



City Auditor's Office

Quarterly Report to Finance/Executive Committee
February 27, 2019

City Charter Establishes Independent Audit Function

- Audit Committee oversight ensures independence
- Organizationally outside the reporting line of those responsible for areas subject to audit
- Selection, removal, and term of office protect audit function from interference
- Follow professional standards to ensure objectivity and transparency

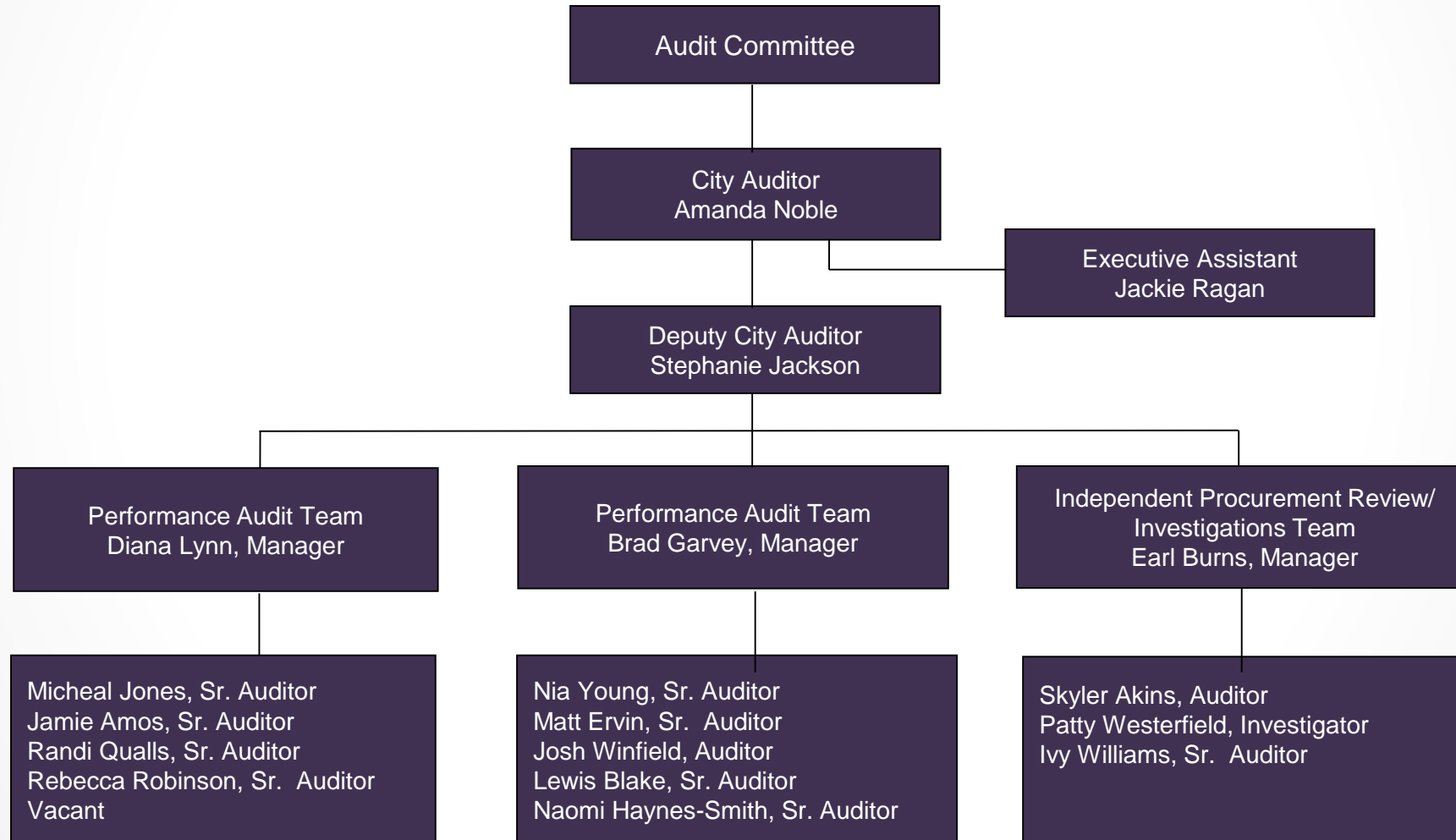
Powers and Duties of City Auditor's Office

- Conduct performance and financial audits of all departments, offices, boards, activities and agencies of the city
 - Compliance with applicable laws
 - Efficient, effective and economical use of resources
 - Achieving desired results
 - Financial and other reporting is complete and accurate
 - Indicators of fraud, abuse or illegal acts
- Independent Procurement Review

Fiscal Year 2019 Budget

Account	1001 General Fund	5051 Water Fund	5501 Airport Fund	3147 Horizontal	3148 Vertical	TOTAL
Accounts Personnel	\$1,058,687	\$342,067	\$341,859	\$118,339	\$34,989	\$1,895,941
Purchased/ Contracted Services	\$895,349	\$754,075	\$885,960	\$163,525	\$62,461	\$2,761,370
Supplies	\$19,716	\$5,492	\$5,492	\$0	\$0	\$30,700
Other	\$2,800	\$800	\$800	\$0	\$0	\$4,400
Total	\$1,976,552	\$1,102,434	\$1,234,111	\$281,864	\$97,450	\$4,692,411

Organization Chart



Annual Audit Plan

- City Auditor prepares and submits an annual audit schedule to the Audit Committee for review and comment at the beginning of the fiscal year
- Risk assessment every two years
- Identify potential topics:
 - Assessing financial and performance risks
 - Reviewing the financial auditors' results
 - Considering requests and suggestions from the City Council as a whole, the Finance/Executive Committee of the City Council, the mayor, city management, and other interested parties
 - Determining the feasibility of audit topics and the availability of resources

Audit Process

Engagement	<ul style="list-style-type: none">• CAO sends letter to auditee regarding start of audit• Audit team meets with auditee to discuss audit scope
Fieldwork	<ul style="list-style-type: none">• Audit team conducts audit fieldwork; typically includes interviews with auditee management and staff, document reviews, data analyses, site visits and observations
Findings Development and Feedback	<ul style="list-style-type: none">• Audit team develops audit findings and briefs auditee management for feedback
Report Production and Feedback	<ul style="list-style-type: none">• Audit team drafts audit report and reviews findings and recommendations with auditee management and leadership• Auditee provides formal response to audit recommendations
Public Release and Presentation	<ul style="list-style-type: none">• CAO, through Audit Committee, publicly releases report and presents in City Council committee of purview
Recommendation Follow-Up	<ul style="list-style-type: none">• CAO follows up with auditee regarding status of recommendations
Closeout	<ul style="list-style-type: none">• After implementation, CAO closes out recommendation in internal database

Investigation Process

Allegation Received

- Investigative team reviews allegations of fraud, waste, and abuse
- Allegations typically originate from ethics hotline or direct complaints

Allegation Review

- Review allegation and conduct a preliminary inquiry to determine whether to close, investigate, or if out-of-jurisdiction, refer to a more appropriate internal or external entity for review

Investigative Plan

- If decision is made to investigate, develop and execute an iterative investigative plan tailored to complaint type

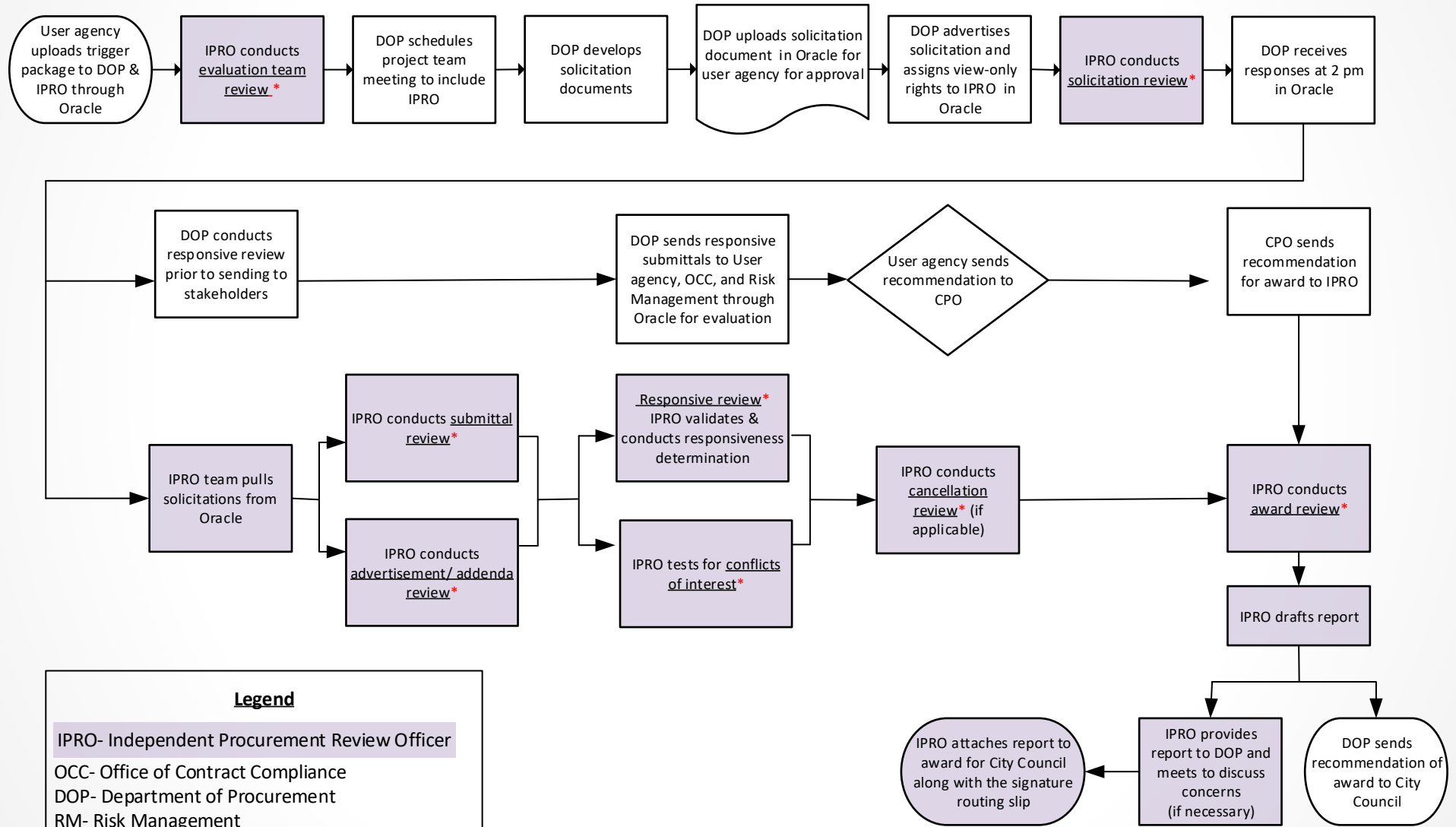
Investigation Summary

- Investigative team prepares a summary of findings

Public Report or Management Communication

- If administrative findings, close investigation and either issue an internal management communication or public report if allegation is substantiated; if potentially criminal findings, refer to appropriate law enforcement agency

Independent Procurement Review Process



Legend

IPRO- Independent Procurement Review Officer
 OCC- Office of Contract Compliance
 DOP- Department of Procurement
 RM- Risk Management

*IPRO and DOP will meet after each IPRO review if concerns or red flags are noted

Audits Released in FY19

Date	Report
July 2018	Affordable Housing
September 2018	Renew Atlanta Fire Station Renovations
October 2018	Water Quality Testing
December 2018	Atlanta Police Department Body-Worn Cameras
December 2018	Renew Atlanta and TSPLOST Review of Expenditures
February 2018	Citywide Overtime

Audits in Progress

Report	Planned Release Date
Procurement: Expired Contracts and Cooperative Agreements	April 2019
Super Bowl LIII Emergency Preparedness	April 2019
Atlanta Fire Rescue EMS Inventory Management	May 2019
Fire Hydrant Inspections and Maintenance	June 2019
Live Nation Contracts	August 2019
Code Enforcement	August 2019
WorkSource Atlanta	October 2019

Contract Audits in Progress

- Renew Atlanta: Natatorium
- Renew Atlanta: Northside Drive Pedestrian Bridge
- Actuarial Audit (Defined Benefit Pension Plans)

Projects on Audit Plan Not Yet Started

- Office of Aviation Security and Maintenance
- Hiring
- Contract Management
- Renew Atlanta

Follow-up on Audit Recommendations

Report	Released	Number of Open Recs
Firefighter Staffing	Oct-11	1
Water Meter Readings, Estimates, and Adjusted Billings	May-13	5
Workers' Compensation	Sep-13	4
Combined Sewer Overflow Consent Decree Impact	Jan-14	2
Department of Public Works Solid Waste Safety Practices	Apr-14	1
Aviation Parking Contract	Jul-14	1
Take-Home Vehicles	Jul-14	2
Department of Public Works Office of Transportation Inventory Management	Aug-14	5
Department of Watershed Management - Inventory Management	Sep-14	2
Timekeeping	May-15	6
Building Permits	Jun-15	6
Employee Compensation	Oct-15	3
Work Order Management	Jan-16	6
Oracle Segregation of Duties	Jun-16	7
Retirement Administration Defined Contribution Plan	Jul-16	9
Building Permits Data Testing and Analysis	Feb-17	1
Annual Contract Administration	Mar-17	6
Department of Watershed Management Efforts to Reduce Water Loss	Apr-17	11
Department of Parks & Recreation Parks Maintenance	Jul-17	7
Renew Atlanta Roadway Resurfacing	Nov-17	9
Accounts Receivable Atlanta Fire Rescue Department and Department of Parks and Recreation	Dec-17	4
Compliance Audit: ISO/IEC 27001 ISMS Precertification	Jan-18	23
Department of Aviation Construction Contract Solicitations	Feb-18	7
Payroll Processing	Jun-18	14
Total		142

Questions?

