



# Superior Court of Fulton County

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To: Anthony Nicks, Director  
Office of Internal Audits

From: Yolanda L. Lewis  
District Court Administrator  
Superior Court of Fulton County

Date: February 18, 2014

Re: Response Second Chance Grant Audit

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## General Summary:

This memorandum serves as a response to the Second Chance Grant Audit Report authored by Anthony Nicks, Director, Office of Internal Audits, dated October 3, 2013. As a point of record, once the Court was notified that the Second Chance Grant Act Program was being transferred to Superior Court from the County Manager's Office, Superior Court requested the Office of Internal Audits to perform a forensic or financial audit. Although the Court knew it was appropriate for an audit to be conducted as part of the program transition, the Court did not anticipate that it would be expected to respond to multiple deficiencies, all of which predated its management scope.

The initial audit request was made on March 19, 2013 and subsequently discussed with the Office of Internal Audits. The program was transferred to the Superior Court of Fulton County from the Office of the County Manager on April 1, 2013. At the time that the audit was requested (March 2013), the Office of Internal Audits indicated that there were several high priority audits being conducted that would delay the Court's request. It should be noted that the subsequent document prepared by the Office of Internal Audits is merely a program performance audit although the Court requested a "forensic" or "financial audit". Notably, the audit excluded critical information needed to clarify the management and financial infrastructure prior to the program's transition. The lack of information in the initial report resulted in a detailed response via email to the Office of Internal Audits on April 12, 2013. This correspondence requested that additional information be included for

review, notably twelve (12) matters that should have been included in the audit to reflect the general condition and infrastructure of the program prior to its transition (Appendix A).

Upon initial review of the final audit report dated October 3, 2013, all findings of fact predated the April 1<sup>st</sup> date of transfer. The program audit specifically covers the period of October 2010 through March 31, 2013. It should be noted that the final audit was provided on October 4, 2013. Additionally, in keeping with best business practices, the Superior Court provided updates on the program after the point of transition:

Report	Date	Recipients
Reentry Program Transition Priorities	March 28, 2013	Chairman of the BOC, County Manager, Justice Partners (Appendix B)
Executive Summary for Fulton County Second Chance Reentry Program	May 20, 2013	Chairman of the BOC, County Manager, Justice Partners (Appendix C)
Six Month Status Report: Reentry/Second Chance	October 7, 2013	Fulton County BOC, County Manger (Interim and Incoming), Justice Partners (Appendix D)
<i>Six Month Status Report: Reentry/Second Chance</i>	<i>Due April 1, 2014</i>	<i>Fulton County BOC, County Manger (Interim and Incoming), Justice Partners</i>

As management for the program was assumed by the Court in April 2013, no response can be provided to the actual findings. Responses and documents, as applicable, will be provided herein based on actions that have been taken after the Program's transition.

**Audit Objective**

The audit listed three objectives: 1) to determine if the grant expenditures were allowable; 2) to confirm if 40 high risk offenders were participants in the program under each grant; and 3) to establish if the recidivism rate was reduced in the target population.

- A forensic audit was not conducted on grant expenditures nor was an audit of the accounting procedures conducted. The granting agency has been contacted and a full accounting audit has been requested to determine if the expenditures and procedures met grant standards. Once the audit has been completed, all revisions to procedures will be made and formalized in a policy and procedures manual. The

audit conducted by the Office of Internal Audits has been provided to the Department of Justice (DOJ).

- The internal audit determined that there were less than 40 participants in the program during the 2010 grant period.

*Commentary Note: It has been determined that the participant numbers were not met for the 2010 grant and have only recently been met under the 2011 grant after Superior Court assumed management of the program as of April 1, 2013.*

- Auditors were unable to address the recidivism issue for the target population; therefore, this objective was not met. The Superior Court has met with the program evaluator to determine a course of action to reinstitute the evaluation process. Limited funding prompted the request for the financial audit to determine proper use of funds. This matter was referred to the Department of Justice. If the grant revision allows for the payment of the evaluator, this process will be initiated immediately.

*See Commentary Note under Finding 1.*

### **Finding 1 – Failure to Meet Program Participatory Goals**

While, the program was not under the Superior Court's management purview during initial acceptance of program defendants, the information provided is based on a collection of data since April 1, 2013. A defendant review summary has been attached for your examination as Appendix E. There have been a total of 56 defendants served in the reentry program since its inception. A total of 41 defendants have been served under the 2010 grant, and 13 under the 2011 Grant. There are currently 51 defendants under the supervision of the Court. In-custody program 28, 17 in the community program, 1 AWOL, and 5 terminated. A comprehensive list of every defendant that has been accepted into the program and the current status has been provided as a part of this response.

- The Superior Court has consulted with the DOJ regarding any changes needed to revise or lower the expectations of the number of participants served by the program in response to the program performance audit. It should be noted that this grant is a demonstration project; therefore the purpose of the grant is to determine if the program will actually.
- It should be noted that under the supervision of the Superior Court, the number of defendants entering the program have increased, the number of defendants in community care have increased, and there are less terminations of clients from the

program. All of these improvements are a result of better programmatic protocols which resemble the accountability court model.

*Commentary Note: The initial eligibility criteria, specifically the age limits and location, seem to restrict the number of participants eligible to enter the program. While the audit suggests the reason that the program goals were not met was based on the renovation of the Marietta Street Annex, it must be noted that the program had no participants prior to November 2011. Facility renovation does not appear to be relevant to meeting the program goals and intake procedures set in place at the inception of the program appear to have a limiting effect on defendant entry into the program.*

### **Finding 2 – Failure to Disclose Accurate Information on the Grants Management System Report (GMS)**

The Superior Court cannot respond to this finding as the report in question was drafted and submitted prior to April 1, 2013.

- All reports after April 1, 2013 have been submitted timely and accurately. The Business Office of the Superior Court Administrator’s Office has assumed grant management oversight and has worked closely with the DOJ on all changes or adjustments needed to ensure compliance.

### **Finding 3 – Noncompliance with Policies and Procedures**

The Superior Court cannot respond to this finding as the report in question was drafted and submitted prior to April 1, 2013.

*Commentary Note: Auditors determined that basic business practices were not followed during the period examined as it relates to record keeping and accounting practices.*

- The Superior Court currently uses the policies and procedures customarily applied for all other grants within the Court and County. These practices have been implemented to ensure industry accepted standards are in place and followed. This is coordinated through the Superior Court Administrator’s Office. In December 2013, the DOJ made a site visit to review the financial process after the request for assistance was made by the Court.
- Currently, all receipts are approved by use of the appropriate financial forms which require proper signatures. Invoices are matched to all receipts, and historical records have been maintained since April 1, 2013. It is anticipated that periodic reviews will be conducted by the DOJ and through internal procedures to ensure

compliance with all county policies and procedures. In addition, all issues identified by the granting agency forensic audit will be adopted as procedures for the remainder of the grant period.

**Finding 4 – Untimely Submission of the Equal Opportunity Plan (EEOP) and Grants Management System Report (GMS)**

The Superior Court cannot respond to this finding as the report in question was drafted and submitted prior to April 1, 2013.

While the title of this finding would suggest an EEOP plan was submitted, but failed to meet the deadlines for submission, it should be noted that an EEOP plan on behalf of the County was not submitted. County policies mandate that an EEOP plan be submitted within 60 days of the award of the grant; however one was not submitted for this project.

*Commentary Note: The Superior Court would ask that the proper County Department be instructed to submit an EEOP Plan in compliance with the County Polices which would correct this deficiency.*

**Finding 5 – Noncompliance of Sub-recipients**

The Superior Court cannot respond to this finding as the report in question was drafted and submitted prior to April 1, 2013.

*Commentary Note: The Superior Court would ask that the proper County Department be instructed to submit an EEOP Plan for the sub-recipients in compliance with the County Polices which would correct this deficiency.*

The audit determined that an EEOP plan was not submitted by sub-recipients of the grant and are not in compliance.

**Finding 6 – Failure to Use Fringe Benefits towards In-Kind Match**

The Superior Court cannot respond to this finding as the report in question was drafted and submitted prior to April 1, 2013.

- The audit determined that no fringe benefits had been recorded for the employees of the Second Chance Grant. The DOJ has been notified of this deficiency based on the initial financial structure of the program, and a request for review of proper management of this component of the grant has been sought. Reporting of the In-Kind Match is a quarterly report that should be submitted to the Department of

Justice. The Court will await additional direction from the financial review that is being conducted by the DOJ.

**Finding 7 - Failure to Keep Records of Matching Contributions**

The Superior Court cannot respond to this finding as the report in question was drafted and submitted prior to April 1, 2013.

*Commentary Note: Auditors were able to trace 1% of the in-kind employee contributions based on documentation provided. This failure appears to be associated with inadequate management practices and improper record keeping prior to April 1, 2013; which failed to record employees work towards the grant.*

- Work records in the form of time sheets are currently in place for employees associated with the grant under Superior Court Administration. It appears that the proper documentation, memorandums of understanding or other forms of agreement for match contributions were not established at the onset of the program. As of April 1, 2013 the Superior Court assumed the program with the administrative system which existed at the time, and is awaiting further direction from the Financial Review being conducted by the DOJ.

**Finding 8 - Failure to Execute Grant in a Timely Manner**

The Superior Court cannot respond to this finding as the report in question was drafted and submitted prior to April 1, 2013.

**Additional Supplemental Documents**

Report	Date	Recipients
Letter to the Department of Justice Requesting Programmatic and Financial Assessment	September 6, 2013	Department of Justice, County Manager, Chairman of the Board, County Attorney, Select Justice Partners (Appendix F)
Confirmation of Site Visit by DOJ	November 4, 2013	Chairman Eaves, Superior Court (Appendix G)
Second Chance Act Demonstration Grant (program transfer)	March 25, 2013	Chief Judge, Court Administrator, Director of Finance, Director of Personnel; Grant Administrator (from County Manager; Appendix H)

cc: Chief Judge Gail S. Tusan, Superior Court of Fulton County  
Judge Cynthia D. Wright, Superior Court of Fulton County  
Dwight Ferrell, County Manager, Fulton County  
David Ware, County Attorney, Fulton County  
M. Lee Brooks, Accountability Courts Director  
David Summerlin, Deputy Court Administrator