



City of Atlanta
CITY AUDITOR'S OFFICE
AUDIT COMMITTEE MEETING
MINUTES

Thursday, February 1, 2024

9:00 A.M.

Atlanta City Council
Council Committee Room 2

Call to Order

The regularly scheduled meeting of the Audit Committee was called to order **Thursday, February 1, 2024, at 9:00 a.m.** by Don Penovi. The following members were present:

Roll Call/Introduction of Members:

Attendees	Status
Danielle Hampton, Chair	Present (Via Teams)
Daniel Ebersole, Vice Chair	Present (presiding)
Don Penovi	Present
Dargan Burns III	Present

Others in Attendance:

Auditor's Office: Amanda Noble, City Auditor, Stephanie Jackson, Deputy City Auditor, Micheal Jones, Myra Hagley, Rebecca Robinson, Christopher Armstead, Duane Braithwaite, Lindsay Kuhn, Princess Jones

Finance: Youlanda Carr, Deputy Chief Financial Officer, Tiffany Jones, Deputy Controller, Chukwufumnanya Johnson, Controller

Mauldin & Jenkins: Doug Moses, Partner, Alison Wester, Partner, Will Deriz, Engagement Partner

Adopt Agenda

Ms. Noble noted that the office did not receive management's response in time to provide the draft audit, Aviation Capital Projects, to the Committee for its consideration for release.

Mr. Burns moved to amend the agenda by removing item 5c, consideration of the performance audit Aviation Capital Projects. Mr. Penovi seconded the motion, and the Committee unanimously adopted the amended agenda.

Approve minutes from December 7th meeting

Mr. Penovi moved to approve these minutes. Mr. Burns seconded the motion, and the Committee unanimously approved the minutes from the December 7th meeting.

Financial audit results from Mauldin & Jenkins

Mr. Moses presented the results of the city's FY2023 financial audit. The Single Audit is still under way. The city received unmodified opinions on all reporting units. The audit had one finding regarding year-end close out procedures and one finding regarding the accuracy of pension plan census data.

- Material weakness in internal control over financial reporting (year-end close out)
 - Grants reporting (expenditures incurred at fiscal year-end for which no offsetting receivable and revenue was recorded)
 - Cash (adjustment required to record a balance of approximately \$1.6M that had been omitted)
 - Property Tax revenue (several adjusting entries required to reconcile GF, E911 fund and several TAD funds)
- Material weakness in pension plan census data continuing from prior years, although the error rate is decreasing with cleanup work

Mr. Moses also presented several slides that showed strong financial trends in both governmental and business-type activities. The two funds operating at a net deficit position — the Sanitation Services and Group Insurance funds — have reduced their deficits and have started repaying the general fund.

Mr. Moses reported that GASB 96 was implemented with no impact or restatement to opening net position.

Mr. Burns asked Ms. Wester what they consider a material amount when looking at pension errors. She replied that in pension testing they are testing the process so are trying to reconcile to the penny. Mr. Burns asked about materiality in other testing, such as cash. Mr. Moses said that they do an analysis by opinion unit to determine materiality thresholds. Mr. Burns stated that he was concerned about how the unrecorded cash balance originated. Ms. Johnson said that it had been outside of the cash pool, but it would have been caught in their reconciliation procedures. It had not been yet due to the year-end timing.

Mr. Penovi asked whether there were any significant deficiencies. Mr. Moses stated that there were not.

Performance audit for review and approval

Efficiency of the Procurement Process Audit was presented by Rebecca Robinson. After discussion, Mr. Penovi moved approval of the audit, and Mr. Burns seconded the motion. The members voted unanimously to approve its release.

[At about 9:55 the meeting was disrupted by audio from Committee Room 1 coming in through the speaker system. The DOF and Mauldin and Jenkins participants left to attend that meeting. We switched our agenda to take public comment and switched to the 12th floor conference room to avoid further disruption].

Public Comment

No Public Comment

City Council Expenses and Carry Forward Accounts Audit was presented by Rebecca Robinson. Rebecca requested approval to amend the report by adding additional verbiage to the 3rd paragraph on page eighteen. Mr. Penovi moved approval of the audit with the amended paragraph, and Mr. Burns seconded the motion. The members voted unanimously to approve its release.

Status of current projects

Ms. Noble presented the status of current projects to the Committee as summarized in the report.

Audit Follow-up

Mr. Jones presented the report on Open Audit Recommendations as summarized in the report. Currently there are five recommendations implemented as closed. Eighteen recommendations are started or partially implemented. Ten recommendations have been added since second quarter.

Other Business

Ms. Noble met with the Chair of Committee on Council to discuss councilmember appointments. Danielle Hampton must be reappointed; updated resume needed. The Chair and her staff person are working on appointing Mr. Ebersole's successor. The Chair will also remind the City Council President that he needs to make an appointment to the Audit Committee.

There are currently two open positions to be filled for City Auditors Office. We have one current vacancy and today is Lindsay's last day.

Adjournment

There being no further business, Mr. Penovi moved to adjourn at 10:52 am, Mr. Burns seconded the motion, and the Committee unanimously approved the motion.