



City of Atlanta

CITY AUDITOR'S OFFICE

AUDIT COMMITTEE MEETING

MINUTES

Thursday, February 2, 2023,

9:00 A.M.

Atlanta City Council
Council Committee Room 2

Call to Order

The regularly scheduled meeting of the **Audit Committee** was held on **Thursday, February 2, 2023**, at **9:05 a.m.** by Mrs. Danielle Hampton, Chair. The following members were present:

Roll call/Introduction of Members:

Attendees	Status
Danielle Hampton, Chair	Present
Daniel Ebersole, Vice Chair	Present
Don Penovi	Present
Dargan Burns III	Absent

Others in Attendance:

Auditor's Office: Amanda Noble, City Auditor, Stephanie Jackson, Deputy City Auditor, Micheal Jones, Duane Braithwaite, Myra Hagley, Princess Jones, Anijarae Dade

Finance: Yolanda Carr, Deputy Chief Financial Officer, Chukwufumnanya Johnson, Controller

Mauldin & Jenkins: Doug Moses, Partner, James Bence, Alison Wester, Josh Carroll, Will Derziz

Adopt Agenda

Mrs. Hampton moved to accept the agenda. Motion was seconded by Mr. Ebersole and unanimously approved as presented

Approve Minutes from December 15th Meeting

Mr. Penovi moved to approve the minutes of the last meeting. Motion was seconded by Mrs. Hampton and unanimously approved as presented and the motion passed unanimously.

Financial Audit Update

Mr. Doug Moses presented the results of the FY2022 financial audit conducted by Mauldin & Jenkins

- The auditors issued unmodified opinions on the basic financial statements and for separate financial statements issued for the departments of Aviation and Watershed Management

- Five material weakness (1 general, 1 watershed, 1 aviation, 2 pension):
 - General Government material weakness related to year end closeout procedures and required audit adjustments in several areas:
 - OPEB
 - Grants reporting
 - Accrued interest payable
 - Property tax revenues (TAD Funds)
 - Aviation material weakness related to year end closeout procedures and required audit adjustments for unearned revenues
 - Watershed Management material weakness related to year end closeout procedures and required audit adjustments for accrued Interest and a retainage payment
 - Pension Plan Census Data
 - Pension Plan Benefit Payments
- Mauldin & Jenkins made several recommendations for improvement:
 - **Capital Assets – Project Tracking** Mauldin & Jenkins recommend that the City review the CIP Project status during financial closeout and again during review of the ACFR presentation to ensure completeness and accuracy for financial reporting.
 - **Accrued Vacation – Medicare Tax Liability** – Mauldin & Jenkins recommend that the City should include this liability, for which they would be responsible to pay at the employees’ termination, as the expense is matched with the service period.
 - **Landfill Post-Closure Liability** -Mauldin & Jenkins recommend that the City obtain current and up to date post closure care plans from a specialist, which should allow for a more accurate estimate of the City’s current landfill post closure care costs and future years.
 - **ARPA Grant Funding** - Mauldin & Jenkins recommend that the City establish a special revenue fund specific and limited to solely ARPA funding per state requirements.
 - **Governmental Fund Budgets** – Mauldin & Jenkins recommend that the City adopt annual budgets for these funds each fiscal year/
 - **DWM A/R**- Mauldin & Jenkins noted an account labeled “A/R Harbor Online” during the testing of Accounts Receivable. The balance represents online customer payments that are reported as a receipt in the billing software but have not yet been deposited in into the departments bank account or applied to the customer account. Mauldin & Jenkins recommend the Department report these balances as cash (deposit in transit)
- City implemented GASB 87 dealing with leases
- Single Audit on schedule to be completed March 31st

Performance Audits for Review and Approval

Ms. Noble provided a brief overview of *In Rem Process* audit. Mr. Ebersole moved approval and Mr. Penovi seconded the motion. Mrs. Hampton recused herself from the discussion because her spouse works for the Atlanta Police Department, which manages code enforcement. Approval is on hold due to Mr. Dargan’s absence. The committee therefore lacked a quorum to move ahead on this item.

Ms. Noble provided a brief overview of the *Municipal Market* audit. Mr. Penovi moved to approve the audit for release; Mr. Ebersole seconded the motion, and it was passed unanimously.

Status of Current Projects

Ms. Noble presented the status of current projects to the Committee. OCC is still pending in ELMS and is expected to go to full Council the upcoming Monday. The Plane Train Contract is ready for technical

review. Grants Management is currently being prepared for technical review. Landscape Maintenance, Water Billing and Collections, and Moving Atlanta Forward are in the preliminary planning stage to be started this year. Oracle Timekeeping project is currently in Phase 2 (time clocks are being installed to interface with time & labor). Business Licensing report is currently being drafted. Aviation Capital Projects held entrance conference on January 4, 2023, and the fieldwork has started.

Audit Follow-up

Mr. Jones presented the report of Open Audit Recommendations. There are currently 225 open audit recommendations; 170 are more than 90 days past their due dates.

Risk Assessment Update

Ms. Noble presented the City Auditor's Office Risk Assessment update that included a library of high-level risks categorized by people, processes, legal/compliance, and external events. We plan to gather input on how to rank these risks and apply them to the audit universe from executives and Audit Committee members.

Staffing Update

Ms. Noble stated that Princess Jones filled the Executive Assistant position as of January 5, 2023, and that the Auditor position will be filled as of February 16, 2023. The office will be fully staffed as of February 16, 2023.

Other Business

Ms. Noble reminded Mrs. Hampton and Mr. Penovi that they have been issued City of Atlanta email addresses that can also be used as Missionmark login ID.

Public Comment

There were no comments from the public.

Adjournment

There being no further business, Mrs. Hampton moved to adjourn the meeting at 11:00 a.m., Mr. Ebersole seconded the motion, and the Committee voted unanimously in favor of the motion.