



FULTON COUNTY, GEORGIA
OFFICE OF THE COUNTY AUDITOR
Department of Senior Services
Follow-up Review of the Senior Multipurpose Facilities’
Cash Management Procedures
December 18, 2018

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INTRODUCTION

The Office of the County Auditor conducted a follow-up review of the Fulton County Senior Multipurpose Facilities' cash management procedures. The review was conducted to determine whether adequate measures were taken to resolve the findings and the recommendations addressed in our prior audit report dated December 18, 2017.

BACKGROUND

The Department of Senior Services 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.

The following four (4) 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 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 guests 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, two (2) snacks, and transportation services. The Adult Day Program is 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 of Organization (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 review were to determine whether adequate measures were taken to resolve the findings and the recommendations addressed, and to evaluate the Department of Senior Services corrective action plan and any supporting documentation to validate the Department’s progress as it relates to the cash management procedures of the Senior Multipurpose Facilities.

SCOPE

The audit period for this review was March 1, 2018 - August 31, 2018.

METHODOLOGY

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.

To accomplish our objectives we evaluated the Department’s corrective action plan and any supporting documentation to substantiate the Department’s progress. As a result, we were able to determine the status of implementation for the Department’s corrective actions. The statuses of implementation for the Department’s corrective actions are detailed below.

Status of Corrective Action Plan

In response to the audit of the Senior Multipurpose Facilities’ Cash Management procedures completed on December 18, 2017, the Department of Senior Services submitted a detailed corrective action plan to address 15 findings and 2 concerns. Based on our review, we determined twelve (12) recommendations have been implemented, one (1) recommendation is partially implemented, one (1) recommendation is in the progress of implementation, and one (1) recommendation was not implemented. We also determined that one (1) out of the two (2) audit concerns is in the progress of being implemented. Table 1 summarizes the implementation status of each finding and concern.

We classified the Department’s implementation status as follows:

- **Implemented** – The Department has fully implemented the recommendation.
- **Partially Implemented** – The Department has partially implemented the recommendation.
- **In Progress** – The Department intends to fully implement the recommendation.
- **Not Implemented** – The Department has not implement the recommendation.

Table 1

	Findings	Recommendation	Corrective Action Plan	Current Status
1	Lack of Adequate Personnel in the Senior Multipurpose Program (Implemented)	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.	The Department has contracted with Happy Faces (Staffing Agency) to fill many of the administrative and instructor positions in the facilities. In addition, the Department has filled all of the County part-time and full-time positions.	The Department has filled all of its critical positions with a combination of permanent and temporary employees. At the current staffing levels, the cash management process has shown improvement.
2	Failure to Comply with Procedures for Cafeteria Sales (Implemented)	All established cash management procedures should be followed. In addition, facility management should ensure all financial duties are being conducted accurately and timely.	<ol style="list-style-type: none"> 1. Policy Refresher Training on Facility Cash Management will be conducted at each individual multipurpose facility. 2. Each day the facility makes a deposit to the County's Treasury, they will be required to email their deposit slips to the Program Coordinator who will track the timeliness of the deposits and submit a weekly report to the Program Manager to address any issues of noncompliance. 3. Random on-site spot checks will be conducted and documented by the Nutrition Services Program Coordinator. 	The Department has hired and trained new cafeteria cashiers to complete financial duties accurately and in a timely manner.

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3	Lack of Controls for the Meal Voucher Program (Implemented)	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.	<ol style="list-style-type: none"> 1. Revise SOP for Meal Vouchers to ensure consistent administration. 2. Policy Refresher Training on Voucher Program will be conducted at each individual facility. 3. Require managers to submit a monthly report that will indicate: Name, Justification for receiving voucher and Date issued/used. 	Management has updated and implemented a new SOP for center volunteers and the food voucher program. The new SOP requires that the Facility Manager maintains a log of volunteers and keep track of when each volunteer is issued a voucher. This process has minimized the opportunity for fraud, theft or misuse of the volunteer food voucher program.
4	Improper Agreement with an Outside Entity (Implemented)	Management should consider terminating the existing agreement with the church and make necessary efforts to collect any outstanding amounts due to the County.	The agreement will be terminated in 2018. Efforts will be made to collect outstanding balances.	The lunch reimbursement program was discontinued, with the church, during calendar year 2018 and the County was reimbursed for any outstanding balance due.
5	Inefficient Cash Register System (In progress)	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.	Nutrition Services Coordinator will research various equipment that can be tailored to the main kitchens needs that could provide options for inventory control, supply ordering and customer convenience. In addition, the Department will explore the use of the cash handling system used in the County's Fresh Marketplace eatery.	The Department installed new programmed cash registers and credit card terminals in each facility. While the update allow credit and debit card processing, the system does not perform all of the functions needed to void/delete errors, track food inventory, and to print electronic reports.
6	Inadequate Internal Control for Funds Received by Mail (Implemented)	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.	<ol style="list-style-type: none"> 1. Develop Standard of Promptness (SOP) for Mail Log. 2. Train on Mail Log SOPs 3. Implementation and enforcement of the new SOP 	The Department has developed and trained staff on the new Standard of Promptness (SOP) for mail log. Each center was provided with a standardized mail log form to track all incoming checks. In addition, the administrative staff has been directed to log mail items and contact the appropriate staff member to pick up and sign for checks.

7	Administration of the Adult Day Program (Partially Implemented)	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.	<ol style="list-style-type: none"> 1. The Department of Senior Services and the Department of Finance are working together to implement a fee structure that would increase revenue and improve fee collection. 2. Pending Board approval application will be made to become a CCSP/ Medicaid provider. 	The Department has created a discharge SOP that outlines the procedure for handling delinquent payments for Adult Day services. After 30 days of non-payment, the program manager must contact the participant's care giver to determine the nature of the delinquency. Under extenuating circumstances, such as health care expenses, the program manager can temporary reduce the billing amount to zero. If the family is not facing financial hardship and still fails to clear the account balance, the Program Coordinator must discharge the participant for non-payment.
8	Failure to Comply with Procedures for the Adult Day Program Payments (Implemented)	Facility staff should ensure adherence to all Adult Day Program procedures. Management should also ensure all funds collected for payments are recorded timely.	<ol style="list-style-type: none"> 1. A review of the "Billing" Standard Operating Procedure (SOP) will be conducted by the program coordinator team. 2. Staff will be retrained on the "Billing" SOP and related cash handling procedures. 3. Implement a standard of promptness to ensure timeliness of recording payments. 	The Department has updated the "Billing" Standard Operating Procedure and conducted training. Cash receipts are issued at the time payment is received or within one (1) business day of receiving mail payments.
9	Adult Day Program Manual Billing Process (Not Implemented)	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	The Adult Day Program will work with the Department's IT liaison to implement an automated billing process where feasible in which we will work to implement the following: <ul style="list-style-type: none"> • ServTracker-Participant sign-in 	The Adult Day Program's administrative assistants still track actual attendance of each client manually.

		explore avenues to automate attendance tracking. In addition, management should consider offering electronic billing, automatic bank drafts and online payment processing.	<ul style="list-style-type: none"> • On-line invoices or payments • Credit card payments 	
10	Lack of Consistency and Standardization in Operation (Implemented)	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.	The Adult Day Program is governed by Standard Operating Procedures which are reviewed annually and updated as needed. Staff will undergo re-training of all policies and procedures.	Management has revised the SOP and re-trained staff at all Centers to standardize the cash management procedures for each facility.
11	Failure to Establish a Formal Agreement for Services (Implemented)	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.	Fulton County Board of Commissioners executed a standard form agreement for use with qualified cosmetologists, barbers and nail technician to provide comprehensive cosmetology and aesthetic services to Adult Day Program Participants and Senior Multipurpose program participants who are Fulton County residents ages 55 and older.	Outside service providers have been vetted by Fulton County Procurement Department and a contract agreement has been executed.
12	Operating Outside of Approved Memorandum of Understanding (Implemented)	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.	Finalize MOU with Friends of Leadership.	Formal MOUs have been established, approved by the BOC, and signed by each Friends Organization in May 2018.
13	Failure to Provide Access to Financial Records (Implemented)	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	Finalize MOU with recommended audit clause.	Revised MOUs includes a detailed audit clause that provides auditors access to financial records in the event of an audit. The Friends of Organizations' are in

		require that the financial records of the Friends be handled in a manner that allows for transparency and clear delineation of specific fundraising activities.		compliance with the executed MOU and have provided financial records to the Audit staff for review.
14	Use of Friends of Organizations' to Circumvent County Policies (Implemented)	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.	<ol style="list-style-type: none"> 1. Finalize the MOU with guidance regarding use of funds. 2. Conduct staff training on the policy for secondary employment. Employment Policy 	The Friends of Organizations' and facility staff have been informed of the types of purchases that can be made. In the event that an emergency purchase is made to support their respective senior center, the MOU outlines a reimbursement process.
15	County Employees Working for the Friends (Implemented)	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.	Develop and implement an approval process and policy for secondary employment with Friends.	No Fulton County employees are employed by Friends organizations.
Concerns				
1	Failure to Collect Out-of-County Fees (In Progress)	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.	<ol style="list-style-type: none"> 1. Retrain staff on Out-of-County policy. 2. Enforce consistent collection among facilities. 3. Create a monthly report on all Out-of-County monies received and those that are outstanding. 	One (1) senior multipurpose facility is not collecting out-of-county fee for non-Fulton County residents who participate in senior facility activities.
2	Acceptance of Credit Cards (Implemented)	Management 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. The increase of technology and the ease of processing financial transactions electronically can lead to other opportunities, such as, accepting online payments for Adult Day services.	<ol style="list-style-type: none"> 1. Debit/Credit Card Machines were installed in all senior multipurpose facilities. 2. The Adult Day program will work with the Department's IT liaison to implement the following: <ul style="list-style-type: none"> • Credit card payment • On-line invoices /payments • Credit card payments 	All senior multipurpose facilities are accepting on-line credit card payments and all cafeterias have credit card processing machines.

During this follow-up review, we identified one (1) additional finding and concern detailed below.

FINDINGS AND RECOMMENDATIONS

Finding 1 – Failure to Comply With the Cost Sharing Guidelines

Each year the Department of Senior Services Management provides each Adult Day Care Program Coordinator with an approved cost sharing determination schedule that is based on the federal poverty guidelines issued by the Federal department of Health and Human Services. The Adult Day Program Coordinator or designee is responsible for performing an initial assessment to determine an appropriate cost sharing amount based on the most current Federal guideline. During our review of the cost sharing schedules used by the Senior Multipurpose Centers, we found that many of the Adult Day Care participants are being billed using improper cost sharing rates. While the Federal poverty guidelines are reviewed and published each year, it appears that Adult Day Program Coordinators have not been performing annual reassessments to bring billing rates in compliance with the newly published sliding fee scales. As a result, Adult Day Care participants are being overcharged for services.

Recommendation

We recommend that Adult Day Program Coordinators review and update each participant's financial information each year and are certain that the cost sharing determination is made using the most up-to-date sliding fee scale.

AUDIT CONCERN(S) – Proper Execution and Recording of Senior Facility Rental Agreements

Fulton County Board of Commissioner (BOC) has authorized four (4) Friends 501c3 Organizations that are affiliated with each Senior Center to rent event space in order to raise funds to support senior center programs and activities. In an effort to standardize the rental procedures across all Senior Centers, the Department of Senior Services has provided the Friends of Organizations' with a standard BOC-approved fee structure and a rental agreement form to use for each rental event. The form should be completed by the Friends of Organizations' Rental Coordinator and kept on file by the organizations leadership.

During our review of the rental agreements, we noted that the Rental Coordinator failed to obtain all signatures and initials required in the designated spaces provided on the rental agreement. The purpose of requiring signatures and initials is to ensure that the persons (entity) renting the facility understands and acknowledges that they have been informed of all County policies and their responsibilities stated in the agreement. In addition, the rental agreement kept in the Organizations' files did not contain all 15 pages of the agreement. Several pages containing critical information were missing from the file. Failure to obtain signatures and maintain complete contract files could put the County at risk of legal action in the event that someone is injured during a non-County event that takes place at the Senior Center Complex.

Recommendation

We recommend that the Friends of Organizations' Rental Coordinators be certain that all pages of the rental agreement are signed and initialed in the designated spaces. All pages of the rental agreement must be maintained in the Organizations' files.

CONCLUSION

We will continue to monitor the implementation of the corrective action plan of the Senior Multipurpose Facilities Cash Management Procedures audit. Furthermore, our review of the follow-up audit revealed that the Department failed to comply with the cost sharing guidelines. We also had one (1) concern in reference to the proper execution and recording of senior facility Rental Agreements.

Please provide a written response to this follow-up review within ten (10) business days. Be sure to address the written response to Anthony Nicks, County Auditor. The written response should be submitted through the County Manager's Office and to Robbie Bishop-Monroe, Audit Coordinator in the Office of the County Auditor at Robbie.Bishop-Monroe@fultoncountyga.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.