



**FULTON COUNTY, GEORGIA**  
**OFFICE OF THE COUNTY AUDITOR**  
**Audit of Juvenile Court Cash Handling Procedures**  
**July 7, 2017**

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## **INTRODUCTION**

The Office of the County Auditor conducted an audit of the cash handling processes of Juvenile Court. This audit was selected based on the County Auditor's approved audit plan for 2017 which focuses on assessing cash handling operations within the County.

## **BACKGROUND**

Juvenile Court serves the residents of Fulton County by hearing all cases involving allegations of dependency of children under the age of 18, children in need of services under the age of 18, and delinquency and traffic violations concerning children under the age of 17. The court is organized by Title 15, Chapter 11 of the Official Code of Georgia.

The Juvenile Court Administration Office oversees the daily operations of several divisions within the Court including the Office of the Clerk of Court, Court and Family Services and Probation Services. The Administration Office is also responsible for managing the following Court functions:

- Accounting and Finance;
- Communications and Public Outreach;
- Grants Procurement and Management;
- Human Resources; and
- Information Technology

The Accounting and Finance Unit develops and manages the Court's budget as well as tracks the revenues and expenditures throughout the fiscal year. This unit is also responsible for collecting juvenile traffic fines, supervision fees, and restitution in accordance with court orders and remitting those funds to the appropriate entities as required by state law. In 2016, Juvenile Court collected \$115,329.68 in fines, fees, and restitution.

In addition, they are responsible for maintaining the Witness and Youth funds. The Witness Fund is utilized to disburse payments to witnesses that testify in court in response to a subpoena. The Youth Fund is comprised of funds donated by the Junior League of Atlanta that are used to support youth activities hosted by the Juvenile Court.

## **OBJECTIVE**

The objective of the audit was to assess Juvenile Court's processes for cash handling and ensure adequate internal controls exist.

## **SCOPE**

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

## METHODOLOGY

To achieve our audit objective, we conducted observations, walkthroughs and interviews with appropriate personnel to evaluate the internal controls over cash receipts and disbursements. We also examined receipt logs, financial reports and bank statements and selected a sample of transactions to test the effectiveness of the internal controls.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Our findings and recommendations are detailed below.

### Finding 1 – Failure to Comply with State Regulation Regarding Restitution

As mandated in O.C.G.A. 17-14-14(c):

*Until such time as the restitution has been paid or the sentence has been completed, the clerk of court or the probation or parole officer assigned to the case, whoever is responsible for collecting restitution, shall review the case not less frequently than twice yearly to ensure that restitution is being paid as ordered. If the restitution was ordered to be made within a specific period of time, the case shall be reviewed at the end of the specific period of time to determine if the restitution has been paid in full. The final review shall be conducted before the sentence or probationary or parole period expires. If it is determined at any review that restitution is not being paid as ordered, a written report of the violation shall be filed with the court on a form prescribed by the Council of Superior Court Clerks of Georgia.*

Based on the current procedures, the probation officers are responsible for ensuring their assigned juveniles are paying restitution as ordered. During the audit, we obtained data to determine the total amount of restitution that remains outstanding as of the end of 2016. We focused on amounts ordered in 2014 to account for payments made by juveniles during a typical two-year probationary period. Based on our review, we noted that in 2014 a total of \$52,263.54 in restitution was ordered. However, at year end 2016, only \$29,313.80 (56%) of that total had been collected. It appears that the probation officers failed to enforce the requirement of payments for restitution. As a result, the juveniles were not being held fully accountable and victims may not fully recoup amounts owed to them. In addition, Juvenile Court failed to report these violations to the Council of Superior Court Clerks of Georgia resulting in the State being unaware of these infractions.

**Recommendation**

All efforts should be made to collect restitution as ordered. In addition, Juvenile Court Administration should comply with state regulations related to restitution and ensure any violations are properly reported to the Council of Superior Court Clerks of Georgia.

**Finding 2 – Failure to Remit Unclaimed Restitution Funds to the State**

Based on Official Code of Georgia Annotated (O.C.G.A.) 17-14-18, if a person or entity entitled to restitution cannot be located or refuses to claim such restitution within two (2) years after the date on which he or she could have claimed such restitution, the restitution paid to such person or entity shall be deposited in the Crime Victims Emergency Fund. The funds are held for an additional three years and any funds not claimed within five years will no longer be available for restitution payment to the victim. Those funds will then be used to support the Georgia Crime Victims Compensation Program. During our review of outstanding checks, as of December 31, 2016, we noted that Juvenile Court is holding a total of \$3,452.16 in restitution funds that are owed to a person or entity that cannot be located. The funds are at least two years and older, many of which date back as far as 2009. Juvenile Court failed to comply with the State regulation which requires the funds to be deposited in the Crime Victims Emergency Fund. As a result, Juvenile Court has violated a State regulation. In addition, this inaction may have resulted in the State being unable to adequately track and properly disburse these funds as required.

**Recommendation**

All applicable federal, state and local laws should be utilized as guidelines to establish written policies and procedures including the treatment of unclaimed funds. Management should make efforts to ensure a monthly review is performed on all unclaimed and outstanding checks to ensure adherence to State regulations.

**Finding 3 – Inadequate Case Management System**

An effective case management system should include all components that are necessary for tracking pertinent information related to cases. During our review, we noted that the Juvenile Court Activity Tracking System (JCATS) is unable to fully capture all financial activities related to cases. All Juvenile Court cases are created and monitored in JCATS but financial records including disbursements and bank reconciliations are maintained in QuickBooks. Accounting staff are required to extract reports from JCATS and then manually enter information into the QuickBooks system. Juvenile Court Administration failed to implement a case management system that captures, records, and reports financial information in a contiguous manner. This increases the risk of human error and decreases productivity.

**Recommendation**

Juvenile Court's case management system should provide tracking for both case information and any associated financial activity including case-related payments and disbursement information. This will promote adequate checks and balances, eliminate opportunities for human error and ensure accurate financial reporting.

**AUDIT CONCERN 1 – Failure to Track and Monitor the Collection of Restitution**

Effective cash management practices consist of providing adequate monitoring, conducting analysis of financial data, and ensuring accuracy in financial reporting. During our review, we requested information to determine the total outstanding restitution owed by juveniles. However, the data was not readily available and had to be compiled. In addition, the data provided included the amount of restitution due from juveniles that may have since been discharged and their case closed by a judge at the expiration of their probationary period. As a result, we were unable to determine the amount of restitution outstanding from open cases versus the amount of restitution that remains outstanding related to cases that have been closed and discharged by a judge. Juvenile Court Administration failed to adequately track, actively monitor, and maintain a sufficient level of information related to the status of restitution ordered. This increases the risk of noncompliance with the State's regulation related to restitution. In addition, this could hinder management's capability to make sound management decisions related to improving the restitution program.

**Recommendation**

Juvenile Court Administration should establish a mechanism to track and monitor data and/or statistical information related to the status of restitution ordered. In addition, Juvenile Court Administration should consider reviewing and analyzing the data on a consistent basis. This will allow them to be more aware, accountable and responsive to the issue.

**AUDIT CONCERN 2 – Inability to Accept Credit Cards**

According to the Juvenile Court Collection of Fines, Fees and Restitution Policy and Procedures Number 405-05-02, payments are to be made in the form of cash or money order. Credit cards are not accepted as a method of payment for fines and fees which increases the risk of loss or stolen funds. Implementing the acceptance of credit cards could increase operational efficiencies by reducing the amount of cash on-hand and the rate at which funds are deposited in the bank. In addition, allowing the use of credit cards makes it easier for the customers and provides for faster payment.

### **Recommendation**

Juvenile Court administration should take the necessary steps to enable the use of credit cards. Accepting credit cards is more convenient and allows for safer cash handling practices. Furthermore, with the increase of technology and the ease of processing financial transactions electronically this can lead to other opportunities, such as, accepting online payments.

### **CONCLUSION**

Based on our review, we identified several findings that related to the cash handling process including the failure to comply with State regulations regarding restitution, failure to remit unclaimed restitution funds to the State and inadequate case management system. Management should immediately address the aforementioned findings and implement corrective action to ensure compliance with State regulations and effective business practices. In addition, we noted concerns with the management's failure to track and monitor the collection of restitution and the department's inability to accept credit cards as a method of payment. These concerns should be taken into consideration by management as an opportunity to improve the current cash handling operations.

Please provide a written response to this audit within 10 days if findings and/or concerns are listed in this report. You may email your written response to Danielle Moore, Assistant Audit Manager in the Office of the County Auditor at [Danielle.Moore@fultoncountyga.gov](mailto:Danielle.Moore@fultoncountyga.gov). We would like to thank management and staff for their timely cooperation and assistance during this audit. The distribution of this report is reserved for the executive management of Fulton County and the Board of Commissioners.