



FULTON COUNTY

FULTON COUNTY, GEORGIA
OFFICE OF INTERNAL AUDIT
FULTON COUNTY DEPARTMENT
JUVENILE COURT OF FULTON COUNTY
GIFT CARD REVIEW

January 13, 2012

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Juvenile Court of Fulton County
Gift Card Review
July 1, 2011 Through November 30, 2011

Introduction

At the request of the Administration of the Juvenile Court of Fulton County we have completed a review of the internal controls over the issuance and use of the VISA gift cards purchased for the operation of the Juvenile Court programs.

The programs using the VISA Gift cards in their operations are:

- Family Drug Court Parent Rehabilitation
- Juvenile GED Program
- Juvenile Leadership Workshop

The Family Drug Court programs provide for positive reinforcement of the completion of Juvenile Court managed programs and for the provision of material support for parents of children that are ordered to be wards of the court. These parents must successfully complete the program in order to receive substantial support. The VISA cards are normally used for the purchase of clothing and household items for the parents to initiate the reestablishment of the family home.

Objective

The objective of our review is to assess the effectiveness of the procedures and controls implemented by the Juvenile Court over the issuance and use of the VISA gift cards allocated for official Juvenile Court programs.

Scope

The scope period for this review is July 1, 2011 through November 30, 2011.

Methodology

We reviewed the internal controls over the distribution and use of the gift cards. During our review, we reviewed documentation supporting gift card expenditures. Additionally, the expenditures were also reviewed for compliance with Juvenile Court program guidelines and schedules. An audited list of remaining card balances were reconciled with a separate list compiled by the Juvenile Court Administrator.

Findings and Recommendations

Finding 1 – VISA Card Balances Not Reconciled

The list of outstanding card balances should be reconciled to schedules that report all VISA Card transactions, which include beginning balances and purchases. The outstanding card balances were not consistently reported on the Gift Card Roster reports, and there were no schedules prepared for the subsequent reconciliation of ending balances which totaled \$114.87. During the audit reconciliation process, we found several missing receipts over a month old. Inconsistencies in reporting and reconciling gift card balances can be attributed to not having designated personnel perform the appropriate reconciliation procedures. If the internal controls over accounting for gift card issues and expenditures are not strengthened, the risk of unauthorized use and loss of funds significantly increases.

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Recommendation

A monthly reconciliation with supporting documentation and approved ledgers should be prepared in a timely manner. The department should require all VISA card expenditure receipts to be submitted in a timely manner. The reconciliation should be performed by designated personnel and should be reviewed and approved by the Clerk of the Court. All discrepancies should be documented and placed into the monthly file.

Finding 2 – Inconsistent Control Ledger Balances

The internal control lists used to verify the gift card balances and expenditures should be reconciled to the vouchers issued to the Fulton County Finance Department. We found that a gift card was issued for \$25 but the related receipts indicate purchases of \$50. This would indicate an inaccurate internal control list. The manually prepared control list incorrectly reports the available balance on the card. Internal control lists should be verified before they are used for internal control purposes. The lists provided to our department for review were not supported with Finance Department Journal Vouchers. This lack of documentation increases the risk of errors being made and in this case, allowed for \$25 of purchases to be made free from accountability.

Recommendation

All purchases and expenditures should be included in the reconciliation process, as a means for strengthening internal controls.

Conclusion

The Office of Internal Audit has noted two weaknesses regarding the use of gift cards for the Juvenile Court of Fulton County. The weaknesses include visa card balances not reconciled and inconsistent control ledger balances. The Juvenile Court of Fulton County should resume the use of the visa gift cards. However, the use of proper controls should be implemented to reduce the risk of improper use.

We would like to thank management and staff for their cooperation and assistance during the audit.