



**FULTON
COUNTY**

**FULTON COUNTY, GEORGIA
OFFICE OF THE COUNTY AUDITOR
Treasury Gift Card Audit
July 2, 2024**

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INTRODUCTION

In accordance with the 2024 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, there were a total of 23 requests for gift cards made from the following seven (7) departments that participated in the Treasury Gift Card Program:

Department of External Affairs provides gift cards for the "Fulton - One County United in Service" (F.O.C.U.S) awards and the County Manager Chat & Chew Initiative.

- 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 awards 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, and
 - Heroism

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

- County Manager Chat & Chew Initiative involves the County Manager and Executive team hosting monthly open discussions with employees and supervisors about a variety of topics. The feedback contributes to County-Wide Changes, which ultimately help make Fulton County a great place to work.

Customer Service Division oversees the Customer Service Legend of the Year Award. Each year the Customer Service Division recognizes one employee as the Customer Service Legend of the Year. It was designed to allow County employees, Department Heads, and Elected Officials to nominate employees for recognition when exceptional customer service has been provided. The Customer Service Legend of the Year is announced and recognized during Customer Service Week.

Department of Public Works Water Resources Division provides gift cards for the following events:

- Model Water Tower Competition which requires students to design and build a model water tower. The competition was held at Tom Lowe Atlanta – Fulton County Water Treatment Plant.
- Art Calendar Contest in which 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 art from the contest is featured in the 2024 Water Art Calendar.
- Recycled Art Program Contest in which participants create and submit original artwork by using recycled items.

Department of Human Resource Management hosted the following events below:

- Spades Tournament for skilled players to participate in a single elimination competition. Gift Cards were provided to the winners of the competition.
- Best Hand Walk/Run Race for departments to walk or run to compete for the best hand. Gift Cards were provided to the winners of the competition.

Department of Behavioral Health and Developmental Disabilities received funding to administer the following programs:

- Minority HIV Initiative is a grant-funded program awarded to the Department of Behavioral Health and Developmental Disabilities. Funds are provided through the Substance Abuse and Mental Health Services Administration. The purpose of the program is to increase engagement in care for racial and ethnic minority individuals with substance use disorders (SUD) and/or co-occurring substance use and mental health disorders (COD) who are at risk for HIV or are HIV positive and receive HIS services/treatment. The gift cards were used as incentives to encourage program participants to remain active in the program and complete the follow-up incentives needed to meet grant goals and deliverables.
- Advancing Health Literacy Program is a grant-funded program by the Office of Minority Health Department of Health and Human Services, Office of the Secretary. The goals of the grant include the implementation of evidence-based, culturally tailored health literacy strategies to enhance the rates of COVID-19 testing, contact tracing, mitigation measures, and vaccine confidence and cross-cutting urgency of behavioral health literacy and access to related services among racial and ethnic minority populations and other socially vulnerable populations. The purpose of the gift cards purchased was to incentivize

participation during Commissioner events sponsored by the department and to promote COVID 19 screening and other socially vulnerable populations.

Office of the County Manager Project Card Initiative is a partnership between Morehouse School of Medicine and Fulton County Government. This market analysis looks at gaps in services across the County that help identify needs in healthcare based on the social determinants of health. Gift Cards were used as incentives for focus group participants.

Fulton County Housing and Community Development utilized gift cards for Point In Time Count (PITC), which is a HUD required activity to count homeless individuals in the GA-502 Continuum of Care jurisdiction on a single day in January. The gift cards were distributed to volunteers with homeless experiences to assist with the PITC.

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, 2023, through December 31, 2023.

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.

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 Office of 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 the Gift Card Inventory Log;
- 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 Over Gift Card Log

According to the Treasury Gift Card Procedures, “The Gift cards will immediately be inventoried in by an authorized individual. They will be responsible for counting the cards to confirm the receipt of all cards included in the order against the gift card log included with the order. The gift card log will be reviewed periodically under dual control to ensure accuracy. “

During our review, we determined the following inaccuracies:

- Three (3) instances where gift cards were ordered by the Office of Treasury, but the order quantity documented on the gift card log was inaccurate
- One (1) instance where gift cards were ordered by the Office of Treasury, not documented on the gift card log
- One (1) instance where gift cards were returned to the Office of Treasury by a department but not documented on the gift card log
- One (1) instance where gift cards were requested by a department but were not documented on the gift card log

Management informed us that the gift card log was not being reviewed, which resulted in these inaccuracies. An accurate gift card log is essential and provides a tracking system for each gift card ordered and distributed. Failure to maintain an accurate gift card log may result in inaccurate record-keeping, the inability to track gift cards, unauthorized purchases, and violation of gift card procedures.

Recommendation

We recommend the Office of Treasury maintain a detailed gift card log. Additionally, ensure reviews are performed on gift card logs for accuracy, consistency, and completion to mitigate the risk of errors and fraud.

Finding 2 – Failure to Obtain Approval on Gift Card Request Form

According to the Treasury Gift Card Procedures, “The Gift Card Request Form must be filled out with a detailed description of the program purpose as well as signatures of the department head or his/her designee. Treasury will review the Gift Card Request Form for proper signatures.”

During our review, we found the following:

- One (1) out of fourteen (14) gift card request forms reviewed, did not have a signature from the department head.

Per discussion with the Office of Treasury, this was an oversight due to the timeliness of the gift card request. Failure to ensure proper signature or proper documentation may lead to fraudulent and unauthorized requests.

Recommendation

We recommend the Office of Treasury ensure gift card request forms are reviewed for proper authorization by the department head prior to ordering gift cards. This will ensure the requesting departments have provided the required approval and authorized consent for gift cards.

CONCLUSION

Based on the audit performed, we identified the following two (2) findings that require the immediate attention of management:

- Lack of Management Review Over Gift Card Log
- Failure to Obtain Approval on Gift Card Request Form

Management should continue to ensure that appropriate corrective actions are taken to strengthen the internal controls and improve the operations of the Treasury Gift Card Program.

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 to Shauna Herbert, Audit Manager, in the Office of the County Auditor at shauna.herbert@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.