



FULTON COUNTY

FULTON COUNTY, GEORGIA
OFFICE OF THE COUNTY AUDITOR
DEPARTMENT OF HEALTH AND WELLNESS
AUDIT REPORT
December 29, 2015

TABLE OF CONTENTS

| | PAGE |
|------------------------------------|------|
| INTRODUCTION..... | 1 |
| BACKGROUND..... | 1 |
| OBJECTIVE | 1 |
| SCOPE..... | 1 |
| METHODOLOGY | 2 |
| FINDINGS AND RECOMMENDATIONS | 2 |
| CONCLUSION..... | 14 |

INTRODUCTION

The Office of the County Auditor has conducted a comprehensive audit of the Fulton County Department of Health and Wellness (FCDHW).

BACKGROUND

The FCDHW, formerly the Fulton County Health Department, was established in 1952 through legislative action by the State of Georgia. This action merged the City of Atlanta's Health Department with that of Fulton County and placed all health services under the jurisdiction of Fulton County Government. The FCDHW is the only public health agency in the State of Georgia that is under the auspice of local government. The Health Director serves as a Department Head and also as the Health Officer for District 3-2 in Georgia. Many of the powers and authorities bestowed upon the Health Officer are based on the State of Georgia's code and are exercised through the position of Health Officer.

The services offered by the FCDHW include a vast array of programs that provide comprehensive health care for Fulton County citizens. They include both preventive care and treatment in the following areas:

- Infectious diseases;
- Women's and children's health;
- Environmental health; and
- Other services, which include health education, stroke and heart attack prevention programs and refugee screenings.

Additionally, the Fulton County Board of Health was first established in 1952 under the 1951 Plan of Improvement. In 1991 the Board was re-established pursuant to the Official Code of Georgia 31-3-2.1. Members of the Fulton County Board of Health serve in an advisory capacity. They represent the interests of the citizens of Fulton County and support the FCDHW programs to assure the health and wellness of Fulton County.

OBJECTIVE

The objectives of the audit included evaluating the reliability of financial information, effectiveness of operations, compliance with established regulations and procedures, and overall performance.

SCOPE

The audit period for this review is January 1, 2014 through December 31, 2014. However, based on limited availability of the 2014 financial records, we extended the scope of the financial section through June 30, 2015.

METHODOLOGY

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). GAGAS requires that we plan and perform the audit by obtaining sufficient and appropriate audit evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. To achieve our audit objectives, we:

- Conducted interviews with key staff and personnel;
- Reviewed the FCDHW's current internal control environment and key processes;
- Reviewed the current internal control environment of the Health and Human Services (HHS) Fiscal Services Division for related financial information;
- Reviewed the FCDHW's applicable policies, procedures, and regulations;
- Determined the goals and objectives of the FCDHW's programs and operations; and
- Reviewed key performance measures and outcomes.

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions that are detailed in the findings and recommendations section below.

FINDINGS AND RECOMMENDATIONS

Finding 1 – Lack of Segregation of Duties in the Fiscal Services Division

According to the Health and Human Services (HHS) Financial Unit's Standard Operating Procedures (SOPs) related to cash management, internal controls are strengthened by segregating the duties involved in each step of the cash collecting, recording and reconciliation process. To the extent possible, different employees should perform the collection, recording, and reconciliation functions at each location. During the audit, we noted instances where the Accounting Supervisor in the HHS Fiscal Services Division performed cash collections and recorded cash receipts unassisted and without proper oversight. This is an example of management's failure to properly segregate financial duties. We found cash receipts that were not properly recorded or did not reflect the accurate amount of funds collected. Additionally, as a result of inadequate management and oversight of the Accounting Supervisor, instances were found where cash receipts prepared by other employees may have been modified by the Accounting Supervisor which may have resulted in a possible misappropriation of County funds. Consequently, we were unable to trace cash receipts to the County's Asset Management System (AMS).

Recommendation

Management of HHS should ensure that all employees of the Fiscal Services Division are aware of the departmental policies and procedures for cash handling. In order to strengthen internal controls in the Fiscal Services Division, Management of HHS should ensure employees adhere to

procedures to properly segregate financial duties and adequately safeguard the County's assets.

It is our opinion that the possible misappropriation of County funds warrants further investigation and should be reviewed by the appropriate entity within the County. As such, we have referred the information regarding the possible misappropriation to the District Attorney's Office.

Finding 2 – Failure to Perform Reconciliations

Pursuant to the HHS Financial Unit's SOPs, cash receipts should be reconciled to AMS financial reports periodically. During our review, we noted that the Fiscal Services Division failed to conduct periodic reconciliations of the cash receipts to the AMS financial reports. A review of the cash receipts at the Aldredge Health Center indicated that the AMS entries contained errors including a deposit totaling \$1,017.50 being posted twice that related to environmental health services. In addition, there were several AMS entries that did not agree to the related cash receipt forms and instances where cash receipts were not recorded in AMS. The lack of periodic reviews and/or reconciliations allowed the errors and inaccuracies to go undetected. Consequently, the failure to perform periodic reconciliations attributed to cash receipts being inaccurately reported in the AMS system, errors going undetected for collections, and/or cash receipts not being recorded, which led to questionable financial reporting.

Recommendation

To increase the reliability of financial information in the Fiscal Services Division, management of HHS should ensure timely reconciliations of cash collections are performed on a periodic basis. Additionally, management of HHS should ensure that any discrepancies are investigated and reconciled timely in order to provide accurate financial information.

Finding 3 – Intentional Destruction of Financial Records

According to State law, it is prohibited for anyone to intentionally destroy, alter, mutilate, conceal, cover up, or falsify any records related to an investigation and/or audit. The State of Georgia's Government Retention Schedule requires a five year retention period for records related to cash balances, receipts and account receivable files. Throughout the audit process, we noted missing or incomplete audit documentation in the HHS Fiscal Services Division. The Accounting Supervisor notified us that at her direction supporting documentation had recently been shredded prior to our arrival. We were not provided with any reasonable rationale as to her decision to shred the documents. Additionally, there appears to be a lack of internal controls in the HHS Fiscal Services Division to prevent inappropriate shredding of documents. The intentional acts to destroy financial documents and failure to retain supporting documentation for the required period limited our scope of the review as well as diminished the audit trail. The failure to have documents available for review could be an attempt to conceal inappropriate financial practices and a possible misappropriation of funds.

Recommendation

Management of HHS should ensure the Fiscal Services Division adheres to best practices and the State of Georgia's Retention Schedule related to cash balances, receipts and account receivable files in order to maintain an appropriate audit trail. Management of HHS should also consider implementing a process to ensure any records destroyed comply with the retention schedule and documentation supporting any destroyed records is properly maintained.

Finding 4 – Failure to Deposit Checks in a Timely Manner

All cash receipts including checks should be properly receipted and deposited in a timely manner. During the audit, we discovered eleven (11) checks related to payments made by WellCare of Georgia, Inc. for Medicaid services were neither deposited nor receipted. The checks totaled \$3,444.03. They were dated from November 2014 to April 2015 and were found unsecured in an office filing cabinet. It appears the checks were not receipted or deposited due to an oversight by the Accounting Supervisor in the Fiscal Services Division. As a result of the checks not being deposited within the required ninety (90) days, the checks are no longer eligible for deposit. To date, the HHS Fiscal Services Division has not requested to have the checks reissued.

Recommendation

Management of HHS should take the necessary measures to recoup the funds related to the Medicaid Services. In addition, Management of HHS should strengthen internal controls in the Fiscal Services Division to reduce the possibility of this issue reoccurring. Therefore, management of HHS should ensure all cash receipts including checks are deposited in a timely manner and are properly secured. Management of HHS should also consider implementing a reconciliation process that will confirm the accuracy of the Medicaid revenue and collections.

Finding 5 – Cash Receipts Not Recorded in AMS in a Timely Manner

Generally Accepted Accounting Principles (GAAP) indicates that cash receipts should be recorded in a timely manner. Accordingly, we traced a sample of cash receipts related to Medicaid reimbursements for 2015 to AMS. Based on a sample of 23 deposits, we noted an average of 290 days between the date of the cash receipt and the date the cash receipt was recorded in AMS. In addition, we noted several of the cash receipt dates were from 2013; however, they were not deposited until 2015. The receipt dates included the period of May 28, 2013 through May 12, 2015. The Fiscal Services Division failed to properly monitor cash receipts and properly record the cash receipts in AMS. Due to the lack of a formal reporting process that would have included periodic reporting and reconciliations, there were a material amount of receipts that were posted to AMS one (1) year after the receipt date.

Recommendation

Management of HHS should comply with GAAP by ensuring cash receipts are accurately reflected within the proper period. Management of HHS should also immediately implement procedures to report all Medicaid receipts and reconcile Medicaid reimbursement activity to AMS.

Finding 6– Failure to Resolve Medicaid Denials

According to Federal regulations, Medicaid claims must be submitted within six (6) months from the date of service. In addition, any denied claims should be resolved within the six (6) month period. During the audit, we reviewed Medicaid charges reported in the Mitchell & McCormick (M&M) system. The FCDHW bills in four (4) month increments. As a result, we selected the four (4) month billing cycle of February 2015 through May 2015 for review. Based on the review, we noted out of 650 Medicaid claims filed, twelve (12) claims totaling \$177.84 were paid. However, a total of \$25,096 claims were denied due to posting errors and eligibility documentation. Ultimately, no actions were taken to resolve the denied amount.

We found no evidence that denied Medicaid claims have been researched or resubmitted in several years. Management of the HHS Fiscal Services Division indicated they were not aware that denials were not being resolved. The HHS Fiscal Services Division's management failed to provide proper oversight and direction to ensure Medicaid denials were resolved timely. Furthermore, management failed to implement proper internal controls to ensure the collection of revenue and alleviate the possibilities of claims being denied. As a result, the Fiscal Services Division has not been able to recoup the \$25,096 from the period of February 2015 to May 2015 in denials that was due to the County.

Recommendation

Management of HHS should establish a process for the Fiscal Services Division to research the denied Medicaid charges and implement procedures to conduct periodic reviews of Medicaid activity that will help to measure the effectiveness of the revenue collection. Management of HHS should also consider monthly billing submissions instead of the present four (4) month billing practice. By decreasing the billing timing, the probability of denied charges exceeding the six (6) month submission time window may be reduced.

Finding 7– Lack of Proper Financial Management

According to best practices, proper financial management includes conducting financial reporting and analysis of financial performance as well as ensuring adequate financial controls exist. During the audit, we were unable to obtain any management reports related to the FCDHW's financial performance that can be used as a tool to monitor the trends and patterns of the FCDHW's financial activity. Management of HHS failed to provide the necessary oversight and monitoring over the financial information. The lack of effective oversight and

monitoring may have led to the possible misappropriation of funds and could ultimately affect the level of care given to the citizens of Fulton County.

Recommendation

Management of HHS should establish a system to properly manage the financial aspect of the FCDHW in order to make thorough financial decisions. In addition, management of HHS should implement the necessary reporting and reconciliation procedures in order to strengthen the financial control environment.

Finding 8 – Lack of Cash Management Procedures in the Environmental Health Division

Employees with cash handling responsibilities should be knowledgeable about the appropriate procedures for collecting and safeguarding cash receipts. Based on the Environmental Health Division's practice in 2014, fees were collected and recorded manually by the administrative staff at each location and transported to the Central District Office at Aldredge Health Center for processing. Once the administrative staff at the Central District Office processed the collections, the funds were forwarded to the Accountant II in the HHS Fiscal Services Division to be receipted and recorded in the Digital Health Department (DHD) system managed by the State of Georgia. During our review of the Environmental Health Division's financial information, we noted the following inadequacies:

- Cash receipts were not receipted in a timely manner after collection. On September 23, 2015, it was discovered that a total of \$192,187.60 in checks and money orders from April 30, 2015 for environmental health fees were not receipted. Once the Environmental Health Director became aware of the issue, the checks and money orders were immediately receipted and forwarded to the HHS Fiscal Services Division. This may have caused an inconvenience to customers who submitted payments by check and may have resulted in a loss of funds to the County.
- Cash receipts were not properly safeguarded. We discovered that the Office Administrator at the Central District Office transported the cash receipts from the South District Office in her car. This increases the likelihood of funds being lost or stolen.
- Cash receipts were not accurately recorded. During our review of the fee collections for the South and Central District Office, we noted the supporting documentation including manual receipts, was insufficient and inconsistent. There were several instances where the receipt date was different than the date on the check or money order. Inaccurate recording leads to the inability to trace individual collections from the point of receipt to the accounting records.
- The Central District Office is unable to accept credit or debit cards when a customer pays fees in the Environmental Health Division. Credit or debit cards are only accepted in the cashier area managed by the Fiscal Services Division. This is an inconvenience to customers as they will be required to submit fees by checks/money orders or go to the cashier area to pay by credit or debit card.

These inadequacies in the Environmental Health Division are a result of a failure to have documented cash management procedures and inadequate training provided to staff who have cash collection duties. The lack of cash management procedures causes inconsistent processes within departments and leads to the inability to enforce accountability.

Recommendation

The management of FCDHW should develop adequate cash management procedures in order to strengthen the internal controls related to the collection of environmental health fees. The management of FCDHW should also ensure funds are properly safeguarded and are transported by courier from one location to another. Additionally, management of FCDHW should consider requiring fees to be collected only in the cashier areas at the district locations that are managed by the HHS Fiscal Services Division.

Finding 9 – Ineffective Process for Billing and Collections of Environmental Health Fees

The HHS Fiscal Services Division is required to bill existing establishments for permit renewals as well as receipt and record fees collected at the Environmental Health District Offices in the DHD system. The HHS Fiscal Services Division then bills the existing establishments annually and records all fee collections for establishments based on the information created by the Environmental Health Division staff. During our review of the billing and collection process, we noted the following inefficiencies:

- Instances where invoices were sent to businesses that were no longer operating and/or were closed;
- Instances where the food service establishment had a change in ownership and the current and former owners were both billed for a permit renewal;
- Several environmental health fee receipts were found for new customers that were not established in the DHD system. The payments were posted to the DHD system in a miscellaneous cash ledger designed for receipts not related to Customer Accounts such as copy fees;
- Instances where the establishment's account was forwarded to collections for non-payment of a renewal when the fee to renew the permit had already been paid;
- Instances where fees were paid on time but not recorded until after the due date;
- Lack of a reconciliation process; and
- Lack of communication between the Environmental Health Division and the HHS Fiscal Services Division.

The HHS Fiscal Services Division failed to appropriately apply fees collected to the establishments. We also noted that pertinent information pertaining to the establishments' inspections, permits and change of ownerships were not properly recorded in the DHD system. The Environmental Health staff failed to ensure that the establishments' current statuses were accurately recorded and updated in the DHD system in a timely manner. Improperly recording

information could lead to inaccurate reporting and billing. Additionally, the lack of communication and coordination between departments does not allow for discrepancies to be revealed and resolved appropriately.

Recommendation

To establish an internal control framework, management of HHS should develop appropriate procedures for the billing and collection of environmental health fees in the Fiscal Services Division. During the audit, we noted that the new Director of the Environmental Health Division has implemented several processes to ensure timely and accurate recording of information; however, the FCDHW's management should continue to assess the current processes within the Environmental Health Division to ensure operating effectiveness. Management of FCDHW and HHS should also ensure both divisions are communicating and conducting periodic reconciliations of the generated fees to the actual amount of fees collected.

Finding 10 – Noncompliance with Food Service Rules and Regulations

As reported by the Department of Health and Human Services, “the ultimate goal to be achieved by a food establishment inspection is to prevent foodborne disease. Inspections are the primary tool a regulatory agency has for detecting procedures and practices which may be hazardous and taking actions to correct deficiencies.” Upon review of the 1,757 food inspections completed in the first quarter of 2014, we found approximately 2.5% of the establishments' last inspections were completed between the years of 2010 through 2012. The Division is not in compliance with the frequency of inspections as outlined in Chapter 290-5-14 Food Services Rules and Regulations. In addition, we noted the Division failed to meet the requirements of inspecting new establishments within sixty (60) days of the opening date. The failure to conduct inspections as required is mainly due to inadequate staffing. Consequently, when food establishment inspections are not conducted regularly, there is no certainty whether the food establishments are adhering to the food safety standards.

Recommendation

We recommend the management of FCDHW ensures compliance with the Food Services Rules and Regulations in the Environmental Health Services Division. The FCDHW management needs to also ensure inspection staff is properly trained and equipped to enhance the effectiveness of conducting inspections. Currently, the Environmental Specialists travel to an establishment to do an inspection. Once the inspection is completed, they are required to return to their respective work locations, the North or South Office, to enter the information into the DHD system, where a permit is then generated and printed. This process is very time-consuming. To reduce the process, information should be entered at the location via mobile device. This will help to streamline the current process allowing a more efficient process. Also, the current management has implemented and provided training on new processes to ensure inspection data is inputted in the DHD system timely, accurately and completely. This will allow the

inspectors to see when subsequent inspections should occur, if the inspection is a follow-up or routine inspection and review any pertinent information about the establishment in the comments section. Management of FCDHW should also immediately analyze its staffing levels and needs with respect to reporting functions and allocate the appropriate resources to enable efficient and effective operation of the department.

Finding 11 – Inefficient Process for Payment Agreements

According to best practices, a proper billing process includes ensuring adequate patient information is obtained as well as capturing accurate charges for services rendered. In addition, an effective collection process requires actively collecting on any outstanding amounts due. We conducted a review of the payment agreements and the patients' balances in the M&M system. We noted the following during our analysis:

- Balances reflected in the M&M system were understated by 24.92% or a total of \$13,728.45;
- Several payment agreements did not have charges entered into the M&M system;
- Several payment agreements did not contain proof of the patient's identification; and
- Instances where patients did not meet the Fulton County residency requirements.

Moreover, the current process for determining the discount income eligibility is conducted prior to the patient receiving services as the payment agreements are based on an estimate and not the actual charges for all services provided to the patient. We noted a total of \$1,310,405.45 in total unpaid charges ranging from 30 days to 120 days past due for the period of July 1, 2014 through June 30, 2015. This is a result of the HHS Fiscal Services Division's failure to actively collect on outstanding accounts. Consequently, the payment agreement balances are understated due to the procedure to determine the amount owed by the patient being conducted prior to treatment. We also discovered that the HHS Fiscal Division does not perform a review of the self-pay balances or a periodic reconciliation of payment agreements to the patients' balances in the M&M system. As a result, a patient would only be legally required to pay the estimated amount and not the actual amount related to the charges for services received. Furthermore, by not reconciling the payment agreements to the M&M system the accurate amount due may not be fully recovered.

Recommendation

For a more effective collection process, HHS management may want to consider allowing the discount income eligibility procedure in the Fiscal Services Division to be conducted after the patients have received services. HHS management may also want to consider taking the necessary actions to collect on the outstanding balance owed for the services and implement a process to reconcile the payment agreements to the patients' balance in the M&M system.

Finding 12 – Failure to Adhere to Intake Procedures

Proper intake procedures require obtaining a patient’s accurate demographic information, verifying insurance benefits, and properly retaining copies of all required documentation. In addition, the patient information should be properly recorded in the M&M system. We conducted a review of patients’ electronic files that entered into payment agreements. The review revealed instances where information was not obtained and/or invalid information was entered into the M&M customer profile during the initial and follow-up intake process. Some instances include the following:

- Patients who were recorded as Medicaid recipients were not reported under the proper Medicaid Care Management Organization (CMO) such as, Amerigroup, PeachCare or WellCare;
- The patient’s electronic file in the M&M system did not contain a copy of the patient’s identification; and
- There was no record of the patient’s address or verification of residency.

Employees responsible for intake at the health center locations are improperly recording information in the M&M system. As a result of inaccurate Medicaid information, there were a material amount of denied Medicaid charges covering the February 2015 through May 2015 period.

Recommendation

Required information should be obtained from patients during the intake process except in the instances in which the information cannot be provided by a person, i.e. a homeless patient. Management of the FCDHW should develop written procedures for the input of patient information entered into the M&M system to ensure consistency in the intake process. In addition, management of the FCDHW should ensure staff conducting the intake of patients is properly trained to record information in the M&M system. Management of the FCDHW should also implement a process that includes utilizing a checklist as a guide to ensure required documents are provided by each patient as a measure of quality assurance. Each checklist should be included in the patient M&M virtual image file and signed and dated by the employee entering the information into the M&M system. Periodic reviews of patients’ files and M&M reports of eligible Medicare or Medicaid patients’ should be conducted by management of FCDHW.

Finding 13 – Inadequate Supporting Documentation for Key Performance Indicators

Accurate data collection is essential for successful quality improvement and vital to effective decision-making in government. Performance information should be complete and supported by reliable sources and data quality. We were unable to trace data reported on the Key Performance Indicator report to the supporting documentation provided to us by management

for 54% of the programs reviewed. The FCDHW has weak internal controls in reference to internal reviews being performed on data submitted for the Key Performance Indicator report. It is essential to understand the importance of data; without accurate information, the data being analyzed and reported becomes meaningless.

Recommendation

Internal reviews are the most important internal control procedure a department can perform. Reviews are detective controls as they accomplish two primary objectives; first, these reviews are one of the key processes in the system of checks and balances and secondly, these reviews can enable the management of FCDHW to assess the effectiveness and efficiency of the departmental practices. We recommend management of FCDHW conduct reviews of data on a consistent basis so any issues can be readily identified and remediated.

Finding 14– Missing and Incomplete Patient Records

The retention and efficient management of patient records should be a key priority. Patient records should be complete and accurate in order to foster quality and continuity of care. During our review of supporting documentation for the Key Performance Indicators, we discovered records that were missing from their respective locations and files that were missing pertinent information such as: date stamps on proof of residency and/or identification forms, incomplete certification statements and interview notes. Proper internal controls have not been implemented to ensure accurate recordkeeping. The FCDHW cannot ensure a sound foundation for patient care and safety when patient records are not complete and accurate.

Recommendation

We recommend a periodic review of patient records. For example, a departmental form can be developed and used by the reviewer to enter pertinent notes in the “comments” section. The reviewer should set aside the charts that do not meet the required criteria so that they can be reviewed by management. The results of the periodic reviews can be tracked over time and discussed at formal or informal departmental meetings.

Finding 15 – Lack of Standardized Tracking Mechanism for Evidence-Based Outcomes

Outcome measurements aid in measuring the effectiveness of a program. Information collected to measure outcomes can assist managers in determining which activities to continue and build upon while modifying other programs or initiatives based on said results. Ninety percent of the programs reviewed were unable to produce evidence-based outcomes as a result of achieving their Key Performance Indicators. The FCDHW lacks a standardized tracking mechanism for evidence-based outcomes. Without a system to track evidence-based outcomes, the FCDHW impedes its ability to offer significant opportunities to improve efficiency, lessen waste and provide a reasonable standard of care both to the patients’ and physicians’ satisfaction.

Recommendation

We recommend the management of FCDHW implement a standardized tracking mechanism for evidence-based outcomes. This implementation will ensure that methods to track evidence-based outcomes are consistent across the divisions of the FCDHW.

Finding 16 – Lack of Adequate Staffing in the FCDHW

Adequate staffing levels are vital to ensure quality health services and programs are provided to the citizens of Fulton County. During the audit, we noted programs and/or service areas where there were inadequate levels of staffing and various vacant positions. Examples of inadequate staffing include the following:

- In the Environmental Health Division there appears to be a lack of Environmental Health Specialists to ensure all inspections are conducted as required by environmental health regulations. In addition, the Public Health Educator position has been vacant since late 2013. As a result of this position remaining vacant, the Division has failed to maintain records to ensure staff is appropriately trained and/or certified to provide environmental health services as required by environmental health regulations.
- There were two nurses in the Family Planning Program that were temporarily reassigned to Communicable Disease due to lack of staffing in 2014. To date, those nurses are still working in the Communicable Disease area. There appears to be a misunderstanding in the Department on whether the nurses will be reassigned.
- Two health centers do not have Nursing Supervisors. The Nursing Supervisors are responsible for managing staff at those locations.

The lack of adequate staffing may be due to the FCDHW’s budgetary cuts and inability to find qualified individuals. However, the lack of adequate staffing could impact the quality of health services and programs provided as the needs of the County continue to rise.

Recommendation

Management of the FCDHW should assess the staffing levels and productivity for all FCDHW programs and services to assist with determining needs and making hiring decisions. In addition, management of FCDHW should ensure efforts are taken to allocate staff and resources appropriately to guarantee efficient and effective health services and operations for the citizens of Fulton County.

Finding 17 – Inadequate Supporting Documentation in BHDD

The Behavioral Health and Developmental Disabilities (BHDD) SOP’s states, “The staff must complete a Superbill daily to capture the number of units served in each program area”. The Administration staff of BHDD collects and reviews Superbills for accuracy. During the audit, we

reviewed the State Funded Services Report that BHDD submits to the State to receive reimbursement for services provided. We selected a sample of five (5) clients that received services during 2014 to trace to the supporting documentation. Based on our review, we noted the following instances where the supporting documentation including the Superbill and attendance logs were not always available and/or complete:

- Superbills were not available for the days we reviewed during 2014; therefore, we were unable to determine if the client was present or absent during those days;
- Appropriate staff signatures were not documented for six (6) separate days on the Superbills during 2014 for one (1) out of five (5) clients sampled. Therefore, we were unable to determine if these Superbills were reviewed and approved by Administrative staff; and
- Two (2) instances in which the Superbill did not agree with the attendance logs. In one (1) instance, the client was documented on the Superbill as present but the attendance log documented the same client as absent. In the other instance, the client was documented on the Superbill as absent while the same client was documented on the attendance log as present.

There appears to be a lack of management oversight and review of attendance logs and Superbills prior to submission. Management of FCDHW was not aware of the missing and unsigned Superbills. Management of FCDHW indicated the Superbills were completed by staff members; however, due to the varying demands of staff they may not always complete them daily. Inaccurate reporting of clients' hours and attendance could result in loss of reimbursable state funds for services rendered by BHDD.

Recommendation

Management of FCDHW should ensure good recordkeeping as it is vital to providing accurate and substantive information. To ensure compliance with policies and procedures, we recommend that an effective recordkeeping system be implemented. In addition, management of FCDHW should strengthen the internal control system to ensure that recorded transactions are valid, properly authorized, complete, properly classified and summarized correctly.

Finding 18– Inaccurate Reporting of State Funded Services

The BHDD's contract with the provider of Community Living Supports (CLS) Services specifies the number of individuals to receive CLS Services from the provider per month either through direct services, or the provision of documented indirect intervention services specifically on behalf of the individual as prescribed in the Individual Service Plan (ISP). The provider shall be paid \$1,460 for Routine Day Services for each individual being served per month. During our review, it was determined that a total of nine (9) clients were provided services by the Developmental Disabilities program during the month of October 2014 for Central, North and South training centers; however, only three (3) clients from South training center were included on documentation provided to the state on the 2014 State Funded Services Report. As a result,

the State reimbursed Fulton County for only three (3) clients for services provided totaling an amount of \$4,380 whereas \$13,140 should have been reimbursed, resulting in a shortage of \$8,760 to be reimbursed to Fulton County.

We also noted during the month of June, for all five (5) clients tested, the State Funded Services Report reflected the incorrect number of days of attendance. This did not impact the amount reimbursed by the state; however, inaccurate reporting was apparent.

There appears to be a lack of management oversight and review of reports prior to submission. Management was not aware of the inaccurate reporting of clients served on the June and October State Funded Services Report. Inaccurate reporting on the number of clients' served resulted in a loss of reimbursable state funds for services rendered.

Recommendation

Management of FCDHW should strengthen the internal control system to ensure that all reporting is accurately conducted. Management of FCDHW should also be certain to provide the necessary oversight and conduct supervisory reviews on a periodic basis.

CONCLUSION

As a result of the comprehensive audit conducted on the FCDHW, we found several areas of concern which related to the following significant findings:

- Lack of separation of duties in the HHS Fiscal Services Division
- Intentional destruction of financial records
- Failure to deposit checks in a timely manner
- Cash receipts not recorded in AMS in a timely manner
- Failure to resolve Medicaid denials
- Lack of proper financial management
- Lack of cash management procedures in the Environmental Health Division
- Ineffective process for billing and collections of Environmental Health fees
- Noncompliance with Food Service Rules and Regulations
- Inefficient process for payment agreements
- Lack of adequate staffing

Management should ensure appropriate corrective actions are taken to strengthen internal controls, increase efficiency, and improve overall operations. Due to the timing of information received from the FCDHW, we were unable to properly review information for some areas. As such, we will continue our efforts to review those areas and/or any corrective actions implemented during a follow-up review.

Please provide a written response to this audit within 30 days. You may email your written response to the County Manager and Brigitte Bailey, Audit Coordinator 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 audit. The distribution of this report is reserved for the executive management of Fulton County and the Board of Commissioners.