



**FULTON
COUNTY**

**FULTON COUNTY, GEORGIA
OFFICE OF THE COUNTY AUDITOR
HAMMONDS HOUSE MUSEUM AUDIT
May 26, 2026**

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INTRODUCTION

The Office of the County Auditor conducted an audit of the Hammonds House Museum, Inc., contract at the request of the County Manager.

BACKGROUND

The Fulton County Arts Council and the Fulton County Department of Arts and Culture (FCDAC) serve as the primary funding and service agencies for nonprofit arts organizations and residents in Fulton County. FCDAC generally oversees the development and implementation of publicly assisted programs that address the diverse cultural needs of Fulton County citizens, while supporting cultural programming and promoting equitable access to arts and culture.

FCDAC currently has five Legacy Partners that receive annual funding to provide cultural and educational programming to its citizens. The Hammonds House Museum is one of the Legacy Partners providing arts and cultural programming, with a mission “to preserve, exhibit, interpret, and increase public awareness of the contributions that visual artists of African descent have made to world culture”. The museum was established in 1988 following the death of Dr. Otis. T. Hammonds. After his passing, Dr. Hammonds’ home, along with his art collection, was acquired by Fulton County to establish a museum in his honor and to preserve the artwork of African American artists, including works dating back to the mid-19th century. Although the home is owned by Fulton County, the daily operations and programming are managed by the Hammonds House Museum Inc., a non-profit organization.

Funding is awarded through an annual contract approved by the Board of Commissioners. The contract with Hammonds House Museum, Inc. (HHM), supports the delivery of scheduled arts programming, exhibitions, and educational services for the benefit of Fulton County citizens and visitors. Additionally, the contract sets expectations for program administration and defines measures for evaluation and reporting.

The Office of the County Auditor was tasked with verifying that contract deliverables were fulfilled and that artwork was properly tracked and safeguarded.

OBJECTIVE

The objective of the audit was to evaluate whether the Hammonds House Museum, Inc., fulfilled the primary deliverables outlined in the contract. Additionally, to determine whether assets are being tracked and properly safeguarded.

SCOPE

The scope of this audit was from January 1, 2025, through December 31, 2025.

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 performed the following procedures:

- Reviewed the 2025 contract between Fulton County and HHM.
- Conducted interviews with key personnel within FCDAC and the HHM.
- Obtained an understanding of the processes overseeing the contract.
- Requested policies and procedures.
- Obtained the 2024 financial statements of HHM.
- Obtained the final 2025 Annual Program Report
- Reviewed supporting documentation to ensure the submittal of required deliverables.
- Obtained an understanding of internal controls implemented for the storage and public display of art at the museum.
- Obtained and reviewed the 2006 art appraisal list.
- Obtained and reviewed the 2022 Inventory List.
- Observed the physical inventory of artwork located at the Hammonds House Museum (noting location, identifying numbers, and condition)
- Sampled a total of one hundred eighty-six (186) pieces of art, to include paintings, sculptures, and furniture.

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

FINDINGS AND RECOMMENDATIONS

Finding 1 – Insufficient Documentation of Scheduled Arts and Cultural Programming

Pursuant to the contract, HHM “agreed to provide arts and cultural services on a scheduled basis during regular hours for the benefit of the general public”. HHM disclosed in a final report at the end of the award cycle that a total of twenty (20) activities or events were presented during 2025.

However, HHM was unable to provide sufficient programming documentation, advertisement, or attendance records for these activities. During our audit, we located a small number of advertisements on a ticketing and event marketing platform, although attendance could not be verified. This appears to be a result of inadequate record keeping and a lack of formal policies and procedures. Failure to provide adequate documentation for programming limits the ability to verify services provided in accordance with contract requirements and reduces transparency and accountability in the use of County funds.

Recommendation

We recommend that FCDAC strengthen oversight over the HHM by establishing monitoring controls to ensure regular review of program documentation and delivery. Additionally, to enforce appropriate consequences for noncompliance with contract requirements.

Finding 2 – Lack of Documentation for Operating Hours and On-Site Supervision

The contract requires HHM to manage the day-to-day operations of the museum and to maintain a minimum of thirty (30) operating hours per week, with a responsible person on-site during operating hours. HHM was unable to provide documentation to support that the museum consistently operated at least thirty (30) hours a week. During the audit, the public website showed operating hours of ten (10) hours per week. According to HHM leadership, a decision was made to lay off most of the staff and reduce operating hours due to financial concerns. Failure to maintain operating records, staff schedules, or maintain required operating hours reduces operational oversight, interferes with program delivery, and results in noncompliance with the contract.

Recommendation

We recommend that FCDAC require HHM to maintain records supporting operating hours and staff coverage, such as staff schedules and timesheets, to verify contract compliance and enforce consequences for noncompliance.

Finding 3 – Failure to Provide Monthly Reporting

As noted in the contract, HHM is required to submit monthly reports to FCDAC by the 10th of each month, including the following:

- Attendance for each arts and culture program or event held during 2025
- The number of art instructors, program volunteers, and total volunteer hours supporting arts and cultural programming for the prior month.

- Detailed information on program progress and services provided

Based on our review of the information received and discussions with both HHM and FCDAC, HHM did not submit the required reporting. We note that a final annual report was submitted; however, no monthly reporting was received. This appears to be due to a lack of internal controls and administrative processes for the timely submission of reports by HHM. Additionally, a lack of oversight and enforcement of contract requirements by FCDAC. Failure to provide monthly program information limits the County's ability to effectively monitor program performance, track service delivery, and assess program reach and community impact.

Recommendation

We recommend that FCDAC provide additional oversight of HHM to ensure policies and procedures are established, along with internal controls to ensure the timely preparation and submittal of monthly reporting. Additionally, FDAC should strengthen monitoring of report submissions and follow up on missing or late reports and enforce consequences for noncompliance.

Finding 4 – Failure to Provide Required Contractual Documents

Pursuant to the contract, HHM agreed to provide the following operational and governance documentation:

- A. Work plan, including program service goals and objectives
- B. Schedule of 2025 programs and special events
- C. Year-end financial statements
- D. Certificate of Insurance
- E. Proof of 501(C)(3) status
- F. Most recent Board Meeting Minutes, active Board Members, and registered agent

During our review of submitted documentation, we noted that HHM did not provide the following items:

- A. Work plan
- B. Certificate of Insurance
- F. Most recent board meeting minutes, active board members, and registered agent

FCDAC informed us that follow-up is performed when documentation is not received from Legacy Partners. However, these omissions result from a lack of internal controls over the preparation, review, and timely submission of documents. Furthermore, there is insufficient contract oversight to ensure required documents are submitted on time and are complete. Failure to provide the

required contractual documents noted above limits FCDAC’s ability to timely evaluate program activities, community needs, and organizational oversight.

Recommendation

We recommend that FCDAC implement procedures to track required deliverables and strengthen internal controls over contract oversight to ensure all required documents are submitted on time. We also recommend that the department establish clear consequences for contract noncompliance.

Finding 5 – Insufficient Financial Records

In accordance with the contract, FCDAC shall at all reasonable times have access to the pertinent offices, books, and records of HHM for inspection of the activities performed and expenses incurred under the contract. Additionally, HHM shall maintain accounts and records, including personal property and financial records, sufficient to identify all contract-related costs and support proper accounting of funds.

We inquired with HHM leadership regarding financial reporting and supporting documentation. The following were noted:

1. HHM provided the 2024 Audited Financial Statements and the 2025 unaudited balance sheet and profit and loss statements.
2. When asked to provide supporting documentation for the financial records, HHM indicated financial reporting concerns and challenges due to the following:
 - A prior vacancy in the accountant position prior to a new accountant being hired.
 - Difficulties obtaining access to the accounting system; and
 - The absence of bank reconciliations.

During the audit, we were notified that the Board Chairperson had stepped down and the newly hired accountant had resigned. Failure to maintain access to financial information, including supporting documentation, limits financial oversight, reduces reliability, and increases the risk of errors and fraud.

Recommendation

We recommend that HHM implement adequate financial management controls to ensure continuous access to financial systems and to mitigate disruptions caused by staff turnover. We further recommend that FCDAC strengthen oversight of financial reporting deliverables and routinely review submitted reports and supporting documents to ensure compliance with contract requirements and to identify financial concerns.

Finding 6 – Lack of Ownership Identification for Art Inventory

In accordance with best practices, museum inventory records should be accurately tracked, labeled, and documented to clearly identify ownership, with periodic audits performed to ensure assets are properly accounted for and safeguarded. During the inventory observation, the ownership status of a significant number of artworks in the sample could not be determined. Available records and labeling did not clearly distinguish between pieces owned by Fulton County and those owned by the museum. This appears to result from the lack of a formal inventory management system.

HHM leadership expressed concerns with the management of the artwork and was unaware of any inventory listing. FCDAC conducted an assessment of the artworks' condition in 2022 and an appraisal in 2006, although an inventory control framework had not been established. Failure to manage and track inventory reduces accountability for the art collection, increases the risk of misclassifying ownership, and results in inefficient inventory verification.

Recommendation

We recommend implementing an inventory collection management system (CMS) to ensure artwork is accurately recorded, clearly identifies ownership status, consistently labeled, and linked to supporting documentation. Additionally, conduct periodic inventory verification procedures to ensure accuracy and completion.

Finding 7 – Inadequate Art Storage

According to the American Alliance of Museums and the American Institute of Conservation, artwork should be stored in secure, clean, and environmentally controlled conditions with monitoring of temperature and humidity to prevent deterioration. Organizations should also safeguard assets from damage or loss. Additionally, any assets purchased with County funds must be properly safeguarded.

During the inventory observation, we noted that art pieces, not on public display, are stored in a closet using shelving units referred to as “bins”. This shelving arrangement does not prevent pieces from resting on or near the floor, which puts them at risk for potential flooding, dirt, and pest damage. Additionally, the area lacks climate monitoring, and there was no evidence of temperature or humidity tracking. This appears to be a result of inadequate storage and monitoring procedures. Failure to adequately store artwork increases the risk of physical damage, deterioration, and restoration costs.

Recommendation

We recommend updating the shelving system to ensure all artwork is properly elevated off the floor. Additionally, we recommend installing a climate monitoring device that will display temperature and humidity. Furthermore, establish ongoing monitoring and corrective actions when conditions fall outside acceptable ranges.

CONCLUSION

Based on the audit performed, HHM did not comply with certain requirements outlined in the 2025 contract. However, the artwork appears to be intact and generally safeguarded. Strengthened oversight by FCDAC and regular monitoring of HHM are necessary to ensure HHM compliance with contractual requirements. Our audit of HHM identified the following seven (7) findings that require the attention of management:

- Insufficient Documentation of Scheduled Arts and Cultural Programming
- Lack of Documentation for Operating Hours and On-Site Supervision
- Failure to Provide Monthly Reporting
- Failure to Provide Required Contractual Documents
- Insufficient Financial Records
- Lack of Ownership Identification for Art Inventory
- Inadequate Art Storage

Please provide a written response to this audit within ten (10) business days. Please address the written response to Anthony Nicks, County Auditor, in memorandum format. 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.