurpose Facilities' Cash Management Procedures. The audit was conducted as a result of concerns raised by management related to the cash handling operations at the Senior Multipurpose Facilities.

## BACKGROUND

The Department of Senior Services, previously known as the Aging and Youth Services Department's Office of Aging, is responsible for administering programs and services at the Senior Multipurpose Facilities for senior citizens of Fulton County.

The Senior Multipurpose Facilities are equipped with cafeterias, gyms, therapeutic pools, computer training centers and art classrooms. In addition, the following (4) four Senior Multipurpose Facilities are located throughout Fulton County:

- Dorothy C. Benson Senior Multipurpose Facility
- Harriett G. Darnell Senior Multipurpose Facility
- H.J.C. Bowden Senior Multipurpose Facility
- Helene S. Mills Senior Multipurpose Facility

At the Senior Multipurpose Facilities, cash management operations exist within the Multipurpose and the social Adult Day Programs. The Multipurpose Program provides opportunities for active adults age 55 and older to participate in life enrichment classes, nutrition, education, fitness, leisure and other activities. Under this program, nutrition services are provided to participants that attend the Senior Multipurpose Facilities. These services include meals (breakfast and lunch) in which the participants are charged based on established meal prices. There is also a Meal Voucher Program that provides complimentary meals for volunteers and guest of the facilities.

The Adult Day Program is a service covered under the Older Americans Act that serves the needs of seniors with functional challenges in a supervised setting and provides out of home respite for caregivers. Social, physical and cognitive stimulation activities are provided as well as two (2) nutritious meals and two (2) snacks, and transportation. Previously, the program was partially funded by the Georgia Department of Aging Services (DAS) through the Atlanta Regional Commission (ARC). In accordance with the contract, a cost share system was implemented to generate fees to be used to expand the program. The Adult Day Program is now funded by the County and licensed through the Georgia Department of Community Health (DCH).

Additionally, each of the facilities is associated with a non-profit organization referred to collectively as the Friends. The Friends provide support for the Senior Multipurpose Facilities through fundraising activities, such as the collection of fees for out-of-county residents,

vending, and facility rentals. The Friends develop other methods of fundraising activities in order to enhance programs and services at the facilities.

## OBJECTIVE

The objectives of the audit were to evaluate cash management procedures and ensure proper internal controls exist within the financial operations of the Senior Multipurpose Facilities.

## SCOPE

The audit period encompassed January 1, 2016 through December 31, 2016.

## METHODOLOGY

To achieve our audit objective, we performed the following:

- Conducted observations, walkthroughs and interviews with appropriate personnel;
- Evaluated the established policies, procedures, and internal controls implemented for the cash handling processes of the Multipurpose and Adult Day Programs;
- Reviewed the operations of the Friends' organizations; and
- Selected a sample of financial transactions and the related supporting documentation to test the effectiveness of the internal controls.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. Those standards also require that we indicate any instances of scope limitations, such as restrictions on access to records, government officials, and other individuals needed to conduct the audit. A scope limitation was presented due to the inability to obtain sufficient, appropriate evidence from the Friends' organizations. We believe the lack of evidence limited our capacity to successfully accomplish the related audit objectives. We also believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our findings and recommendations are detailed below.

## FINDINGS AND RECOMMENDATIONS

### Finding 1 – Lack of Adequate Personnel in the Senior Multipurpose Program

Adequate staffing levels are vital to ensure quality services and programs are provided to the seniors of Fulton County. The Senior Multipurpose Program provides nutritional services to seniors attending a Senior Multipurpose Facility. At each of the four (4) Senior Multipurpose Facilities, seniors can purchase meals for breakfast and/or lunch. During the audit, we noted areas where there were inadequate levels of staffing and vacant key positions related to these

services. Specifically, we noted that the Cashier position on the cafeteria staff was vacant at all four (4) Senior Multipurpose Facilities. Due to these vacancies, other individuals on the cafeteria staff conduct sales, cash collections and daily cash reconciliations. In addition, we found an inadequate level of staffing related to the personnel that handles the cash receipting process as well as the other programs and operations of the facility. The Facility Manager designates an individual, usually the Administrative Specialist, to perform the cash receipting duties as well as a significant amount of other administrative tasks. During the audit, several Administrative Specialists expressed concerns with their ability to perform their administrative duties and provide a certain level of services to seniors while conducting the cash receipting. Also, there are concerns with ensuring that cash collections are adequately safeguarded while conducting the cash receipting process due to their unsecured work location which provides the seniors and other staff with unrestricted access and contact. Furthermore, there is a lack of back up personnel that are cross-trained to perform these duties in the event the assigned staff is unavailable. At one (1) facility, the Facility Manager performed the responsibilities of the cashier and performed the cash receipting process while also serving in the capacity of managing the entire facility due to the designated employees being on leave.

The department indicated that the Cashier positions are vacant as the positions were unfunded due to budget reductions. These reductions may also lend to the department being unable to maintain a sufficient level of staff, thereby, increasing the workloads of the current staff. Consequently, this resulted in poor cash management practices at several facilities, such as, inadequate segregation of cash handling duties and untimely submission of cash collections to the Finance Department. The lack of adequate staff may have also hindered the ability to ensure quality services are provided at the Senior Multipurpose Facilities.

### **Recommendation**

An adequate level of personnel should be maintained to ensure all programs and services operate effectively and efficiently. In addition, reinforcement personnel should be properly trained to perform certain duties in the event their assistance is needed. Furthermore, management should ensure proper internal controls exist in cash management operations.

### **Finding 2 – Failure to Comply with Procedures for Cafeteria Sales**

The Senior Multipurpose Program's Nutrition Services Procedure indicates that a daily cash reconciliation form is to be completed by the cashier, signed by the Head Cook, or designee, and submitted to the Facility Manager, or designee, at the close of cafeteria operations each day. In addition, all cafeteria sales should be recorded by the Facility Manager, or designee, on a cash receipt form, preferably on a daily basis, and made available to the Department of Senior Services at least twice weekly.

During our review, we selected a sample of dates and reviewed the cash receipt forms, cash reconciliation forms, cash register tape, and other supporting documentation. Based on our review, we noted the following inadequacies:

- At the Bowden Senior Multipurpose Facility, 20 out of 27 (74%) cash receipts sampled were not recorded timely. Furthermore, we noted a delay in recording cash receipts that occurred during the month of September. Funds collected from September 1<sup>st</sup> through September 12<sup>th</sup> were not recorded until September 12<sup>th</sup> which resulted in the total of approximately \$2,100 being held at the facility. In addition, 15 out of 27 (56%) sealed Dunbar Armored Car bag labels were not completely documented to indicate the date, the preparer, and/or the total amount of funds to be picked up by Dunbar and delivered to the Finance Department.
- At the Mills Senior Multipurpose Facility, 4 out of 24 (17%) cash receipts reviewed were not receipted timely. In addition, 19 out of 24 (79%) cash reconciliation forms were not properly signed by the head cook and/or approved by the Facility Manager, or her designee.

There appears to be a lack of adequate personnel to perform all necessary administrative tasks while ensuring financial functions are completed accurately and timely. This resulted in the failure to comply with the established operating procedures. This also increases the risk of funds being lost or stolen and inaccurate financial reporting.

#### **Recommendation**

All established cash management procedures should be followed. In addition, facility management should ensure all financial duties are being conducted accurately and timely.

#### **Finding 3 – Lack of Controls for the Meal Vouchers Program**

As outlined in the Nutrition Services Procedures, the Senior Services Manager is responsible for overseeing the implementation of the Meal Voucher Program at each facility. The procedures detail the guidelines for issuing meal vouchers for volunteer and guest meals. In addition, the procedures indicate that the number of voucher meals should be tracked and reported using the cash register. Based on our analysis of the meal voucher program at each facility, we discovered a lack of adequate controls as a log was not maintained to track the issuance and use of the meal vouchers at any of the four (4) facilities. In addition, at the Benson and Darnell Multipurpose Facilities, there were instances in which the total amount of meal vouchers reported as redeemed did not coincide with the number of vouchers maintained as supporting documentation. These facilities also failed to comply with procedures by allowing meal vouchers to be used on days other than the issuance date. As it relates to the Mills and Bowden Multipurpose Facilities, the meal vouchers were discarded and not retained as supporting documentation. Therefore, we were unable to determine the accuracy of the meal vouchers

reported. The Facility Managers failed to implement adequate controls and properly administer the Meal Voucher Program. This increases the risk of fraud and misuse.

#### **Recommendation**

We recommend that all Facility Managers ensure adherence to procedures and ensure adequate controls exist during the administration of the Meal Voucher Program. In addition, each facility should also properly retain all documents and records.

#### **Finding 4 – Improper Agreement with an Outside Entity**

County departments, employees, agencies, and/or programs should adhere to the processes implemented by the County and obtain proper approval prior to entering into any written, informal, or verbal agreement with an outside entity. During our review of the Meal Voucher Program, we discovered that one (1) facility improperly executed an agreement with a neighboring church in order to subsidize the cost of meals for members of the church that attended the facility. According to the agreement, the church would administer the meal vouchers and reimburse the facility for the total costs of meals based on the number of meal vouchers redeemed. Based on a discussion with the current Facility Manager, she was unsure on exactly when and how the arrangement was established as this arrangement was in effect prior to her becoming the Facility Manager. In addition, management seemed to be unaware of these arrangements. It appears that the Facility Manager that initiated the agreement failed to comply with the County's policies and obtain proper approval. This increases the risk exposure to the County.

Furthermore, we noted that the facility bills the church each month for the costs. However, the church has failed to make monthly payments and has maintained an outstanding balance due to the facility. As of December 31, 2016, the church owed the facility a total of \$2,592.69. Consequently, the balance has carried over from previous years and necessary measures have not been taken to collect the outstanding balance. Not collecting on the amounts due increases the risk of funds not being available to support the facility.

#### **Recommendation**

Management should consider terminating the existing agreement with the church and make necessary efforts to collect any outstanding amounts due to the County.

#### **Finding 5 – Inefficient Cash Register System**

An effective point of sales system combines software and hardware that not only processes transactions but also simplifies key day-to-day business operations. The hardware includes a register monitor to display the product database, a barcode scanner to automate the checkout process, a credit card reader to accept secure payment, a receipt printer for providing

customers with receipts for their purchase, and a cash drawer to store cash for transactions. In addition, the software allows for electronically recording and analyzing sales data, logging purchases of customers, and managing inventory.

During our review, we noted that the cash register equipment utilized at the senior facilities for cafeteria sales is not sufficient. The cash registers track and capture data related to the total sales and sales tax, the number of meals sold, and number of voucher meals. A cash register tape is retrieved from the device on a daily basis that summarizes the data. However, this equipment does not allow for the ability to manage food inventory or accept credit cards. Likewise, the cash registers lack the capabilities to electronically report and store transactions. Failure to implement a sufficient cash register system results in the increase of manual processing which leads to errors, reduces the speed of processing financial transactions, and hinders employee productivity. In addition, this provides for ineffective management of food inventory.

### **Recommendation**

During the course of the audit, management implemented the use of a credit card machine. Notwithstanding, we recommend considering a system that is tailored to the needs of the facilities in lieu of adding new equipment to an inadequate system.

### **Finding 6 – Inadequate Internal Control for Funds Received By Mail**

Proper internal controls require that an individual responsible for opening the mail maintain a record of funds received by mail. In addition, a supervisory review should be performed to ensure accountability of the funds.

During our review, we noted that all four (4) facilities receive payments in the mail in the form of checks and/or money orders. At each of the facilities, all mail is received and sorted by the Multipurpose staff and any mail related to the Multipurpose Programs is opened by the Administrative staff. Any mail for the Adult Day Program is forwarded to or picked up by the Adult Day Program staff. We noted several internal control weaknesses related to the process for handling and safeguarding funds received through the mail. Those weaknesses include the following:

- A mail log was not maintained to document collections received through the mail;
- Proper segregation of duties did not exist as the individual opening the mail also performs the cash receipting process;
- Instances in which the Multipurpose staff left the mail, containing funds for the Adult Day Program, in an employee's box in the internal mailroom that is unsecured; and
- Instances in which the mail containing funds remained in the office of the Multipurpose staff's until someone from the Adult Day Program retrieves it.



The current cash management procedures do not address the processes for handling funds received by mail appropriately. As a result, staff failed to adequately account for and safeguard funds received through the mail. This could delay the timeliness of deposits and increases the likelihood of funds being lost or misappropriated without detection.

#### **Recommendation**

Procedures should be updated to ensure funds received by mail are properly accounted for, documented, and secured. Management should update procedures to adequately address the process for handling funds received by mail.

#### **Finding 7 – Administration of the Adult Day Program**

The Fulton County Board of Commissioners (BOC) approved a \$35 maximum cost share rate. According to the Adult Day Program Billing Procedures, each participant is billed for their actual attendance based on their established cost share rate. In the event of non-payment of fees for services, the Program Coordinator consults with the family and makes a reasonable effort to assist the family in negotiating payment arrangements, including adjustments to the cost share amount.

During the audit, we noted the following related to the manner in which the program is currently being administered:

- Currently, the program no longer receives funding from the State through a contract with ARC which required the implementation of cost sharing and prohibited participants from being denied services due to income or failure to make a cost sharing payment in accordance with the Older Americans Act. In spite of the change in funding, participants continue to obtain services regardless of payment status. Since some participants are paying and others are not, this may pose a fairness issue.
- Beginning in January of 2015, the program was required to obtain a license through the Georgia Department of Community Health (DCH) and comply with DCH regulations and requirements. Although the DCH regulations do not indicate requirements for cost sharing, the department has continued to operate under the DAS requirements.
- As of October 2017, the total amount of unpaid fees at all four (4) facilities totaled approximately \$232,037. This balance represents amounts that have accumulated for active and inactive participants.

It appears that the current criteria of the program have changed and the previous approach to administering the program may no longer be the best method to effectively provide Adult Day services to Fulton County seniors. Furthermore, the department lacks a mechanism to properly handle the outstanding balances.

**Recommendation**

This should be addressed at the BOC or management level. The Department of Senior Services should seek direction related to determining whether to continue to operate under the current fee system and whether a fee collection policy is adequate. In addition, management should work with the Finance Department to determine how to handle the outstanding balances.

**Finding 8 – Failure to Comply with Procedures for the Adult Day Program Payments**

According to the Adult Day Program’s Billing Standard Operating Procedures, payments are made in the form of a check or money order. Upon receipt of payments, a written and signed receipt will be given to the payer. The payments collected are to be recorded on a cash receipt form and submitted to the Facility Manager on a weekly basis. Additionally, a memorandum along with copies of the checks and cash receipt forms is submitted to the Department of Senior Services.

We reviewed a sample of payments collected at each of the four (4) Adult Day Programs. Our review included examining the cash receipt forms, the memorandums submitted to the Department of Senior Services, copies of the checks, and copies of the receipts given to the payer. Based on our review, we noted that the Benson and Bowden Adult Day Program did not record payments received on a weekly basis. There were instances in which payments were held for up to a month before they were recorded and submitted for deposit. In addition, these two (2) locations failed to provide a written and signed receipt to payers. A discussion with the Administrative Assistant at Benson revealed that she previously provided a form of receipt to the payers, but in order to save time she recently began including a listing of the payers’ transactions along with their next month’s bill.

The Administrative Assistants failed to comply with the established procedures due to the other numerous tasks being assigned. In addition, the current established processes for recording payments are very manual and tedious. In some instances, there were a low volume of payments received on a monthly basis; therefore, Administrative Assistants delayed recording the payments until they received a certain amount. This prevented having to repeatedly perform the lengthy procedures and may have been an attempt to save time. Failure to record and submit funds timely can lead to funds being lost or stolen. In addition, delaying the deposit of a payer’s check could inconvenience the payer and increases the risk of returned checks. Furthermore, the failure to provide receipts to payers diminishes the audit trail.

**Recommendation**

Facility staff should ensure adherence to all Adult Day Program procedures. Management should also ensure all funds collected for payments are recorded timely.

**Finding 9 – Adult Day Program Manual Billing Processes**

Effective automated controls include reliability and availability of electronically reported data. Effective business practices recommend the complete utilization of all available technological resources. During our audit, we observed that the Adult Day Program is utilizing manual processes to track attendance and perform billing functions. While the Adult Day Program does utilize the ServTracker system to generate bills, the actual attendance of each client is tracked manually. Clients are required to sign-in on a sign-in sheet each day. Administrative Assistants are required to determine actual attendance by counting the number of days and hours as indicated on the sign-in sheet. There appears to be a limited use of the system and a lack of an automated process. This increases the risk of errors as well as reduces productivity and employee efficiency.

**Recommendation**

The Adult Day Program should explore and utilize the full capabilities of the system in order to implement necessary procedures to efficiently capture daily activity and perform monthly preparation of invoices. Management may want to explore avenues to automate attendance tracking. In addition, management should consider offering electronic billing, automatic bank drafts and online payment processing.

**Finding 10 – Lack of Consistency and Standardization in Operations**

Best practices indicate that standard operating procedures are developed to achieve efficiency, quality output, uniformity of performance, and compliance with regulations while reducing miscommunication. In addition, procedures should be reviewed on a regular basis for applicability, monitoring compliance and to ensure consistency with current business practices. During our review of the Multipurpose and Adult Day Programs at all four (4) facilities, we noted several cash handling processes were performed differently at each of the facilities. In addition, we noted the current procedures were antiquated and require revisions to align to current operations. It appears that management has failed to adequately update procedures and ensure staff is adequately trained. This reduces the quality of work and promotes inefficiency. Additionally, this increases the risk of fraud or theft.

**Recommendation**

Management should update procedures and ensure procedures stay consistent with the current business practices. In addition, employees should be properly trained to ensure all cash management procedures are standardized for each facility.

**Finding 11 – Failure to Establish a Formal Agreement for Services**

Appropriate formal agreements and/or contracts should be established with any organization or business providing services on behalf of Fulton County. Prior to providing services, the agreements should be executed and approved by the appropriate authority. In addition, the organizations should be properly vetted to ensure these entities have maintained required licenses and meet the standards that are mandatory in order to do business with Fulton County. During the audit, we discovered that cosmetology and therapeutic services are being provided by outside organizations at the Senior Multipurpose Facilities. However, there is no formal agreement that exists between these service providers and Fulton County. Furthermore, the businesses were not properly vetted. Management failed to establish a legal agreement and ensure the businesses met all requirements which has created unnecessary risk exposure for the County. The County could be held liable for any injuries and/or losses incurred by persons who receive cosmetology and/or therapeutic services in the senior facilities.

**Recommendation**

Any organization and/or business that are providing services for, on behalf of, and/or on Fulton County property should be performing under an executed contract agreement that defines all legal terms and conditions. All steps should be taken to ensure the businesses are suitable to provide services for Fulton County.

**Finding 12 – Operating Outside of Approved Memorandum of Understanding**

Memorandums of Understanding (MOU) should be approved by the Board of Commissioners (BOC). In addition, MOUs should clearly outline terms and conditions and define the responsibilities of each entity. A MOU was developed between Fulton County and each of the Senior Multipurpose Facility's Friends' organizations. The MOU allows these organizations to conduct fundraising activities in order to provide financial support to the facilities. Each of the Friends' organizations has signed the MOU and has been performing duties indicated; however, the MOU has not been approved by the BOC. Previously, the department planned to present the MOU to the BOC for review and approval; however, this did not occur. Even with the lack of BOC approval, the Friends' organizations proceeded to provide the services outlined in the unapproved MOU. As a result, the terms and responsibilities indicated in the MOU were not fully explored by the BOC to ensure that County funds are being utilized in the best interest of its citizens.

**Recommendation**

Currently, the department, Legal and County management are working together to present recommendations to the BOC for an MOU agreement. The Department of Senior Services should continue to work closely with County management to establish an MOU that clearly outlines the terms that will be presented to the BOC for approval.

**Finding 13 – Failure to Provide Access to Financial Records**

According to the Fulton County Code Sec. 2-212, Access to records and property:

- (a) “All county officers and employees shall allow the county auditor immediate access to any and all books, records, documents, personnel, processes (including meetings) and other requested information, including automated data, pertaining to the business of the county and within their custody regarding powers, duties, activities, organization, property, financial transactions, contracts, and methods of business required to conduct an audit or other official duties. In addition, such officers and employees shall provide access for the auditor to inspect all property, equipment and facilities within their custody. Further, all contracts with outside contractors, vendors and agencies shall include an audit clause to provide for the county auditor's access to all records, and those of their subcontractors, needed to verify compliance with the terms specified in the contract.”

During our review of the Friends operations, we were unable to conduct a comprehensive review of the operations. Some of the organizations were not willing to provide all information requested during the audit and in some instances the methods of accounting used were not transparent. As a result, we were unable to ensure all funding was used for the purpose of supporting and enhancing the programs and services.

**Recommendation**

We recommend that the newly established MOU consists of a detailed audit clause that provides access to financial records in the event of an audit. In addition, the MOU should require that the financial records of the Friends be handled in a manner that allows for transparency and clear delineation of specific fundraising activities.

**Finding 14 – Use of Friends to Circumvent County Policies**

All Fulton County officers, officials, and employees interacting with outside entities must adhere to Fulton County policies. We noted instances in which funds disbursed by Friends were used to purchase items that are also made available by the County during the course of normal operations. It appears that facilities staff may have requested these funds from the Friends in an attempt to; circumvent the County's processes for procurement, expedite the purchases of goods, and/or obtain items that they may have been unable to procure due to poor planning and the lack of funding in the departmental budget. We also noted that several Friends' organizations provided County staff with debit cards to make purchases. This provided County staff with unlimited access to funds. County management failed to provide adequate oversight and control over these operations. As a result, County employees may have violated County policies and procedures.

**Recommendation**

Funds generated by the Friends should be used solely for the enhancement and expansion of senior services and should not supplant normal operations of the County. In addition, management should ensure employees comply with all County policies.

**Finding 15 – County Employees Working for the Friends**

The Fulton County Code of Ethics Section 2-68, Conflicts of Interest Generally / Impartiality states:

*“Officers and employees shall avoid even the appearance of a conflict of interest. An appearance of a conflict of interest exists when a reasonable person would conclude from the surrounding circumstances that the ability of the officer or employee to protect the public interest or impartially perform a public duty is compromised by financial or personal interests in the matter or transaction. The appearance of a conflict of interest can exist even in the absence of an actual conflict of interest, which exists whenever the officer or employee knows or should know that he or she has an interest that may be affected by his or her official acts or actions.”*

Our review revealed that a County employee was hired by the Friends as a part-time employee to serve as a Rental Coordinator for a facility. In addition, we discovered that another County employee is contracted with the Friends to provide services that occur after the County’s normal business hours. This action imparts a conflict of interest and violates the County’s Code of Ethics. This also provides the employee an unfair advantage and allows them to be compensated twice from County funds. Additionally, since the employee provides these services at the County facilities, this may put the County at risk as it relates to any accident that may occur resulting in workers’ compensation.

**Recommendation**

Management should ensure all employees comply with the County’s Code of Ethics. Additionally, employees should not accept employment that may present a conflict of interest.

**AUDIT CONCERN 1– Failure To Properly Collect Out-of-County Fees**

According to the Fulton County Policies and Procedures 200-23 Fulton County’s Senior Multipurpose Facilities Non-Resident Fee, an annual fee of \$100 should be assessed to all non-resident seniors who participate in activities at Fulton County’s Senior Multipurpose Facilities. This policy is designed to enhance programs and services offered at each multipurpose facility. In addition, fees collected should be submitted to the “Friends” organization associated with each facility. The policy also allows the non-residents to pay \$50 at registration, with the

balance of \$50 to be due within sixty (60) days following registration. During the audit, there were concerns raised about the collection efforts of one (1) facility. The concerns indicated that there are many non-residents that are not being assessed the \$100 fee or are only submitting partial payments. Upon further review, we noted that the facility only collected a total of \$285 in out-of-county fees for 2016. It appears that staff may have failed to collect all fees for 2016 as the fees collected for 2017 year to date were double the amount. Failure to collect the entire fee decreases the funds available to the facilities for the enhancement of programs and services.

#### **Recommendation**

We recommend that all Multipurpose staff members follow standard operating procedures and ensure that all non-Fulton County residents who participate in senior facility activities pay the entire \$100 out-of-county fee.

#### **AUDIT CONCERN 2 – Acceptance of Credit Cards**

Credit cards are not accepted as a method of payment for meals at the facilities which increases the risk of loss or stolen funds. Implementing the acceptance of credit cards could increase operational efficiencies by reducing the amount of cash on-hand and the rate at which funds are deposited in the bank. In addition, allowing the use of credit cards makes it easier for the customers and provides for faster payment.

#### **Recommendation**

The Department of Senior Services should take the necessary steps to enable the use of credit cards. Accepting credit cards is more convenient and allows for better cash handling practices. Furthermore, with the increase of technology and the ease of processing financial transactions electronically, this can lead to other opportunities, such as, accepting online payments for Adult Day services.

#### **CONCLUSION**

Based on our audit of the cash management procedures implemented at the Senior Multipurpose Facilities, we revealed deficiencies related to internal control weaknesses, and occurrences of noncompliance within the financial operations. These deficiencies resulted in the following findings:

- Lack of Adequate Personnel in the Senior Multipurpose Program;
- Failure to Comply with Procedures for Cafeteria Sales;
- Lack of Controls for the Meal Vouchers Program;
- Improper Agreement with An Outside Entity;
- Inefficient Cash Register System;

- Inadequate Internal Control for Funds Received By Mail;
- Administration of the Adult Day Program;
- Failure to Comply with Procedures for the Adult Day Program Payments;
- Adult Day Program Manual Billing Processes;
- Lack of Consistency and Standardization in Operations;
- Failure to Establish a Formal Agreement for Services;
- Operating Outside of Approved MOU;
- Failure to Provide Access to Financial Records
- Use of Friends to Circumvent County Policies; and
- County Employees Working for the Friends.

The aforementioned deficiencies should be immediately addressed. Management should make the appropriate efforts to implement the necessary corrective actions that will strengthen the internal controls and enhance the financial operations. Management should work to update the cash management procedures and properly train all qualified staff. Furthermore, an approved MOU between the department and the Friends should be implemented.

Please provide a written response to this audit within 10 business days. Be sure to address the written response to Anthony Nicks, County Auditor. The written response may be submitted via email to the County Manager and to Robbie Bishop-Monroe, Audit Coordinator in the Office of the County Auditor at [Robbie.Bishop-Monroe@fultoncountygga.gov](mailto:Robbie.Bishop-Monroe@fultoncountygga.gov). We would like to thank management and staff for their timely cooperation and assistance during this audit. The distribution of this report is reserved for the executive management of Fulton County and the Board of Commissioners.