



CITY OF ATLANTA

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**AUDIT COMMITTEE**  
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*Daniel Ebersole*  
*Danielle Hampton*  
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October 5, 2020

Honorable Mayor, City Council President, and members of the City Council:

We are pleased to provide you a summary of the City Auditor's Office fiscal year 2021 annual audit schedule. Section 2-603 (2) of the Atlanta City Charter requires the city auditor to submit at the beginning of each fiscal year an annual schedule to the Audit Committee for review and comment. The attached tables list work currently in progress and audits we plan to begin in fiscal year 2021.

The schedule reflects shifts in last year's plan to accommodate City Council requests, new requests, and potential risks identified through previous performance and financial audits. The Audit Committee selected audit topics considered highest priority. Under the charter, the Audit Committee or the city auditor may amend this schedule if, in our judgment, changes are needed. We recognize that uncertainty in the current environment could affect the timing of different audits or the nature of work performed.

We or the city auditor, Amanda Noble, would be happy to answer questions about the schedule. Thank you for your continued support of the Audit Committee and the city's independent audit function.

Sincerely,

Marion Cameron, Chair  
City of Atlanta Audit Committee

Attachment

Distribution (via e-mail):  
Cabinet members  
Deputy Commissioners

Judicial agency heads  
Ethics Office  
Citizen Review Board  
City Council staff  
City Auditor's Office staff  
Audit Committee members

## Audits in Progress

Audit Topic	Reason for Audit	Planned Draft to Management
DWM Engineering Services Contract Management	This is the first in a series of contract management audits in operating departments using the criteria developed through our work on the Renew Atlanta Bond Program. The Department of Watershed Management's Engineering Services is responsible for managing the department's capital improvement program, including design and construction projects to comply with the city's consent decree. The audit will review controls to administer contracts and test whether controls were followed.	Early November 2020
Office of Contract Compliance	The City Council expressed interest in a performance audit of the Office of Contract Compliance to assess its ability to achieve diversity goals in the city's equal business opportunity program. The office is responsible for ensuring that minority and women-owned small businesses and disadvantaged businesses participate in the city's contract projects as well as monitoring compliance with the diversity goals. This audit will focus on assessing controls in the certification process and contract monitoring.	Mid November 2020
Controls over CARES ACT Spending/FEMA Reimbursement	Because of COVID-19 pandemic/emergency, the city received \$88.4 million in federal funding from the CARES Act and is potentially eligible for FEMA reimbursement for qualifying expenses. The audit will evaluate the controls established to ensure that funds are spent in conformance with applicable laws and regulations.	Late November 2020
Forensic Review Former CFO Transactions (contract)	Following media accounts of improper payments made by the city's former chief financial officer, City Council President Moore requested a forensic review of high risk transactions to identify specific overriding actions performed or weaknesses in existing internal controls that allowed the actions to occur. We have contracted with Windham Brannon to perform this work.	Mid-December 2020
APD Hiring	Our audit of city hiring processes excluded public safety because the processes followed are different. Recent civic unrest has highlighted what media articles term a crisis in police hiring and retention across the country. The audit will review best practices and assess congruence between the Atlanta Police Department's hiring processes/strategies and mission.	Mid-December 2020
Liquor Licenses and Enforcement	The city regulates the sale or consumption of alcoholic beverages on premises. Regulatory activities pose inherent risk. The audit will review controls to ensure a fair and consistent licensing process and enforcement.	Mid-February 2021

## Additional Audits Planned to Start in FY21

Audit Topic	Reason for Audit	Planned Start
IT Security	The city has strengthened its IT security practices since the March 2018 Ransomware attack. AIM (Atlanta Information Management) has decided to follow the NIST (National Institute of Standards and Technology) Cybersecurity Framework—a compilation of voluntary standards, guidelines, and best practices to manage cybersecurity-related risks. The audit will test selected control activities to assess whether they are working as intended.	November 2020
Set up continuous audit	Continuous auditing leverages technology to test controls and to identify potential red flags in transactions as, or soon after, they occur. We will work with AIM, the Department of Finance, and other stakeholders to identify high-risk transactions to develop a continuous audit program.	November 2020
Solid Waste	The City Council's City Utilities Committee requested an audit of solid waste fees and services. The city increased solid waste fees in April 2019 with a goal of better aligning fees to services. Services include curbside collection of garbage, recycling and yard trimmings, bulk collection, street sweeping, mowing public rights-of way and emptying public trash receptacles. The audit will assess services levels, staffing, equipment, and management.	December 2020
Aviation Maintenance	The Department of Aviation Office of Operations, Maintenance & Transportation is responsible for operations and maintenance of the airport. Previous work and hotline complaints have identified concerns about deployment of staff and equipment. The audit will review policies and practices used to schedule staff, to ensure credentials are up-to-date, and to safeguard equipment and inventory.	December 2020
Business License Administration	A license is required to operate a business within the city. Applicants submit an application and required documentation to the Department of Finance's Office of Revenue along with two separate payments for registration and zoning review fees. Some types of businesses require additional regulatory permits or approvals before a license may be granted. Business licenses expire December 31st of each year. Businesses are required to renew their licenses online; the city does not send renewal notifications. Some small business owners have complained about the process. The office is also implementing a new computer system to replace its Business License Information System. The audit will assess policies, procedures, and practices to ensure controls are in place to administer the process fairly and in conformance with applicable city code provisions.	February 2021

<b>Audit Topic</b>	<b>Reason for Audit</b>	<b>Planned Start</b>
Enforcement of Building/Zoning Code Violations	City councilmembers have expressed concern about enforcement efforts in the Department of City Planning's Office of Buildings and Office of Zoning Development. These offices enforce the city's building and zoning codes. The audit will assess enforcement procedures compared with industry best practices.	March 2021
Recreation Fees	The Office of Recreation provides recreation services and programs for all citizens with a goal of affordability. City Councilmembers shared constituent concerns that fees were not assessed equitably. The audit will evaluate whether fees are assessed consistently.	April 2021
Street Lighting	Street lighting improves safety for drivers, riders, and pedestrians. The Atlanta Department of Transportation oversees and maintains the city's street lights. The city leases lights on wooden poles from Georgia Power. The audit will assess operations, maintenance, and costs compared with industry best practices.	Deferred to FY22
Scooter Enforcement	Cities across the country are focusing on how to best regulate e-scooters. A recent NACTO (National Association of City Transportation Officials) publication found that 38.5 million trips were taken on shared e-scooters in 2018, requiring cities to establish new oversight tools, metrics, and practices to ensure safety of riders, drivers, and pedestrians in the public right-of-way. The audit will review Atlanta's regulatory framework compared to industry best practices and assess enforcement efforts to-date.	Deferred to FY22
Animal Control	A city councilmember requested we review the city's Intergovernmental Agreement with Fulton County to provide animal control services. The city paid \$5.8 million to Fulton County Government Animal Services between January 2017 and July 2020.	TBD