



Clayton County Internal Audit Department



Clayton County Juvenile Court
CASA GAL Program
Cash Controls Audit
Final Report

May 2013

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INTRODUCTION

In response to a request from Chief Juvenile Court Judge Steve Teske and a directive from Chairman Turner we have conducted an audit of the Friends of Clayton County CASA accounts. The focus of the audit was an in-depth review of the overall custodial management of the CASA Guardian Ad Litem account.

STATEMENT OF OBJECTIVES

Our objective in conducting the audit of the CASA (Court Appointed Special Advocate) program funds account was to evaluate the internal controls and procedures for receipting and disbursement. We also focused on whether or not the funds are used in accordance with the established Friends of Clayton County CASA (FCCC) By-Laws and Memorandum of Understanding between the Chief Judge of Juvenile Court and the Chief Judge of Superior Court in Clayton County.

STATEMENT OF SCOPE AND METHODOLOGY

To address the audit objectives and as part of our assessment of risk we:

- Reviewed the CASA Memorandum of Understanding (MOU) and By-Laws of Friends of Clayton County CASA, Inc. to get a clear understanding of the policies associated with the funds.
- Reviewed bank statements, receipts, and reimbursement documents related to the CASA funds.
- Interviewed management and staff including the following: Child Welfare Services Coordinator (also referred to as Staff Liaison or Program Coordinator), CASA Special Assistant for Judicial Investigations, CASA Volunteer Training Supervisor, and the Ambassadors Behind CASA (ABC) Board Chairperson.

STATEMENT OF AUDITING STANDARDS

The audit was conducted in accordance with *Generally Accepted Government Auditing Standards* and according to the *Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors. Those standards require that we plan and execute the audit to obtain sufficient and appropriate evidence in order to provide a reasonable basis for our findings and conclusions based on the audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

BACKGROUND

The Clayton County CASA program was designed to provide advocacy and intervention to abused and neglected children in foster care and relative care custody, as well as,

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Guardian Ad Litem services to children involved in custody disputes. The Clayton County CASA program serves as a division of the Clayton County Juvenile Court; however, the GAL program advocates for children under a court order from Superior Court.

Under Juvenile Court, this CASA GAL program is given the authority to supervise the recruitment, training, retention, and ongoing support for the CASA volunteers.

The Friends of Clayton County CASA, Inc. (FCCC) is designated by the State of Georgia as a non-profit corporation. There are three bank accounts associated with CASA: Friends of Clayton County CASA, Inc., Friends of Clayton County CASA, Inc. DBA Guardian Ad Litem, and Ambassadors Behind CASA. All three accounts are established through Heritage Bank and used for the purposes of managing donations and transactions related to CASA activities. All three accounts were reviewed; however, the focus of the audit was primarily with the Guardian Ad Litem account. This account collects administrative fees of \$500 per case, as ordered by Clayton County Superior Court. We reviewed transactions from February 2011 to April 2013.

OBSERVATIONS AND RECOMMENDATIONS

As part of this audit we conducted an overall risk assessment of how the CASA GAL funds are utilized. We assessed the current processes with internal control, accountability, oversight and risk in mind. Areas of concern and recommendations are as follows:

Clayton County CASA programs currently have no written policies and procedures regarding specific details of how the funds should be maintained. There are also no specifics on what is acceptable under the categories of volunteer recruitment, training, and retention.

We recommend implementation of a detailed SOP (Standard Operating Procedure) for internal cash controls immediately. All CASA employees should have a copy and/or have access and knowledge of all policies and procedures pertaining to these accounts. The (SOP) manual should include detailed instructions on receipting payments, deposits, cash custodians, separation of duties, disbursements/expenditures, and safeguarding of assets. The SOP should also list categorized details about what expenditures are acceptable for the program. In order to lower risk; controls must be established and strictly enforced.

The Child Welfare Services Coordinator is the primary custodian of the GAL account. The Coordinator processes payments, reimbursements, writes checks, and makes

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deposits. If the Coordinator is not available to process GAL administrative fee payments, any of the nine CASA employees may process payments for the GAL account. The employees will hold the payments at their desk until they are able to give them to the Coordinator for deposit. Once the Coordinator receives payments, the funds are kept in a locked drawer inside of a locked office until deposited. There is no safe in the area.

We recommend that all GAL administrative fees be paid/received through the office of the Clerk of Juvenile Court. This will minimize the number of employees processing transactions, provide a central location for receiving payments, and minimize risk associated with cash controls.

Also, the Child Welfare Services Coordinator's activity with the funds is a direct violation of separation of duties. Ideally, there should be one or a limited number of employees who are authorized to process disbursements, separated by a person designated to make deposits.

The Child Welfare Services Coordinator has discretionary spending authority over the GAL account. All GAL administrative fee payments must be paid to Friends of Clayton County CASA, Inc. in the care of the Coordinator's name. Expenditures from the GAL account over \$500 must include two signatures which may also include one of the CASA Advisory Board members. The Coordinator also has two debit/credit cards imprinted with his name: one each for the Friends of Clayton County CASA, Inc. and Friends of Clayton County CASA DBA Guardian Ad Litem accounts.

According to the Advisory Board Chairperson, most fund expenses and anticipated expenses should be discussed at the board meetings. Our review of the GAL bank statements leads us to believe that there is very little oversight concerning the day-to-day and weekly expenditures made from the account.

We recommend the initiation of monthly reports which list the details of the expenditures and how they align with the mission of funding volunteer recruitment, training, and retention.

Although the Child Welfare Services Coordinator serves as liaison between the CASA program and the Courts, it is not best practice for one person to have the sole authority over Court ordered fees without any oversight.

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Guardian Ad Litem – Bank Statement Transactions

According to the bank statements available for review at the time of the audit, the total amount of administrative fees which have been deposited into the GAL account from February 2011 to April 2013 is \$14,853.28. The total amount of funds expended during this same period was \$12,294.17. The following chart includes the type of expenses incurred:

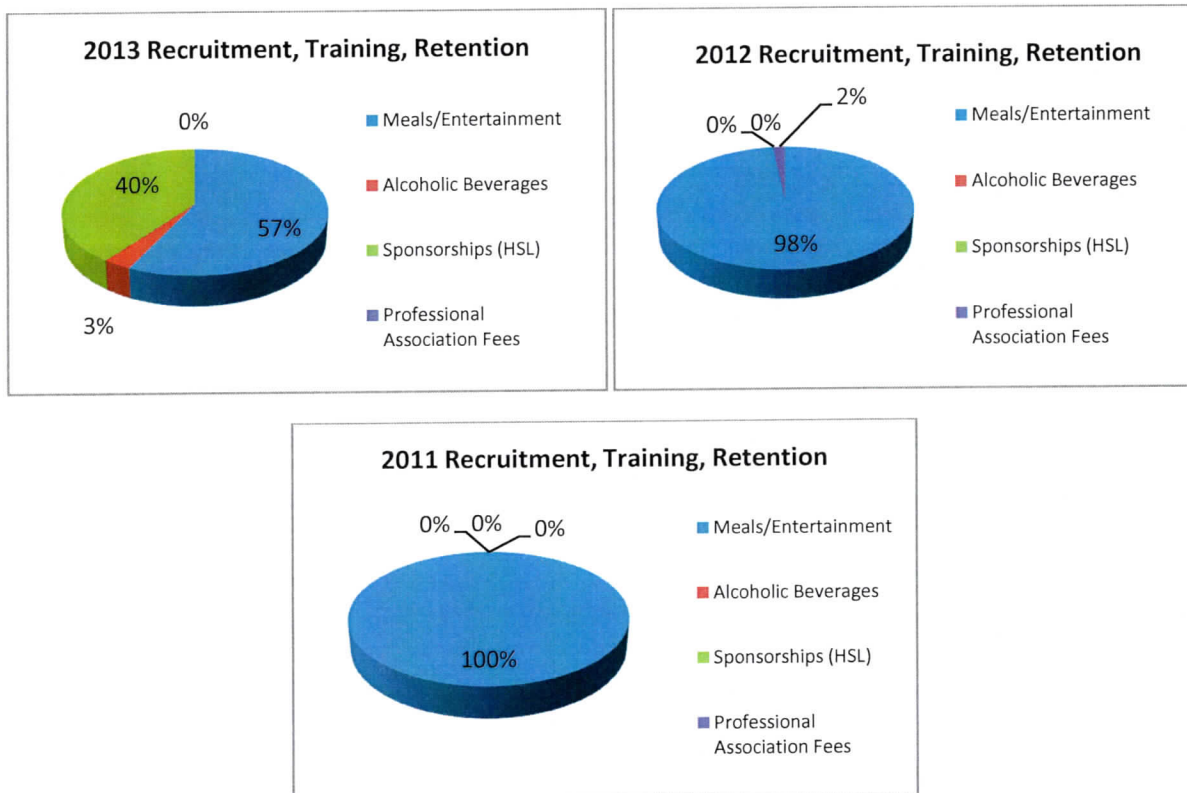
Expenses	Jan – Apr 2013		2012		2011		Totals
CASA Events	\$ 0.00	0%	\$ 214.05	5%	\$ 739.79	14%	\$ 953.84
Staff/Volunteer Reimbursement	\$ 582.43	22%	\$ 1,412.28	33%	\$ 339.72	6%	\$ 2,334.43
Recruitment, Training, Retention	\$ 1,026.22	38%	\$ 576.16	14%	\$ 1,893.10	35%	\$ 3,495.48
Miscellaneous	\$ 1,082.74	40%	\$ 2,046.76	48%	\$ 2,380.92	44%	\$ 5,510.42
Total Expenses Per Year	\$ 2,691.39		\$4,249.25		\$5,353.53		\$12,294.17
Deposits	\$3,000.00		\$4,322.28		\$7,531.00		\$14,853.28

*Note: Bank Statements not available for review: Jan 2011, May-July 2012, September-October 2012

- CASA Events – food and coat drives, DFCS Appreciation, caseload event, Braves tickets.
- Staff/Volunteer Reimbursement – travel, sponsor meetings, notary certification.
- Recruitment, Training, Retention – entertainment, meals for staff meetings and volunteers, alcohol, sponsorships, professional association fees.
- Miscellaneous – retail store purchases (Ikea, Dollar General, Best Buy, Lowe's, Home Depot), gas station, car wash, Marriott Hotel charges.
- Dollar amounts from missing bank statements are excluded from the chart. Missing bank statements give way to for speculation of impropriety. Lack of an audit trail should be considered a red flag to management. If the bank statements become available at a later date, we will be willing to audit the information at management's request.

The category of Recruitment, Training, and Retention include various CASA related lunch and dinner meetings at restaurants and bars. The following pie charts compare approximate percentages of these charges as related to meals, alcohol, and training.

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Many of the audited receipts were for restaurants and bars; many of which were located outside the Clayton County area. The auditors found that details of the disbursements were missing from many of the actual transactions. Also, there was evidence of GAL funds being expensed on alcoholic beverages at restaurants, bars, and package stores.

We recommend that the GAL account be reconciled on a monthly basis to ensure that adequate checks and balances are in place to prevent any misuse of funds. Strict guidelines regarding meals and entertainment should be initiated and enforced by all managing parties; especially disbursements concerning alcohol.

The GAL bank statement dated February 2012 included a payment to Birch Communications for monthly phone expenses at the CASA office. When reviewing the FCCC account, it was common to see this expenditure paid from the FCCC account.

We recommend payments for office communications expenses are not paid from the GAL account. It does not align with the mission of volunteer recruitment, training, and retention.

On the bank statement dated January 2013, a \$500 donation for an ABC Christmas Luncheon was deposited into the GAL account. On the same statement, the Child

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Welfare Services Coordinator wrote himself a reimbursement check for the same luncheon for \$428.41. There was no documentation or receipts provided to support the reimbursement. It is our understanding that sponsors are secured for donations and all donations should be deposited into either the FCCC or ABC account.

The GAL bank statement dated April 2013 included another check written by the Child Welfare Services Coordinator to himself in the amount of \$82.57 for reimbursement for an AT&T sponsor dinner meeting. There was no documentation or receipts provided to support the reimbursement.

The March 2013 GAL bank statement included charges for several sponsor meetings at various restaurants. According to the Articles of Incorporation for the FCCC non-profit designation, the FCCC will increase public awareness of the program, recruit volunteers and raise funds.

All donations made to CASA must be deposited into the Friends of Clayton County CASA, Inc. account or ABC account. Court ordered administrative fees are the only funds that should be deposited into the GAL account.

At no point should a cash custodian write himself/herself a reimbursement check. There should be another person authorized to approve such expenses and disburse checks as long as sufficient documentation is provided. This is another example of a violation of separation duties.

The Child Welfare Services Coordinator has sponsored an adult softball team, of which he is a member of, using funds from the CASA GAL account. The softball team is part of the Hotlanta Softball League (HSL) out of the city of Atlanta. The Coordinator stated that he had spoken to two advisory board members and received authorization and support for this expenditure. According to the Coordinator, the purpose of the sponsorship is to raise awareness to the CASA program. Part of the expenses incurred with this sponsorship included a reception held in Birmingham, Alabama, that was paid for out of the GAL funds.

It is our opinion that sports league sponsorships do not fall within the current intentions of the GAL account. However, if the Chief Judges decide this type of expenditure to be acceptable, details should be included in the MOU.

We recommend that any CASA sponsored sports leagues be based in Clayton County to increase awareness and recruit volunteers in the immediate area. We also recommend the SOP require official

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written requests and authorization for all sponsorships and strict guidelines of acceptable expenditures in this area.

CONCLUSION

The accounting controls concerning the CASA program funds are relatively non-existent, lack structure, and leave room for inconsistencies surrounding the cash reporting and documentation process. Lack of oversight to these accounts, particularly the Guardian Ad Litem account, will increase risk and could result in loss of credibility to a program that has an outstanding reputation across Clayton County and the State.