



FULTON COUNTY

FULTON COUNTY, GEORGIA

OFFICE OF INTERNAL AUDIT

FRESH and HUMAN SERVICES GRANT REVIEW

June 5, 2015

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INTRODUCTION

The Office of Internal Audit completed a review of the Fulton Roundtable Expanded Services Headquarters (FRESH) and Human Services Grants to determine adequate processes, performance measures and compliance as compared with best practices. Outlined in this report are the findings, recommendations and opportunities for improvement for your review.

BACKGROUND

The Office of Grants and Community Partnerships (OGCP) assists in the coordination and development of resources and partnerships through FRESH and Human Services Grants programs, which are designed to support the department's delivery system to educate, advocate and deliver effective services. The OGCP is a staff of six (6) employees, one (1) Division Manager, one (1) Program Manager, four (4) District Administrators and one (1) Administrative Coordinator II.

The FRESH Grants are equally divided among Fulton County's geographic Commission Districts, 1, 2, 3, 4, 5 and 6. While the objective in each district is for youth from birth to adulthood to ultimately achieve their full potential, applicants seeking FRESH Grant funds must provide programming, activities and services that utilize evidence based and/or best practices to address at least one district specific issue. There were 50 FRESH Grants totaling \$1,500,976 that served five (5) Fulton County Commission Districts during the 2013-2014 grant year.

The Human Services Grants program bridges the gap in direct government services by supporting established, community-based, non-profit organizations throughout Fulton County that support the Department's mission. Applicants seeking Human Services Grant funds must demonstrate the capacity to provide programming, activities and services that utilize evidence-based and/or best practices to influence at least one of the following Human Services funding areas: Aging Services, Youth and Family Services, Disability Services, Employment Services, HIV/AIDS Services and Homeless/Housing Services. There were 79 Human Services Grants totaling \$3,603,000 that addressed the needs of six (6) Human Services categories during the 2013-2014 grant year.

OBJECTIVE

The objective of the FRESH and Human Services Grants review was to evaluate performance measures, monitoring, key processes and staffing.

SCOPE

The scope of our review covered the grant period from July 1, 2013 - June 30, 2014.

METHODOLOGY

Our evaluation included reviewing best practices, accessing current processes and determining compliance with related policies and procedures. In addition, we performed an analysis of a random sample that included eleven FRESH Grants selected by district and twelve Human Services Grants selected by category.

As a result of our review, we will report our observations in two sections including Findings and Recommendations and Opportunities for Improvement. The Findings and Recommendations address areas of concern that failed to meet minimum requirements of the grant program and may require corrective action. The Opportunities for Improvement offers improvements for areas that meet the minimum requirements, however, could be enhanced based on best practices.

FINDINGS AND RECOMMENDATIONS

Finding 1 – Insufficient Participant Information

Agencies are required to submit quarterly reports that indicate the number of participants directly served through the FRESH and Human Services Grants by Fulton County Commission District. Along with a quarterly report, agencies are required to submit client rosters/sign-in sheets detailing the number of unduplicated clients served during the corresponding quarter. The client rosters/sign-in sheets should include the participant's name submitted in the approved format, the participant's residential address and specify which Fulton County Commission District each participant's address is located.

During our review, we noted several instances where client rosters submitted by the agencies were insufficient and did not contain proper participant information. The rosters were missing the addresses and/or zip codes for some participants that were served for that quarter. Failure to provide complete participant information could result in Fulton County being unable to determine whether the count was duplicated and whether grant funds were used specifically for Fulton County residents. In addition, the requirement for the submission of the quarterly reports does not include the participant's demographic information as agencies are only required to submit it during site visits or as requested. The lack of demographic information reported on a quarterly basis does not provide a complete profile of the participants served in the Fulton County Commission Districts.

Recommendation

We recommend management ensure agencies submit complete participant information in order to properly verify the unduplicated counts and determine the participants served in the Fulton County Commission Districts. In addition, agencies should be required to submit complete demographic information of the participants along with the submission of their quarterly reports and not only during site visits or as requested. This will allow for better evaluation of the outcomes of the programs funded by the grants.

Finding 2 – Failure to Properly Monitor Human Services Grants

To fulfill its administrative responsibilities, the OGCP should properly monitor and review the program activities of grant recipients during the term of the grant agreement. During our review, we discovered that the District Administrators are required to conduct periodic monitoring of the FRESH Grants to include annual site visits and a quarterly review of grant activity. However, the program lacks a process that requires the Grant Liaisons to adequately monitor the Human Services Grants on a regular basis. The Grant Liaisons are only required to conduct an annual site visit as it relates to monitoring the Human Services Grants. According to management, currently there is only a process to ensure that agencies submit quarterly reports and supporting documentation by the designated deadline. The Grant Liaisons are not required to perform any additional monitoring or review of the grants as this function is not their full-time job. Management also indicated that a request to fund one position to manage the Human Services Grants was submitted during the budget cycle; however, it was denied.

When grants are not monitored, the OGCP runs the risk of not knowing whether the programs are expending funds in a timely manner and for the purpose for which they were made available. It also becomes difficult to ensure the program is carried out in accordance with applicable laws, rules, and regulations and increases the likelihood of fraud, waste, and mismanagement.

Recommendation

We recommend management implement a process to thoroughly review the quarterly reports submitted by agencies receiving Human Services Grant funds. The OGCP also needs to ensure that FRESH and Human Services Grants are being monitored on a regular basis throughout the grant cycle to ensure recipients are carrying out their programs in accordance with the requirements of the grant. Monitoring of the grants may be more efficient if the County considers implementing a centralized approach to grants management.

Finding 3 – Lack of Verification of Data Collection Methods

Data collection methods represent how data related to defined performance indicators is collected. During the application phase, agencies are required to provide data tools/sources used to evaluate the success of the program. Agencies indicate the data collection, management and reporting practices that are used to meet the reporting requirements of the grant. To ensure an agency's performance and compliance with the requirements of the contract, the OGCP should regularly review and monitor this data for verification. During our review, we noted a lack of verification of the data and inadequate monitoring of performance outcomes due to the following: failure to verify data collection methods and obtain evidence used for tracking the number of participants impacted by the performance measures; and failure to require agencies to submit evidence of the data collection methods used and indicate participants impacted on a quarterly basis. As a result, we were unable to determine which participants were impacted by the performance measures or ensure which agencies were adequately tracking performance outcomes.

Recommendation

We recommend management incorporate a section, as a part of the quarterly performance report that requires each agency to identify the specific data collection tool used to report performance outcomes as well as submit supporting documentation indicating the participants that were impacted for the quarter. Additionally, we recommend during scheduled site visits that the reported data collection tools used to report performance outcomes be reviewed as a means to verify reported outcomes, i.e., surveys, assessments, project reports, test results, etc. This will help to strengthen the reliability and validity of the reported performance results and further support the success of a program or identify areas for improvement.

Finding 4 – Insufficient Monitoring Tools

Monitoring tools are mechanisms used to document the process of determining compliance to include sampling, testing, reporting and corrective action. Monitoring tools also help to address requirements that could have a material effect on programming or a project. They should be used to address the scope of service and deliverables, articulate requirements to be tested and specify the documentation to support compliance.

As a part of our review, we analyzed the contract monitoring forms District Administrators and Grant Liaisons used to document outcomes of site visits. During our analysis, we noted several instances where the District Administrators and/or Grant Liaison did not adequately document or complete the contract monitoring form to include the following:

- Failure to list comments in the required sections
- Failure to complete the general information section
- Failure to document compliance or non-compliance

In addition, the District Administrators and/or Grant Liaisons failed to provide evidence or detail of items reviewed to determine whether the grantee had met specified requirements. The lack of adequate detail on the contract monitoring form can lead to misinterpretation of the agency's compliance status, a decrease in the level of public trust and give the appearance of reduced transparency.

Recommendation

We recommend District Administrators and Grant Liaisons properly complete contract monitoring forms and provide the appropriate supporting documentation as required. In addition, management should implement a process to regularly review forms in order to ensure completeness, accuracy and validity of monitoring performed. This will provide a more comprehensive analysis of compliance or non-compliance. In addition, greater assurance can be imparted to stakeholders to ensure proper stewardship of all grant funds and activities.

Finding 5 – Lack of Knowledge of Mandated Licenses, Permits and Certifications

During the application review process, reviewers are required to ensure agencies have submitted the necessary documentation in order to determine eligibility. The documentation serves as credentials in order to ensure the legitimacy and existence of the agencies requesting grant funds and to determine eligibility. Based on our review, we noted the reviewers are not aware of the adequate documentation required for agencies to submit evidence of mandated licenses, permits, and certifications that are applicable to an agency's operations. The reviewers rely on the agencies to determine what evidence should be submitted and do not fully assess the required qualifications based on an agency's operations. Failure to have knowledge of the type of documentation required results in a reviewer being unable to accurately determine an agency's eligibility for a grant award. In addition, the inability to verify this type of information could lead to an agency not being fully vetted.

Recommendation

We recommend management ensure reviewers are properly trained to determine the applicable permits, licenses and certifications that should apply to the agencies' operations as well as the agencies' employees.

Finding 6 – Failure to Require Background Checks

Best practices indicate that a pre-employment background check can save an organization money, provide a level of protection and safeguard against liabilities should an employee be found to have a criminal record. Additionally, a background check can provide insight into an individual's behavior, character and integrity.

During our review, we noted agencies are not required to provide documentation or copies of background checks for their officers and/or employees. Requiring the submission of background checks would provide Fulton County with reasonable assurance that the recipient's officers and/or staff had not been convicted or involved in criminal activity.

Recommendation

We recommend management require grant recipients to provide documentation of background checks performed on its officers and employees involved in the management of grant funds and those providing direct service to clients. In addition, we recommend management implement a process to conduct background checks on the agencies themselves to verify their legitimacy based upon any information contained in public records. This action could help reduce any potential exposure and/or liability to Fulton County.

Finding 7 – Inability to Determine Adequate Staffing Level

Proper staffing levels, delegation of duties and scheduling are important in order to effectively manage grants. During our review, we were unable to determine whether there was adequate staff to properly manage the grants due to failure to properly track how much time the employees spent on assigned duties, tasks and projects. However, we did note the following as it relates to staffing:

- During the grant year, there was a decrease in the existing staff level that resulted in reassignment of tasks, which increased workloads of other employees. The District Administrator that manages both District 3 and 4 retired, therefore, the tasks related to managing grants for those districts were reassigned between the remaining three District Administrators and the Program Manager. The reassignment of duties and increased workloads could reduce the level of efficiency in an employee's job performance.
- Fulton County staff employed in other divisions within the Human Services Department that pertain to the six categories are utilized to help manage the Human Services

Grants. This resulted in the staff performing functions as a Grant Liaison as well as the functions required for their full-time position. Therefore, the functions the staff could perform were limited and did not include all duties necessary to properly manage the Human Services Grants.

The failure to track the amount of time employees spend on tasks results in the inability to determine whether an employee's skills are being effectively utilized or an employee's time underutilized.

Recommendation

We recommend management implement a time utilization report and/or a project management schedule, which would help track the amount of time spent on specific programs and projects. Time utilization reports assist in determining adequate levels of staffing and can be used to assess employee performance as well. In addition, we recommend management assess the staffing levels to ensure grants are being properly managed.

OPPORTUNITIES FOR IMPROVEMENT

The Opportunities for Improvement presented in this report may not be all-inclusive of areas where improvement may be needed. However, our review disclosed certain policies, procedures and practices that could be improved for better efficiency. Our review was neither designed nor intended to be a detailed study of every relevant system, procedure or transaction.

Opportunity for Improvement 1 – Sufficiency of Performance Measures

The purpose of performance measures is to strengthen an organization and foster continuous improvement. They provide a baseline of performance, identify opportunities for improvements and are used as a feedback mechanism in understanding performance. In addition, performance measures and their outcomes are used to assess the impact of a program/project on the community and on the accomplishment of the established objectives.

Fulton County's Board of Commissioners established focus areas, goals and objectives aligned with their long term planning framework to categorize the County's major efforts, services and programs. These focus areas helped to develop the framework for the performance measures used by the FRESH and Human Services Grants. During our review, we determined that performance measures were developed in accordance with the defined district specific needs and targeted populations for human services; however, best practices indicate that

performance measures should be specific, measurable, actionable, relevant and timely. Upon our review of the quarterly performance reports for the FRESH and Human Services Grants, we found overall the majority of each measure met the criteria of being specific, measurable, actionable and relevant. However, we noted four areas where the sufficiency of performance measures could be improved. They are:

1. Timeliness
2. Number of measures
3. Reporting of agency specific measures
4. Specific performance outcomes should be referenced when defining performance measures

Some performance measures failed to address time frames for review or collection of data. In addition, some agencies only referenced one or two performance measures that were utilized to report performance outcomes, which is very minimal and may not fully give an accounting of the agency's performance. While Fulton County's FRESH and Human Services Grants appear to be utilizing performance measures that are used as a means of tracking progress towards the established goals and objectives of the County, agency-defined performance measures are not collected and in some instances expected performance outcomes were not clearly defined. Collection of agency-defined performance measures and inclusion of anticipated performance outcomes, would more clearly define the success of an agency's performance.

Recommendation

We recommend management establish time frames within the defined performance measures to enhance results-oriented performance outcomes, to develop a baseline of performance and guide how often data should be collected. Agencies should be required, at a minimum, to report on three performance measures established by the County to provide greater justification of funding and to prove success of the County funded programs. In addition to reporting on the established performance measures, agencies should be required to submit their agency-defined performance measures and outcomes along with their quarterly reports to the OGCP. This provides the County with a greater ability to ensure citizens that benefit through FRESH and Human Services Grants are provided defined services and that the County is fully monitoring all aspects of an agency's performance. Finally, performance measure statements should clearly define the expected outcome, which can be used to quantify and assess changes in results over time. This will better enable the County to determine whether the desired results were accomplished, pinpoint opportunities for improvement and provide a baseline of performance.

Opportunity for Improvement 2 – Historical Records on Recipient Performance

Best practices indicate that at the end of a contract period, grantors should evaluate the vendor's performance and their own method of monitoring the vendor. These evaluations should provide the feedback necessary to determine whether a vendor should be awarded contracts in the future and whether the grantor should improve its contract monitoring system. Based on the current process, an agency's grant award amount is determined based on an evaluation of the agency's prior year performance. The agency's performance is monitored by the OGCP during the term of the contract and includes a remediation process for agencies that are not performing well or meeting the reporting requirements of the contract. The OGCP will deduct from an agency's requested grant amount, in a subsequent year, if the agency demonstrated underperformance and/or non-compliance during the prior grant period. However, the evaluation is only based on performance during the most recent grant award period which does not provide a historical view of an agency's long-term performance. The failure to analyze an agency's past performance over a period of time increases the chances of awarding funds to an agency that may not adequately meet performance requirements.

Recommendation

We recommend management expand the evaluation of an agency's past performance to include a long-term or historical view in order to make a determination regarding future grant awards. Review of an agency's long-term performance will provide a perspective on whether the returning agency considered for upcoming grant awards has consistently performed the services sufficiently to fulfill the contract terms and help to distinguish which agencies deliver poor performance. In addition, management should provide agencies with performance reviews and communicate to the agencies how their performance may influence future award decision.

Opportunity for Improvement 3 – Frequency of Site Visits

Best practices conclude site visits should be conducted quarterly as a part of contract monitoring to review progress and shortcomings, as well as make recommendations for project realignment if necessary. In the course of conducting site visits, District Administrators and/or Grant Liaisons should meet with key leaders, project staff and stakeholders from the agency to determine if the agency is dedicating sufficient resources and appropriate personnel. In addition, the information reflected in the quarterly reports should be further verified through inspection of records and the delivery of services.

During our review, we noted that the number of site visits required were not sufficient to properly monitor the grants. The requirement is for one site visit to be completed for each grant program prior to December 31st, which consists of the first two quarters of the grant cycle. Therefore on-site programmatic monitoring does not occur in the third and fourth quarters of the grant cycle. Failure to conduct site visits more than annually or throughout the entire grant cycle lends itself to poor agency performance and lack of adequate verification of performance outcomes.

Recommendation

We recommend management increase the frequency of site visits by implementing quarterly or at a minimum, bi-annual site visits; one during the first and second quarter and the other during the third and fourth quarter. In addition, management should ensure proper grant monitoring throughout the entire contract term to include the second half of the grant cycle.

Opportunity for Improvement 4 – Funding of FRESH and Human Services Grants

The FRESH and Human Services Grants are awarded annually and the grant cycle is from July until June, which consists of two different Fulton County budget years. During our review, we noted this method of funding caused a delay of payments to the agencies in the second half of the grant cycle. This was a result of the timing of Fulton County's budget approval process.

Recommendation

We recommend management consider the following as funding options for the FRESH and Human Services Grants:

- Full funding should be available during the defined funding cycle effective date. For example, if the funding cycle is 1/1/15 – 12/31/15, the full funding should be available to the FRESH and Human Service agencies. In order for this to occur, the application period may need to begin earlier to gain preliminary grant funding approval or it should be reiterated in the grant application that funding will not be available until after the Fulton County budget is approved.
- Fulton County should strongly encourage partnerships with other agencies with similar, strategic objectives in an effort to identify and secure different funding streams and to possibly cover any lag time in funding from any funding source. Federal, state, and private grants may be available, but management has to actively pursue these grants. According to the Director of the Office of Human Services and Community Partnerships

in Leon County, their Human Services Grants program is a three-party funded partnership between the County, the City and the local United Way for local, social services provided within Leon County. The site visits and the monitoring for the grants are conducted in conjunction with the other funding partners to ensure effective oversight and monitoring of allocated grant funds. Considering the overall financial condition of the County and the lack of available funds for core services, an emphasis on obtaining assistance through Federal, state, and private grants could significantly enhance the services that could be provided by the County to its citizens. It would also facilitate funding services for those citizens that are in need.

- Fulton County should consider categorizing the FRESH and Human Services Grants as reimbursable grants to alleviate funding delays.

Opportunity for Improvement 5 – Centralization of Grants Management

According to research, jurisdictions vary in the extent to which their grants management programs are centralized. For those jurisdictions that have centralized some aspects of their grants management, it was found that each jurisdiction tailored their approach to address the particular challenges they faced.

For example, if strategic fit and advance notice of financial commitments are the key challenges, a system that requires departments to respond to key questions before applying for a grant may be beneficial. If the need for regular, county-wide financial and management reports is the issue, a centralized grants management database might be critical. However, if the desire is to maintain a decentralized approach but assurance that all departments are managing grants consistently and effectively, then perhaps a centralized Grants Coordinator who acts as a trainer, resource and support may be needed. Finally, if compliance with financial, program and grant-specific requirements is a concern, strengthening the centralized monitoring role may be the right approach.

Reflected below are different ways grants are managed according to the specific challenge faced by jurisdictions:

Decentralized – Departments have primary responsibility for the major tasks.

Decentralized with Oversight – Departments have primary responsibility for the major tasks, with oversight from a central office.

Decentralized with Support – Departments have primary responsibility for the major tasks, but are supported by a central office with grants management expertise. For example, centralized

grants management staff could, among other things, help departments identify sources of grant funding, outline the key questions departments should ask before pursuing grants, and/or help develop or review grant proposals.

Combination of Decentralized and Centralized – Some tasks are handled by departments and others are handled by a centralized grants manager. For example, departments may complete compliance reporting for state and local grants, while a grants manager handles all reporting for federal grants.

Centralized – A grants management office or coordinator has primary responsibility for the major tasks.

Complete centralization of grants management may not be feasible for the County and would require a more in depth review of the entire grants process. Nonetheless, management should seriously consider centralizing portions of the grant management functions to include: grant identification, grant writing and grant management oversight. Currently, departments are responsible for these functions.

Grant identification and writing are specialized areas requiring training and expertise to maximize the amount of grants received; therefore, these functions are best performed at a centralized level. Additionally, centralized grant management oversight would provide a means to ensure overall management and compliance with the requirements of the grants and maximize opportunities to receive additional funding.

Recommendation

We recommend management and the County consider employing centralized grants management coordinators who act as a resource to departments. The coordinators can enhance the effectiveness of the application process and improve program compliance. Use of a centralized grants management database and allowing for greater staff specialization may also contribute to the achievement of ensuring that all grants are in compliance, preventing loss of funding or the imposition of penalties. We also recommend management consider establishing a centralized grant identification function that would be responsible for identifying funding sources and writing the corresponding grant proposal.

Conclusion

Our review of the FRESH and Humans Services Grants identified programmatic weaknesses in the program that may require immediate attention which includes the following:

- Insufficient participant information;
- Failure to properly monitor Human Services grants;
- Lack of verification of data collection methods;
- Insufficient monitoring tools;
- Lack of knowledge of mandated licenses, permits, and certifications;
- Failure to require background checks; and
- Inability to determine adequate staffing levels.

In addition, we have presented opportunities to enhance the effectiveness of the current practices of the FRESH and Human Services Grants. The opportunities we identified include:

- Improving the sufficiency of performance measures;
- Evaluating recipient performance based on historical records;
- Increasing the frequency of site visits;
- Considering options to revise funding methods; and
- Centralizing grants management.

We encourage the OGCP to take the necessary actions to rectify the weaknesses and evaluate the opportunities for improvement to ensure the success of the FRESH and Human Services Grant program. The Office of Internal Audit will continue to monitor the progress of the program.

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