

# SINGLE AUDIT REPORT

FULTON COUNTY, GEORGIA  
YEAR ENDED DECEMBER 31, 2016  
Prepared Under Auditor's Report Thereon



**FULTON COUNTY, GEORGIA**

**Single Audit**

**(With Independent Auditor's Report Thereon)**

**December 31, 2016**

**FULTON COUNTY, GEORGIA**

**SINGLE AUDIT**

**DECEMBER 31, 2016**

**TABLE OF CONTENTS**

	<b>Page</b>
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1- 2
<b>Schedule of Expenditures of Federal, State and Other Local Grant Awards</b>	3- 8
<b>Notes to the Schedule of Expenditures of Federal, State and Other Local Grant Awards</b>	9-10
<b>Report Required By the Uniform Guidance:</b>	
Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	11-14
<b>Schedule of Findings and Questioned Costs</b>	15-23
Fulton County, Georgia – Employer Identification Number (EIN): 58-6001729	

**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Commissioners  
Fulton County, Georgia:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Fulton County, Georgia ("the County"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 9, 2017. Other auditors audited the financial statements of the Fulton-Dekalb Hospital Authority, as described in our report on the County's basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2016-001 through 2016-003 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*DJC Group LLC*

Atlanta, Georgia  
June 9, 2017

FULTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2016

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
U.S. Department of Health and Human Services				
Direct Assistance:				
HIV Emergency Relief Grant Program	93.914	6 H9HA00007-26-02 *	\$ 15,186,702	\$ 14,303,177
HIV Emergency Relief Grant Program	93.914	2H89HA00007-23-00 *	10,697,530	9,967,235
			<u>25,884,232</u>	<u>24,270,412</u>
Passed through the Georgia Department of Public Health:				
Georgia STD AAPPs Project	93.977	FY 2015	12,194	-
Georgia STD AAPPs Project	93.977	FY 2016	12,194	-
			<u>24,388</u>	<u>-</u>
Breast and Cervical Cancer	93.752	FY 2015	63,454	-
Breast and Cervical Cancer	93.752	FY 2016	23,960	-
			<u>87,414</u>	<u>-</u>
Outpatient UNHSI/Audiology Support	93.994	FY 2015	44,013	-
Outpatient UNHSI/Audiology Support	93.994	FY 2016	26,694	-
FP District Cadre Position Alignment	93.994	FY 2015	36,805	-
FP District Cadre Position Alignment	93.994	FY 2016	5,793	-
Children Medical	93.994	FY 2015	137,842	-
Children Medical	93.994	FY 2016	150,224	-
			<u>401,371</u>	<u>-</u>
Family Planning	93.558	FY 2015	134,073	-
Family Planning	93.558	FY 2016	115,896	-
Youth Development	93.558	FY 2015	30,402	-
Youth Development	93.558	FY 2016	22,846	-
			<u>303,217</u>	<u>-</u>
Immunization Action Plan	93.268	FY 2015	8,366	-
Immunization Action Plan	93.539	FY 2016	72,004	-
BPI-5 Cities Readiness (CRI)	93.069	FY 2015	51,842	-
BPI-5 Cities Readiness (CRI)	93.069	FY 2016	1,598	-
Public Health Emergency Preparedness (PHEP)	93.069	FY 2015	328,983	-
Public Health Emergency Preparedness (PHEP)	93.069	FY 2016	178,185	-
			<u>560,608</u>	<u>-</u>
Hospital Preparedness Program	93.889	FY 2015	52,935	-
Hospital Preparedness Program	93.889	FY 2016	44,180	-
			<u>97,115</u>	<u>-</u>
PHEP Supplemental Readiness	93.074	FY 2015	27,768	-
PHEP Supplemental Readiness	93.074	FY 2016	34,286	-
			<u>62,054</u>	<u>-</u>
Employee Worksite Wellness Program	93.758	FY 2015	1,424	-
Employee Worksite Wellness Program	93.758	FY 2016	5,210	-
			<u>6,634</u>	<u>-</u>
Passed through the Department of Behavioral Health and Developmental Disabilities (DBHDD):				
Systemic Changes -Day Program	93.958	44100-907-0000067442	42,561	-
Systemic Changes -Pre Voc	93.958	44100-907-0000067442	43,242	-
			<u>85,803</u>	<u>-</u>

The accompanying notes are an integral part of this schedule

FULTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2016

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
Substance Abuse Recovery Support Clubhouse Services	93.959	44100-906-0000082832	\$ 108,090	\$ -
Substance Abuse Recovery Support Clubhouse Services	93.959	44100-906-0000067959	131,830	-
MH/DD/AD-Community Substance Abuse Services-Adult	93.959	441-93-1633043	76,360	-
MH/DD/AD-Community Substance Abuse Services-Adult	93.959	441-93-1733046	46,700	-
			<u>362,980</u>	<u>-</u>
HIV Early Intervention	93.959	441-93-1633044	42,821	-
HIV Early Intervention	93.959	441-93-1733047	33,656	-
			<u>439,457</u>	<u>-</u>
Passed through the Georgia Department of Human Services:				
Child Support Enforcement	93.563	42700-401-0000039350	33,177	-
Child Support Enforcement	93.563	42700-401-0000049826	19,701	-
Child Support Enforcement	93.563	42700-401-00000-39591	19,725	-
Child Support Enforcement	93.563	42700-401-00000-49825	14,009	-
			<u>86,612</u>	<u>-</u>
State Coordinated Transportation Program	93.667	42700-362-0000023283	551,124	-
			<u>551,124</u>	<u>-</u>
Passed through the Department of Human Services and Atlanta Regional Commission:				
Special Programs for the Aging FY15-16	93.045	AG1612 *	2,334,555	1,628,047
Special Programs for the Aging FY16-17	93.045	AG1506 *	1,660,478	-
			<u>3,995,033</u>	<u>1,628,047</u>
Passed through the Center for Disease Control and Prevention:				
HIV Prevention (HIPP)	93.940	6-NU62PS003679-05	6,968,050	3,047,524
HIV Prevention (HIPP)	93.940	5-U62PS003679-04	1,915,711	777,998
			<u>8,883,761</u>	<u>3,825,522</u>
Passed through the Center for Disease Control and Prevention:				
Partnership to Improve Community Health (PICH)	93.331	5 NU58DP005568-02-00	3,021,549	1,951,870
Partnership to Improve Community Health (PICH)	93.331	5 NU58DP005568-03-00	224,525	15,303
			<u>3,246,074</u>	<u>1,967,173</u>
Passed through the National Association of County and City Health Officials:				
Electronic Screening and Brief Intervention Initiative	93.292	SU38OT000172-02	42,780	-
			<u>42,780</u>	<u>-</u>
<b>Total U.S. Department of Health and Human Services</b>			<u><b>44,838,047</b></u>	<u><b>31,691,154</b></u>
U.S. Department of Housing and Urban Development				
Direct Assistance:				
CDBG Cluster Programs:				
HERA-Neighborhood Stabilization Program (NSP1)	14.218	B-08-UN-13-0004 *	136,398	-
HERA-Neighborhood Stabilization Program (NSP3)	14.218	B-11-UN-13-0004 *	16,714	-
Community Development Block Grant	14.218	B-06-UC-13-0003 *	28,500	-
Community Development Block Grant	14.218	B-07-UC-13-0003 *	565	-
Community Development Block Grant	14.218	B-09-UC-13-0003 *	2,222	-
Community Development Block Grant	14.218	B-10-UC-13-0003 *	1,614	-
Community Development Block Grant	14.218	B-13-UC-13-0003 *	6,427	4,119
Community Development Block Grant	14.218	B-14-UC-13-0003 *	73,353	-
Community Development Block Grant	14.218	B-15-UC-13-0003 *	680,020	155,422
Community Development Block Grant	14.218	B-16-UC-13-0003 *	231,783	202,532
<b>Total CDBG Cluster Programs</b>			<u><b>1,177,596</b></u>	<u><b>362,073</b></u>

The accompanying notes are an integral part of this schedule

FULTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2016

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
Housing Cluster Programs:				
Permanent Housing Program	14.235	GA0173L4B021403	\$ 52,416	\$ -
Permanent Housing Program	14.235	GA0173L4B021504	207,684	-
			<u>260,100</u>	<u>-</u>
Passed through the Georgia Housing and Finance Authority (GHFA):				
GHFA-Homeless Assistance Grant	14.235	GA0232L4B021402	32,836	-
			<u>292,936</u>	<u>-</u>
HOME Cluster Programs:				
Direct Assistance:				
HOME 07	14.239	M-07-DC-13-0202	1,668	-
HOME 10	14.239	M-10-DC-13-0202	229,366	-
HOME 09	14.239	M-09-DC-13-0202	285,199	284,941
HOME 14	14.239	M-14-DC-13-0202	4,966	-
HOME 15	14.239	M-15-UC-13-0211	489,813	-
Total HOME Cluster Programs			<u>1,011,012</u>	<u>284,941</u>
Emergency Shelter Cluster Programs:				
Direct Assistance:				
Emergency Solutions 2015	14.231	E-15-UC-13-0003	20,620	12,372
Emergency Solutions 2014	14.231	E-14-UC-13-0010	46,346	12,628
Total Emergency Shelter Cluster Programs			<u>66,966</u>	<u>25,000</u>
Continuum of Care Planning Grant FY 2014	14.267	GA0284L4B021400	7,367	-
Total U.S. Department of Housing and Urban Development			<u>2,555,877</u>	<u>672,014</u>
U.S. Department of Justice				
Direct Assistance:				
2013 Justice Assistance Grant	16.738	2013-DJ-BX-1153	30,149	-
2014 Justice Assistance Grant	16.738	2014-DJ-BX-0954	35,917	-
2015 Justice Assistance Grant	16.738	2015-DJ-BX-0868	55,429	-
			<u>121,495</u>	<u>-</u>
Equitable Sharing Program-District Attorney's Office	16.922	GA060015A	135,485	-
Equitable Sharing Program-Police	16.922	GA0601300	90,916	-
Equitable Sharing Program-Sheriff	16.922	GA0600000	68,948	-
			<u>295,349</u>	<u>-</u>
Passed through the Georgia Criminal Justice Coordinating Council:				
Victim Witness Assistance	16.575	C14-8-108 C15-8-153	125,068	-
Victim Witness Assistance	16.575	C16-8-001 C14-8-109	40,872	-
			<u>165,940</u>	<u>-</u>
Accountability Program -GED Preparatory	16.523	N13-8-006	13,662	-
			<u>13,662</u>	<u>-</u>
Total U.S. Department of Justice			<u>596,446</u>	<u>-</u>
U.S. Department of Agriculture				
Passed through the Georgia Department of Public Health:				
WIC - Personnel	10.557	FY 2015	1,109,342	-
WIC - Personnel	10.557	FY 2016	1,138,062	-
WIC - Operations	10.557	FY 2015	258,215	-
WIC - Operations	10.557	FY 2016	205,992	-
WIC-Nutrition	10.557	FY 2015	2,227	-
WIC-Nutrition	10.557	FY 2016	14,907	-
WIC Peer Counselor	10.557	FY 2015	43,223	-
WIC Peer Counselor	10.557	FY 2016	25,427	-
WIC-Breastfeeding	10.557	FY 2015	8,463	-
WIC-Breastfeeding	10.557	FY 2016	23,916	-
Total U.S. Department of Agriculture			<u>2,829,774</u>	<u>-</u>

The accompanying notes are an integral part of this schedule



FULTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2016

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
<b>U.S. Department of Transportation</b>				
Passed through the State of Georgia Department of Transportation				
Passed through the State of Georgia Department of Transportation				
Federal Aid Highway Program -Butner Road at Stonewall Tell Road	20.205	T242 *	\$ 2,572	\$ -
Federal Aid Highway Program - Campbellton Road Sidewalk Project	20.205	T162-1 *	1,844,033	-
			<u>1,846,605</u>	<u>-</u>
Passed through the Governor's Office of Highway Safety				
Public Safety Pedestrian and Bicycle Safety	20.616	GA-2016-000-00408	7,516	-
			<u>7,516</u>	<u>-</u>
Total Department of Transportation			<u>1,854,121</u>	<u>-</u>
<b>U.S. Department of Labor</b>				
Passed through the State of Georgia Department of Labor and Georgia Department of Economic Development				
WIA Cluster Programs:				
Workforce Investment Act-Adult PY 2014	17.258	11-14-14-03-006	1,157	-
Workforce Investment Act-Adult FY 2014	17.258	11-14-15-03-006	279,534	-
Workforce Investment Act-Adult PY 2015	17.258	11-15-15-03-006	79,544	-
Workforce Investment Act-Adult FY 2015	17.258	14-14-15-03-006	32,622	-
Workforce Investment Act-Adult FY 2016	17.258	11-15-16-03-006	957,868	-
Workforce Investment Act-Adult PY 2016	17.258	11-16-16-03-006	125,148	-
			<u>1,475,873</u>	<u>-</u>
Workforce Investment Act-Youth OSY PY 2015	17.259	OSY-15-16-03-006	7,344	-
Workforce Investment Act-Youth PY 2014	17.259	15-14-14-03-006	150,886	-
Workforce Investment Act-Youth PY 2015	17.259	15-15-15-03-006	585,577	-
Workforce Investment Act-Youth PY 2016	17.259	15-16-16-03-006	203,229	-
			<u>947,036</u>	<u>-</u>
Workforce Investment Act-Dislocated Worker PY 2014	17.278	31-14-14-03-006	180,520	-
Workforce Investment Act-Dislocated Worker FY 2015	17.278	31-14-15-03-006	654,317	-
Workforce Investment Act-Dislocated Worker PY 2015	17.278	31-15-15-03-006	242,323	-
Workforce Investment Act-Dislocated Worker FY 2016	17.278	31-15-16-03-006	650,663	-
Workforce Investment Act-Dislocated Worker PY 2016	17.278	31-16-16-03-006	20,048	-
			<u>1,747,871</u>	<u>-</u>
Total Department of Labor-WIA Cluster			<u>4,170,780</u>	<u>-</u>
<b>Department of Homeland Security</b>				
Direct Assistance:				
Passed through Georgia Emergency Management Agency:				
Hazard Mitigation Grant	97.039	HMGP-1165-0006	18,226	-
GEMA-Sheriff's Office K-9 Unit	97.067	EMW-2015-55-000655S01	3,000	-
			<u>21,226</u>	<u>-</u>
Total Department of Homeland Security			<u>21,226</u>	<u>-</u>
<b>U. S. Department of Education</b>				
Passed through the Georgia Department of Public Health:				
Infants & Toddlers with Disabilities	84.181	FY 2015	85,643	-
Infants & Toddlers with Disabilities	84.181	FY 2016	73,489	-
			<u>159,132</u>	<u>-</u>
Total Department of Education			<u>159,132</u>	<u>-</u>
Total Federal Expenditures			<u>\$ 57,025,403</u>	<u>\$ 32,363,168</u>

The accompanying notes are an integral part of this schedule

FULTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2016

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
<b>State of Georgia</b>				
Department of Public Health:				
Public Health	-	FY 2015	\$ 3,641,221	\$ -
Public Health	-	FY 2016	3,302,894	-
EPI Capacity	-	FY 2015	29,820	-
EPI Capacity	-	FY 2016	25,772	-
EPSDT Case Management	-	FY 2015	26,254	-
EPSDT Case Management	-	FY 2016	22,121	-
TB Case Management	-	FY 2016	32,701	-
TB Case Management	-	FY 2015	3,107	-
Fulton County Admin Cadre	-	FY 2015	96,691	-
Fulton County Admin Cadre	-	FY 2016	55,091	-
Infant Vitality	-	FY 2015	4,077	-
Teen Pregnancy Prevention	-	FY 2015	11,890	-
Teen Pregnancy Prevention	-	FY 2016	14,692	-
Children's 1st	-	FY 2015	43,958	-
Children's 1st	-	FY 2016	34,181	-
Children 1st Initiative	-	FY 2015	97,860	-
Children 1st Initiative	-	FY 2016	67,267	-
Directly Observed Therapy	-	FY 2015	27,638	-
Directly Observed Therapy	-	FY 2016	33,198	-
Breast/Cervical Cancer	-	FY 2015	55,206	-
Breast/Cervical Cancer	-	FY 2016	34,506	-
Chronic Disease Prevention	-	FY 2015	6,642	-
Chronic Disease Prevention	-	FY 2016	3,462	-
UNHSI Program	-	FY 2015	13,173	-
UNHSI Program	-	FY 2016	94	-
State Cervical Cancer	-	FY 2015	1,097	-
State Cervical Cancer	-	FY 2016	3,240	-
Early Intervention	-	FY 2015	131,904	-
Early Intervention	-	FY 2016	105,934	-
Oral Health	-	FY 2015	1,996	-
Oral Health	-	FY 2016	845	-
Ryan White Part B	-	FY 2015	15,097	-
EPI Capacity - Additional	-	FY 2015	11,453	-
HIV Office PREP - Personnel Funding	-	FY 2015	2,797	-
HIV Office PREP - Personnel Funding	-	FY 2016	23,823	-
			<u>7,981,702</u>	<u>-</u>
<b>Department of Transportation:</b>				
FY 2017 LMIG Resurfacing Roads	-	-	1,060,818	-
FY 2016 LMIG	-	-	823,246	-
Union City - LMIG Flat Shoals & Stonewall Tell Roads	-	-	171,690	-
Oakley and Creel Road Industrial Blvd.	-	-	45,000	-
			<u>2,100,754</u>	<u>-</u>
<b>Passed through the Georgia Criminal Justice Coordinating Council</b>				
Juvenile Justice Incentive - Project Higher Hope	-	Y16-8-048	386,026	-
Juvenile Justice Incentive - Project Higher Hope	-	Y16-8-018	32,521	-
Drug Court Implementation	-	A17-8-013	25,167	-
Drug Court Implementation	-	A16-8-014	45,649	-
Family Drug Court Operations	-	J17-8-100	33,065	-
Family Drug Court Operations	-	J16-8-077	46,455	-
Veterans Court	-	J16-8-085	80,877	-
Veterans Court	-	J16-8-085	73,423	-
Juvenile Drug Court Operations	-	A16-8-028	8,568	-
Juvenile Drug Court Operations	-	A-17-8-029	6,419	-
Juvenile Accountability 2016	-	A16-8-034	17,980	-
Juvenile Accountability 2017	-	A17-8-034	8,943	-
Mental Health Court	-	J17-8-064	134,913	-
Mental Health Court	-	J16-8-060	108,583	-
Adult Drug Court	-	J17-8-024	156,947	-
Adult Drug Court	-	J16-8-024	180,671	-
			<u>1,346,207</u>	<u>-</u>

The accompanying notes are an integral part of this schedule

FULTON COUNTY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER LOCAL GRANT AWARDS

YEAR ENDED DECEMBER 31, 2016

<u>Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Number</u>	<u>Grant Expenditures</u>	<u>Payments to Subrecipients</u>
Office of Public Library Services				
GPLS E-Rate Program	-	-	\$ 33,467.00	\$ -
Young Adult Library Services Association Symposium (YALSA)			1,429	-
Operational Support	-	-	1,437,037	-
			<u>1,471,933</u>	<u>-</u>
Miscellaneous Grants:				
Department of BHDD - Georgia Apex Project	-	44100-026-0000063397	152,623	-
Department of BHDD - Georgia Apex Project	-	44100-026-0000063397	166,835	-
Department of BHDD - Comm Substance Abuse-Treatment Court	-	441-93-1633054	43,099	-
Department of BHDD - Community Services	-	441-93-1733048	64,617	-
Department of BHDD - Community Services	-	441-93-1633007	143,793	-
Department of BHDD - Community Mental Health Services	-	441-93-1733046	11,722	-
Department of BHDD - Community Mental Health Services	-	441-93-1633043	16,259	-
Administrative Office of the Courts-Juvenile Court Judges	-	-	318,750	-
Administrative Office of the Courts-Superior Court Judges	-	-	850,563	-
			<u>1,768,261</u>	<u>-</u>
<b>Total State Expenditures</b>			<u>14,668,857</u>	<u>-</u>
Other Local Grants				
Universal Service Admin Company(USAC) Library Support		127316	196,943	-
State Justice Institute Educational Neglect Project	-	SJI-15-T-233	33,750	-
State Bar of Georgia - Business Court	-	-	125	-
ACCG - Georgia County Internship Program(County Manager's Office)	-	-	4,350	-
ACCG - Georgia County Internship Program(Juvenile Court)	-	-	4,303	-
Merck Foundation-Bridging the Gap Project	-	-	10,411	-
Friends of Benson, Inc.	-	-	1,796	-
FBI-Joint Terrorist Task Force-Police	-	-	11,373	-
FBI-Joint Terrorist Task Force-Police	-	-	1,124	-
U.S. Marshall-Fugitive Task Force-Police	-	-	16,000	-
U.S. Marshall-Fugitive Task Force-Sheriff	-	JLEO-16-0019	32,662	-
U.S. Marshall-Fugitive Task Force-Sheriff	-	JLEO-17-0019	5,637	-
U.S. Marshall-Fugitive Task Force-Marshall	-	JLEO-15-0153	15,996	-
GBI-High Intensity Drug Trafficking Area Task Force(HIDTA)-Sheriff	-	-	11,627	-
GBI-High Intensity Drug Trafficking Area Task Force(HIDTA)-Police	-	-	9,463	-
Firehouse Subs Foundation	-	-	14,878	-
Atlanta Hawks - Cliftondale Park Project	-	-	63,356	-
Atlanta-Fulton Library Foundation	-	-	7,564	-
Walmart Foundation	-	-	489	-
The National Arts Program Foundation	-	-	3,909	-
Scrap Tire Abatement Project 2015	-	15-ST-060-001	29,112	-
<b>Total Other Local Grants</b>			<u>474,868</u>	<u>-</u>
<b>Total Federal, State, and Other Local Grant Expenditures</b>			<u>\$ 72,169,128</u>	<u>\$ 32,363,168</u>

\* Denotes major program.

The accompanying notes are an integral part of this schedule

**FULTON COUNTY, GEORGIA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER  
LOCAL GRANT AWARDS**

DECEMBER 31, 2016

**NOTE 1 - BASIS OF PRESENTATION AND ACCOUNTING**

The accompanying schedule of expenditures of federal, state and other local grant awards includes the federal and state grant activity of Fulton County, Georgia (the "County") and is presented on the cash basis of accounting and is not intended to present the results of grant activity in conformity with accounting principles generally accepted in the United States of America. Under the cash basis of accounting, revenues are recognized when received and expenditures are recorded when paid. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The information in this schedule is presented in accordance with the requirements of Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Federal awards received directly from federal agencies and federal assistance passed through other government agencies are included on the schedule. However, federal financial assistance received by component units who engaged other auditors to perform an audit in accordance with the Single Audit Act are not included on the schedule.

In instances where the grant agreement requires the County to match grant awards with County funds, such matching funds are included in the Schedule of Expenditures.

Grant programs, which did not have 2016 transactions have not been presented herein. The majority of these programs have completed their program activities but may not have been officially closed out. Grant revenues and expenditures incurred prior to 2016 under these grants remain subject to audit by either the grantor agency or its representatives within the limitations of the appropriate circulars.

Federal grant programs that are administered through State agencies (pass-through awards) have been included in this report. These programs are operated according to Federal regulations promulgated by the Federal agency providing the funding.

**NOTE 2 - STATE OF GEORGIA DEPARTMENT OF HUMAN RESOURCES  
GRANTS**

Grant revenue received from the State of Georgia for various public, physical, and behavioral health programs may include a combination of both Federal and State awards. In these instances, estimates of the federal grant allocations have been provided to the County. The Schedule of Expenditures of Federal, State and Other Local Awards reflect the combination of both Federal and State grant expenditures related to the Behavioral Health and Developmental Disabilities Programs.

**FULTON COUNTY, GEORGIA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND OTHER  
LOCAL GRANT AWARDS**

**DECEMBER 31, 2016**

**NOTE 3 - *SUBRECIPIENTS***

In accordance with the Uniform Guidance, 2 CFR Part 200 Subpart F, program funds passed through to subrecipient organizations are included on the Schedule of Expenditures of Federal, State, and Other Local Awards as "Payments to Subrecipients".

**NOTE 4 - *INDIRECT COST RATE***

The 10% de minimus cost rate isn't used on programs presented on the schedule. Fulton County claims indirect cost, where applicable, using a plan rate developed in accordance with the required OMB Circular.

**Independent Auditor's Report on Compliance For Each Major Federal Program;  
Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal  
Awards Required by the Uniform Guidance**

To the Board of Commissioners  
Fulton County, Georgia:

**Report on Compliance for Each Major Federal Program**

We have audited Fulton County, Georgia's ("the County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended December 31, 2016. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2016.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-004, 2016-005 and 2016-007. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit are described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in

internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items *2016-004 through 2016-007*, that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of and for the year ended December 31, 2016, and have issued our report thereon dated June 9, 2017, which contained an unmodified opinion on those financial statements. We have not performed any additional procedures with respect to the audited financial statements subsequent to June 9, 2017. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally



accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Commissioners, and federal and state awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*PJC Group, LLC*

*Atlanta, Georgia*

September 1, 2017

**FULTON COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

**I. SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? No
- Significant deficiency (ies) identified that are not considered to be material weaknesses? Yes

Noncompliance material to financial statements noted? No

**Federal Awards**

Internal control over major programs:

- Material weakness (es) identified? No
- Significant deficiency (ies) identified that are not considered to be material weaknesses? Yes

Type of auditor's report issued on compliance for major programs:

CFDA #'s 93.914, 93.045, 20.205, 14.218 Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major programs:

- 93.914 – HIV Emergency Relief Grant Program
- 93.045 – Special Programs for the Aging-Title III, Part C-Nutrition Services
- 20.205 – DOT Highway Planning & Construction (Federal Aid Highway Program)
- 14.218 – Community Development Block Grant and Neighborhood Stabilization Program Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 1,710,762

Auditee qualified as low-risk auditee? No

**FULTON COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

**II. FINANCIAL STATEMENT FINDINGS**

***Finding No. 2016-001***

**Capital Assets**

**Equipment Additions**

**Criterion:**

The County should have a review process in place to monitor and properly record the amount of capital assets acquired during the fiscal year for proper accountability and financial reporting.

**Condition, Cause and Effect:**

During our audit of capital assets, the supporting detail for equipment additions was different from the summary schedule used to record amounts to the Comprehensive Annual Financial Report.

As a result, equipment additions in the amount of \$7.8 million dollars for capital lease equipment were not included on the General Fixed Asset summary.

**Recommendation:**

We recommend the County strengthen its procedures surrounding the monitoring and review of capital asset additions to ensure that all additions are properly included.

**Management Response:**

*The County noted a summary report was programmed to capture only fixed asset additions while the detail report captured additions and improvements. Beginning immediately, the County will ensure that future reports capture all transactions.*

**FULTON COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

***Finding No. 2016-002***

**Accrual for Accounts Payable**

**Criterion:**

The County should ensure that the accounts payable process of reviewing invoices received after year end are properly reflected on the financial statements.

**Condition, Cause, and Effect:**

The County has a process to review vendor payments through the end of March of the subsequent fiscal year in order to record accruals for year-end liabilities. The County uses a dollar threshold to identify vendor payments that are subject to review for determination if they will be included in year-end accruals.

During our audit, we determined that there were vendor payments in the amount of \$4,501,142 that met the dollar threshold that had not been accrued.

**Recommendation:**

We recommend the County strengthen existing policies and procedures to ensure all vendor payments that should be accrued as of the year-end are recorded to ensure the accrual for accounts payables is properly stated.

**Management Response:**

*The County will capture all subsequent vendor payments through the end of March and will identify individual vendor invoices and aggregate vendor payments that may qualify for year-end accrual reporting.*

**FULTON COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

***Finding No. 2016-003***

**State Court**

**Criterion:**

State Court should have a review process in place to determine the accuracy of bank reconciliations to ensure completeness and accuracy of financial information.

**Condition, Cause, and Effect:**

According to the Fulton County Comprehensive Annual Financial Report "Agency funds are used to account for fines, fees and other monies collected by the courts and remitted to other parties in accordance with court orders and state law", as such we reviewed the bank account reconciliations for completeness and accuracy and determined the following deficiencies:

All bank accounts should be prepared on a monthly basis and in a timely manner. Bank reconciliations are not prepared timely for all accounts. We made several attempts to obtain bank reconciliations.

We also noted that some bank reconciliations did not have evidence of management review and/or approval.

**Recommendation:**

We have noted an improvement in State Court as it pertains to cash management policies and procedures. We recommend that State Court continue to improve their procedures and ensure that bank reconciliations are prepared accurately and timely to ensure accuracy in accounting of financial activity and reliability of information.

**Management Response:**

*Implemented in 2017, State Court has been diligently revamping its business processes and procedures under the strict oversight of the County's Audit Committee. As such, timely reconciliation and preparation of all accounts is mandatory. Upon receipt of our internal audit findings in December 2016, State Court hired an additional financial staff member to focus solely on bank reconciliations and to oversee our QuickBooks installation. During this gap-year (2016), differences in the bank reconciliation were isolated to the period of August through December, and are directly associated with performing manual bank reconciliations in addition to systems upgrades and converting historical data from legacy systems to QuickBooks – a software used by many other courts within the County.*

*To date, State Court remains a constant item on the Audit Committee's agenda. This step along with bi-weekly meetings with the county CFO, auditor and top financial executive staff has allowed our office to meet and match the needs and desires of stakeholder as we've been able to implement all necessary suggestions during this time. With the newly implement electronic process, management overview is paperless and can be completed electronically. This endeavor*

**FULTON COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

*has allowed our office to timely, efficiently and accurately reconcile all accounts under our purview. These changes, along with update to our SOPs, ensure that future findings will be eliminated.*

*State Court will provide timely bank reconciliations and electronic month-end statements that will include evidence of management review and approval.*

**FULTON COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

*Finding No. 2016-004*

**Special Test – Wage Requirement**

U.S. Department of Transportation

Highway Planning & Construction (Federal Aid Highway Program) - CFDA 20.205

**Criterion:**

Under 29 CFR Part 5, Labor Standards Provision Applicable to Contracts Governing Federally Financed and Assisted Construction, the non-federal entity is required to obtain from the contractor or sub-contractor on a weekly basis, a copy of the certified payroll for each week in which any contract work is performed on construction contracts in excess of \$2,000.

**Condition:**

During our review of a sample of 25 weeks where contract work was performed on the Campbellton Road project, we noted that the County did not obtain weekly certified payrolls for five of those weeks.

**Cause and Effect:**

A third party was contracted by the Department of Public Works to receive all certified payrolls for this project. In this instance, the third party contractor did not forward the certified payrolls in question to the Department of Purchasing & Contract Compliance in a timely manner.

**Questioned Cost:**

None

**Recommendation:**

We recommend the County implement an internal control process to ensure that certified payrolls are obtained on a weekly basis.

**Management Response:**

*Management concurs with the audit finding and corrective measures will be implemented. For future projects, the Department of Purchasing & Contract Compliance will require Prime Contractors to forward all certified payrolls directly to the Office of Contract Compliance by the required due dates.*

**FULTON COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

***Finding No. 2016-005***

**Subrecipient Monitoring**

U.S. Department of Housing and Urban Development

Community Development Block Grant (CDBG) and Neighborhood Stabilization Program (NSP)  
Cluster – CFDA #14.218

**Criterion:**

Under 2 CFR section 200.331(b), pass-through entities must evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the sub award for purposes of determining the appropriate subrecipient monitoring.

**Condition:**

During our review of 11 subrecipients we noted that risk assessments were not performed based on the criteria specified above nor was there any documentation noted in the subrecipient files.

**Cause and Effect:**

The County does not have a process in place to ensure that risk assessments are completed and documented for all subrecipients in an effort to determine the appropriate monitoring.

**Questioned Cost:**

None

**Recommendation:**

We recommend that the County implement a process to ensure that risk assessments are completed and documented for each subrecipient to ensure the proper monitoring.

**Management Response:**

*The Department of Community Development assigned the task of monitoring and compliance to a dedicated employee, which includes development of a template for tracking all monitoring and risk assessment requirements. Starting with the execution of the 2017 contracts, all subrecipients will undergo pre-contract monitoring which will include completion of a risk assessment.*



**FULTON COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

***Finding No. 2016-006***

**Reporting**

U.S. Department of Housing and Urban Development

Community Development Block Grant (CDBG) and Neighborhood Stabilization Program (NSP)  
Cluster – CFDA #14.218

**Criterion:**

Grantees may submit the C04PR26 - CDBG Financial Summary Report generated by the Integrated Disbursement Information System (IDIS) as part of the Comprehensive Annual Performance and Evaluation Report (CAPER) which is due 90 days after the program year end.

**Condition:**

During our review of the C04PR26 - CDBG Financial Summary Report submitted for 2016 we noted that it was not accurate. The report submitted to HUD within the CAPER had total public service costs of \$0, although the supporting information obtained from IDIS noted that approximately \$185K was expended during 2016 on public services.

**Cause and Effect:**

The County lacks a review process to ensure that information reported and submitted to the grantor is accurate.

**Questioned Cost:**

None

**Recommendation:**

We recommend that the County strengthen its procedures surrounding management review of reporting to ensure that information reported is complete and accurate.

**Management Response:**

*The Department of Community Development resubmitted the CAPER to HUD with the appropriate corrections. All future reports will be reviewed and approved by a Division Manager prior to submission.*

**FULTON COUNTY, GEORGIA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2016**

***Finding No. 2016-007***

**Reporting**

U.S. Department of Housing and Urban Development

Community Development Block Grant (CDBG) and Neighborhood Stabilization Program (NSP)  
Cluster – CFDA #14.218

**Criterion:**

Under 24 CFR sections 135.3 and 135.9 each recipient that administers covered public and Indian housing assistance, regardless of the amount expended, and each recipient that administers covered housing and community development assistance in excess of \$200,000 in a program year, must submit HUD 60002, Section 3 Summary Report, Economic Opportunities for Low-and Very Low-Income Persons using the automated Section 3 Performance Evaluation and Registry System.

**Condition:**

During our review of the reporting requirements we noted that the Section 3 Summary Report was not submitted by the Community Development Department for reporting year 2016.

**Cause and Effect:**

The County does not have a process in place to ensure that all reports required are prepared and submitted timely.

**Questioned Cost:**

None

**Recommendation:**

We recommend that the County strengthen its procedures surrounding management review of reporting deadlines to ensure that all required reports are prepared and submitted timely.

**Management Response:**

*Staff assigned to this task in the Department of Community Development retired during the year. The Department will compile and submit the Section 3 Summary Report in the required reporting system. The Department has assigned the task of monitoring and compliance to a dedicated employee to ensure all required reports are tracked and filed timely.*



DEPARTMENT OF FINANCE

SUITE 7001, 141 PRYOR ST., SW  
ATLANTA, GEORGIA 30303  
TELEPHONE (404) 730-7600  
FAX (404) 730-7711

2016 SINGLE AUDIT  
CORRECTIVE ACTION PLAN

FINANCIAL STATEMENT FINDINGS

Finding No. 2016-001

**Capital Assets**

Finding

During our audit of capital assets, the supporting detail for equipment additions was different from the summary schedule used to record amounts to the Comprehensive Annual Financial Report. As a result, equipment additions in the amount of \$7.8 million dollars for capital lease equipment were not included on the General Fixed Asset summary.

Corrective Action

The County noted a summary report was programmed to capture only fixed asset additions while the detail report captured additions and improvements. Beginning immediately, the County will ensure that future reports capture all transactions. A review of all summary and detail reporting will be performed by the Controller prior to submission to the external auditors.

Finding No. 2016-002

**Accrual for Accounts Payable**

Finding

The County has a process to review vendor payments through the end of March of the subsequent fiscal year in order to record accruals for year-end liabilities. The County uses a dollar threshold to identify vendor payments that are subject to review for determination if they will be included in year-end accruals. During our audit, we determined that there were vendor payments in the amount of \$4,501,142 that met the dollar threshold that had not been accrued.

Corrective Action

For immediate implementation, the County will capture all subsequent vendor payments through the end of March and will identify individual vendor invoices and aggregate vendor payments that may qualify for year-end accrual reporting. A review of the check register will be performed at multiple levels by the Accounting Supervisor, Accounts Payable Manager, and Controller to ensure identification of prior year payments for proper accrual.

# 2016 SINGLE AUDIT CORRECTIVE ACTION PLAN

## Finding No. 2016-003

### State Court

#### Finding

According to the Fulton County Comprehensive Annual Financial Report "Agency funds are used to account for fines, fees and other monies collected by the courts and remitted to other parties in accordance with court orders and state law", as such we reviewed the bank account reconciliations for completeness and accuracy and determined the following deficiencies:

- All bank accounts should be prepared on a monthly basis and in a timely manner.
- Bank reconciliations are not prepared timely for all accounts. We made several attempts to obtain bank reconciliations.
- We also noted that some bank reconciliations did not have evidence of management review and/or approval.

#### Corrective Action

Implemented in 2017, State Court has been diligently revamping its business processes and procedures under the strict oversight of the County's Audit Committee. As such, timely reconciliation and preparation of all accounts is mandatory. Upon receipt of our internal audit findings in December 2016, State Court hired an additional financial staff member to focus solely on bank reconciliations and to oversee our QuickBooks installation. During this gap-year (2016), differences in the bank reconciliation were isolated to the period of August through December, and are directly associated with performing manual bank reconciliations in addition to systems upgrades and converting historical data from legacy systems to QuickBooks – a software used by many other courts within the County.

To date, State Court remains a constant item on the Audit Committee's agenda. This step along with bi-weekly meetings with the county CFO, auditor, and top financial executive staff, has allowed our office to meet and match the needs and desires of our stakeholders as we've been able to implement all necessary suggestions during this time. With the newly implemented electronic process, management overview is paperless and can be completed electronically. This endeavor has allowed our office to timely, efficiently, and accurately reconcile all accounts under our purview. These changes, along with updates to our SOPs, ensure that future findings will be eliminated.

Background: Prior to 2013, State Court functioned with a case management system that lacked the financial functionality needed to manage the vast number cases under the clerk's office purview. As stated in previous management responses, the implementation of Odyssey was to eradicate many of the manual processes, e.g., creation and continued use of spreadsheet, paper reports, paper bank statements, etc. Between 2013 and August 2016, State Court continuously worked with our vendor to improve the system's financial capabilities:

- Created and implemented customized reporting methods.
- Adopted an industry trend with high-volume filing and implemented ACH transfer.
  - Eliminated the need to print paper checks.
  - Streamlined reconciliation processes from over 10,000 checks a month to a single transaction.
- Implemented online payment features to allow for a more paperless process.
  - Single transaction reconciliations.
  - Removed potential of operator errors.
- Cash handling was minimized by acquired credit card payment methods.
  - Credit card machines were installed at each of our locations, thus limiting the need to handle cash.

In September 2016, State Court along with Fulton IT, sought additional assistance from our case management vendor in an effort to enhance the financial management and report methods housed in our current case management system, Odyssey. These systematic changes will eliminate each internal audit finding.

**2016 SINGLE AUDIT  
CORRECTIVE ACTION PLAN**

- Configure GL accounts to more efficiently capture data.
- Configure the Chart of Accounts to match and draw from bank balances.
- Establish suspense payment types which assist our office by reducing delays in posting payments.
- Acquiring new VeriFone credit card machines that provide one-click reporting methods.
- Accepted a County investment of over \$60,000 to update our case management system, Tyler, to meet the needs of the department and to ensure that our reconciliation process is electronic.
- Timely and accurately completed all monthly and yearly reconciliations, and has ensured that they are completely electronic.
- Provided the County's Audit Committee with monthly progress reports and has incorporated the audits recommendation during the business process review.

**2016 SINGLE AUDIT  
CORRECTIVE ACTION PLAN**

**FEDERAL AWARD FINDINGS**

**Finding No. 2016-004**

**Special Test – Wage Requirement  
U.S. Department of Transportation  
Highway Planning & Construction (Federal Aid Highway Program) - CFDA 20.205**

**Finding**

During our review of a sample of 25 weeks where contract work was performed on the Campbellton Road project, we noted that the County did not obtain weekly certified payrolls for five of those weeks.

**Corrective Action**

A third party company was contracted by the Department of Public Works who was responsible for receiving all certified payrolls for this project. Those documents were forwarded to the Department of Public Works for approval and processing for payment then forwarded to the Department of Purchasing & Contract Compliance to maintain as part of the project file. For future projects, the Department of Purchasing & Contract Compliance will require Prime Contractors to forward all certified payrolls directly to the Office of Contract Compliance no later than Monday of the following reporting week. Purchasing solicitation documents for federal projects will be revised to require that all certified payrolls must be forwarded directly to the Department of Purchasing & Contract Compliance. This modification will alleviate the need for any further corrective actions pertaining to the absence of certified payroll.

**Finding No. 2016-005**

**Subrecipient Monitoring  
U.S. Department of Housing and Urban Development  
Community Development Block Grant (CDBG) and Neighborhood Stabilization Program (NSP)  
Cluster – CFDA #14.218**

**Finding**

During our review of 11 Subrecipients, we noted that risk assessments were not performed based on the criteria specified above, nor was there any documentation noted in the subrecipient files.

**Corrective Action**

- In conjunction with a department-wide reorganization started in March 2017, the Department’s monitoring and compliance responsibilities have been shifted to a dedicated employee (CDBG Specialist/Manager). As part of this duty, this employee is responsible for all compliance related responsibility which includes disseminating the information to staff and periodically performing internal audits.
- Created a monitoring project management spreadsheet that includes all monitoring and risk assessment requirements.
- Starting with the execution of 2017 subrecipient contracts- all subrecipients will undergo a pre-contract monitoring visit.
- Per CPD notice 14-04, Implementing Risk Analyses for Monitoring Community Planning and Development Grant Programs in FY 2015 and 2016, we have instituted the following and others will be implemented for the 2017 subrecipients:
  - Developed a risk-based rating system for program grantees.
  - Rating and selecting grantees for monitoring (in progress).
  - Identifying program risks and setting monitoring objectives (in progress).

**2016 SINGLE AUDIT  
CORRECTIVE ACTION PLAN**

- Documenting the process and recording the rationale for choosing grantees (ongoing, per the monitoring/compliance job requirement).

**Finding No. 2016-006**

**Reporting**

**U.S. Department of Housing and Urban Development**

**Community Development Block Grant (CDBG) and Neighborhood Stabilization Program (NSP) Cluster**

**CFDA #14.218**

**Finding**

During our review of the C04PR26 - CDBG Financial Summary Report submitted for 2016, we noted that it was not accurate. The report submitted to HUD within the CAPER had total public service costs of \$0, although the supporting information obtained from IDIS noted that approximately \$185K was expended during 2016 on public services.

**Corrective Action**

- The CAPER was resubmitted and the changes noted have been corrected (HUD is currently reviewing).
- Performance Reports will be reviewed and entered quarterly.
- Moving to a three prone review process:
  - Report reviewed by CDBG Specialist.
  - Report reviewed/approved by Division Manager.
  - Data entry into IDIS.

**Finding No. 2016-007**

**Reporting**

**U.S. Department of Housing and Urban Development**

**Community Development Block Grant (CDBG) and Neighborhood Stabilization Program (NSP) Cluster**

**CFDA #14.218**

**Finding**

During our review of the reporting requirements, we noted that the Section 3 Summary Report was not submitted by the Department of Community Development for reporting year 2016.

**Corrective Action**

- The employee that was responsible for this report retired and the submission was missed internally. To help alleviate changes in staff, we have shifted all reporting to one employee (CDBG Specialist/Manager). As part of this duty, this employee is responsible for assimilating and submitting all federal reports and providing the Division Manager with a monthly update of reports submitted and those that will be submitted in the next three months.
- Staff is currently working on gaining access to HUD's electronic reporting system to submit the Section 3 Summary Report.

**2016 SINGLE AUDIT  
CORRECTIVE ACTION PLAN**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FINANCIAL STATEMENT**

**Finding No. 2015-005**

**State Court**

Finding

According to the Fulton County Comprehensive Annual Financial Report "Agency funds are used to account for fines, fees and other monies collected by the courts and remitted to other parties in accordance with court orders and state law", as such we reviewed the bank account reconciliations for completeness and accuracy and determined the following deficiencies:

- Bank reconciliations are not prepared on all accounts, and when reconciliations are prepared they are not timely, and there is no evidence of management review.
- A significant number of outstanding checks are carried on bank reconciliations without any follow-up with payee or resolution.
- There are no written policies and procedures surrounding the financial activity of the court.

Current Status

Implemented in 2017, State Court has been diligently revamping its business processes and procedures under the strict oversight of the County's Audit Committee. As such, timely reconciliation and preparation of all accounts is mandatory. Additional corrective measures have been implemented as noted in Finding No. 2016-003.

**FEDERAL AWARD FINDINGS**

**Finding No. 2015-006**

**U.S. Department of Health and Human Services  
HIV Emergency Relief Grant Program (Ryan White HIV/AIDS Program Part A)  
CFDA #93.914**

Finding

During the review, the County's HIV Emergency Relief Grant Program could not provide documentation supporting the rationale of procurement or evidence of full and open competition for two vendors paid over \$25,000. There was no written process in place to ensure that all files document the history of procurement, selection of contract type, basis for contract selection, and price. The total paid to both vendors during 2015 was \$176,694.

Current Status

Corrective action was taken.

**Finding No. 2015-007**

**U.S. Department of Health and Human Services  
HIV Emergency Relief Grant Program (Ryan White HIV/AIDS Program Part A)  
CFDA #93.914**



**2016 SINGLE AUDIT  
CORRECTIVE ACTION PLAN**

Finding

The County's HIV Emergency Relief Grant Program designated 7 subrecipient agencies to administer core medical and support services. During the audit, it was noted 2 of the 7 agencies did not maintain the required HIV related expenditures at the same level as the prior year. These agencies had funds allocated to positions that were vacant during the year resulting in decreased spending.

Current Status

Corrective action was taken.

**Finding No. 2015-008**

**U.S. Department of Labor  
Workforce Investment Act/Workforce Investment Opportunity Act (WIA/WIOA) Cluster  
CFDA #17.258, 17,259, 17.278**

Finding

During the review of eligible participant files, 4 out of 10 youth participant files did not contain evidence of management review. The County's WIA/WIOA Program does not have a process in place to ensure that all participant files are reviewed by management.

Current Status

Corrective action was taken.

**2016 SINGLE AUDIT  
CORRECTIVE ACTION PLAN**

Please contact the following regarding information contained in this report:

**FINANCIAL STATEMENT FINDINGS:**

Ray Turner, CPA Deputy Finance Director  
Fulton County Government - Department of Finance  
141 Pryor Street, SW, Suite 7001  
Atlanta, GA 30303  
(404) 612-7737  
[Ray.Turner@FultonCountyGA.gov](mailto:Ray.Turner@FultonCountyGA.gov)

**FEDERAL AWARD FINDINGS:**

Angela Ash, CPA - Grants Administrator  
Fulton County Government - Department of Finance  
Grants Administration Division  
141 Pryor Street, SW, Suite 7001  
Atlanta, GA 30303  
(404) 612-7384  
[Angela.Ash@FultonCountyGA.gov](mailto:Angela.Ash@FultonCountyGA.gov)