



**FULTON
COUNTY**

**FULTON COUNTY, GEORGIA
OFFICE OF THE COUNTY AUDITOR
Treasury Gift Card Audit
May 6, 2022**

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INTRODUCTION

In accordance with the 2022 approved Audit Plan, the Office of the County Auditor performed an audit of the Treasury Gift Card Program administered by the Finance Department's Office of Treasury. This audit was conducted as required by the *Treasury Gift Card Policies and Procedures*.

BACKGROUND

The Finance Department's Office of Treasury manages the Treasury Gift Card Program which consists of procuring, safeguarding, and distributing prepaid gift cards to all Fulton County programs. The Treasury Gift Card Program allows departments within Fulton County to obtain prepaid VISA gift cards in denominations of \$25, \$50, \$75, \$100, \$200, and \$500. The purpose of the gift cards shall be for use as incentives for participation in award/reward ceremonies offered by the County. During our review, the following departments participated in the Treasury Gift Card Program:

The Department of External Affairs provides gift cards for the "Fulton - One County United in Service" (F.O.C.U.S) awards. The F.O.C.U.S. program recognizes employees of Fulton County Government for their exemplary service. Any employee of Fulton County may nominate another employee for recognition in one (1) of the ten (10) possible categories. The award categories are as follows:

- Customer Service
- Impact
- Efficiency
- Helping Hands
- Technology Trailblazer
- The Above and Beyond Workers
- Safety is Our Business
- Innovation and Ideas
- Leadership
- Heroism

Nominations may include individual employees or teams of employees working together. Nominations are reviewed by a countywide Nomination Review Committee. The Committee evaluates nominations based on award criteria. Selection for F.O.C.U.S Award indicates that an employee has made significant contributions during his or her tenure with Fulton County that has had a positive impact on citizens and operations.

The Department of Public Works Water Resources Division sponsors a Model Water Tower Competition. This competition requires students to design and build a model water tower that meets certain size requirements. Also, the Department of Public Works sponsors the Art Calendar Contest. Fulton County students in grades K-12 are encouraged to participate in the contest. The

students are invited to create artwork promoting better water quality and water conservation practices to assist in positive environmental awareness. The gift card awards range from \$25 to \$100. The art from the contest is featured in the 2022 Water Art Calendar.

OBJECTIVE

The objectives of the audit were to ascertain the effectiveness of the existing policies and procedures related to the procurement and distribution of gift cards and to determine the adequacy of controls over the departmental operating procedures to ensure compliance with the Treasury Gift Card Procedures.

SCOPE

The scope of this audit was from January 1, 2021 through December 31, 2021.

METHODOLOGY

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

To achieve our audit objectives, we performed the following audit procedures:

- Conducted interviews with key staff, to determine the established processes and procedures;
- Performed walkthroughs to observe key processes and internal controls related to gift card distribution and safeguarding;
- Performed a hand count of gift card inventory on hand within the Treasury office;
- Reviewed the Treasury Gift Card Standard Operating Procedures;
- Reviewed Fulton County Departmental Gift Card Standard Operating Procedures;
- Reviewed the US Bank Gift Card Order Requests;
- Reviewed Gift Card Request Forms;
- Reviewed Gift Card Inventory Listings;
- Reviewed Gift Card Reconciliations Forms; and
- Reviewed Asset Management System (AMS) Cash Receipt Forms

We believe that the evidence obtained provides a reasonable basis for our findings and recommendations based on our audit objectives. Our findings and recommendations are detailed below.

FINDINGS AND RECOMMENDATIONS

Finding 1 – Lack of Management Review of Gift Card Logs

According to the Treasury Gift Card Procedures, “The gift card log will be reviewed periodically under dual control to ensure accuracy.” During our audit, we determined that the gift card logs were not being reviewed for accuracy. We identified twenty-one (21) gift cards that were distributed that were not documented with the gift card numbers on the log. Additionally, we noted inconsistent documentation of the gift card log (e.g., purchase order numbers were listed in the place of gift card numbers). Due to inaccurate and incomplete information on the gift card log, we were unable to trace those gift cards to the inventory listing. Failure to ensure the gift card logs are reviewed in their entirety could result in inaccurate record-keeping and tracking of gift cards.

Recommendation

We recommend the Department strengthen internal controls surrounding gift cards to ensure periodic review of gift card log for accuracy and completeness. Additionally, we recommend the Department adhere to the Standard Operating Procedures to ensure compliance.

Finding 2 – Outdated Standard Operating Procedures

Best practices indicate having updated, documented procedures ensure job functions are performed consistently and efficiently. Procedures also act as a guide to help the department perform operations in order to fulfill duties. We discovered that the Treasury Gift Card Procedures were not updated to reflect current processes. As such, current processes are not documented. Failure to document current processes increases the risk of errors, training time and lack of accountability.

Recommendation

We recommend the Department consistently update Standard Operating Procedures to reflect current processes, eliminate missed steps and retain consistency in operating procedures.

CONCLUSION

Based on the audit performed, the Treasury Gift Card program appears to be operating effectively and efficiently. However, we identified the following two (2) findings that require the immediate attention of management:

- Lack of Management Review of Gift Card Logs
- Outdated Standard Operating Procedures

Please provide a written response to this audit within ten (10) business days. Be sure to address the written response to Anthony Nicks, County Auditor. The written response should be submitted through the County Manager's Office and to Joi Hargis, Audit Coordinator, in the Office of the County Auditor at Joi.Hargis@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.