



City of Atlanta, Georgia

Single Audit Presentation – June 30, 2022
April 6, 2023 Audit Committee Meeting



Agenda

- Engagement Team, Qualifications, and Commitment
- Single Audit Results
- Client CPE & Other Services
- Questions & Comments



CONSISTENTLY RANKED AS A TOP ACCOUNTING FIRM IN THE U.S.

100+ year
HISTORY
OF QUALITY SERVICE

Serve 650+
GOVERNMENT CLIENTS

GOVERNMENTAL PARTNERS **16**



140+ TEAM MEMBERS DEDICATED TO SERVING THE GOVERNMENTAL INDUSTRY



VISION
To be a trusted advisor, earning trust and building respect through our consistent commitment to sustainable excellence, leadership, and integrity.



225+

SINGLE AUDITS PERFORMED LAST YEAR COVERING OVER \$4 BILLION OF FEDERAL GRANTS



135,000+
HOURS ANNUALLY PROVIDED TO GOVERNMENTAL CLIENTS

150+

CURRENT CLIENTS AWARDED THE GFOA CERTIFICATE OF EXCELLENCE

5
STATES

13
OFFICES





Mauldin & Jenkins – Qualifications



Service to Local Governments

- Approximately 90 city audit clients in the state, plus 50 counties, 60 school districts, as well as other state and special purpose entities.



Expertise with Single Audits

- More single audits (293) and more federal dollars audited (\$5.2 billion) than competitor firms.



Experience with Large Governments across the Southeast

- Wake, Orange, and Moore in NC; DeKalb County and Gwinnett County in GA; Jefferson County, Alabama.



GFOA Certificates of Achievement

- Nearly 160 governments who prepare ACFRs.

Mauldin & Jenkins – Industry Commitment

Governments are important to M&J

31%

Government Sector

Total hours of all audit hours in M&J



GASB Chairman

Joel Black – former partner with M&J



AICPA SLG Expert Panel

Tim Lyons – partner with M&J



AICPA Gov't Audit QC

Hope Pendergrass – partner with M&J

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Engagement Team Leaders for the City of Atlanta, Georgia include:

- Doug Moses, Engagement Partner – 24 years experience, 100% governmental – Total Engagement Focus
- Hope Pendergrass, Engagement Partner – 20 years experience, 100% governmental – Single Audit Focus
- Trey Scott, Quality Assurance Review Partner – 14 years experience, 100% governmental
- Allison Whitworth, Manager in Charge of Fieldwork – 7 years experience, 100% governmental

Single Audit Results

- Report in accordance with *Government Auditing Standards* for 2022
 - Five (5) material weaknesses (1 Central audit, 1 Aviation, 1 Watershed, 2 pension) - previously communicated
- Total Federal Awards - \$325.6M
- 10 major programs totaling \$191.8M (59%)
 - Community Development Block Grant (CDBG)
 - Emergency Solutions Grant (ESG)
 - Housing Opportunities for People with AIDS (HOPWA)
 - Edward Byrne Justice Assistance Grant (JAG)
 - Workforce Innovation and Opportunity Act (WIOA)
 - Airport Improvement Program (AIP)
 - Highway Planning and Construction
 - COVID-19 Emergency Rental Assistance Program (ERAP)
 - COVID-19 Coronavirus State and Local Fiscal Recovery Fund (CSLFRF)
 - Clean Water State Revolving Fund (CWSRF)

Single Audit Results

- Report in accordance with Uniform Guidance
 - Qualified Opinion on ERAP, Unmodified (clean) Opinion on remaining 9 programs
 - 1 Material Weakness (ERAP) – Reporting
 - Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) requires that direct recipients submit monthly and quarterly reports that include both financial and performance data. The deadlines for these reports to be submitted was set by the U.S. Department of Treasury (“Treasury”). Internal controls should be in place to ensure the City is in compliance with all requirements of the federal award program. Internal controls were not sufficient to detect the following exceptions noted during our testing:
 - » Nine (9) monthly reports and five (5) quarterly reports were not submitted to Treasury. Out of the twenty-two (22) total monthly and quarterly reports that were submitted to Treasury, none of the reports were submitted on or before the deadline issued by Treasury.

Single Audit Results

- Report in accordance with Uniform Guidance
 - 1 Significant deficiency (CDBG) – Special Tests and Provisions – Environmental Reviews
 - Title 24 U.S. Code of Federal Regulations sections 58.1, 58.22, 58.34, 58.35, and 570.604 require projects to have an environmental review unless they meet criteria specified in the regulations that would exempt or exclude them from environmental certification requirements. For projects where the environmental review was not performed, a written documentation that the review was not required must be prepared. Internal controls should be in place to ensure the City is in compliance with all requirements of the federal award program. Internal controls were not sufficient to detect the following exception noted during our testing:
 - » One (1) out of eleven (11) projects we tested for environmental reviews did not have a timely exception report prepared. The Salvation Army, Red Shields Lodge project had expenditures as early as October 2021 and the exception report was prepared on March 9, 2023.



Governmental Clients – Free Quarterly Continuing Education

Since March of 2009 – For Over 14 Years !!

Mauldin & Jenkins provides free quarterly continuing education for all of our governmental clients. Topics are tailored to be of interest to governmental entities. To accommodate our entire governmental client base, we offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking and knowledge sharing among our governmental clients. We normally see approximately 180 people per quarter. Examples of subjects addressed in the past few quarters include:

- Accounting for Debt Issuances
- Achieving Excellence in Financial Reporting
- Best Budgeting Practices, Policies and Processes
- Budget Preparation
- ACFR Preparation (two (2) day hands-on course)
- Capital Asset Accounting Processes and Controls
- Collateralization of Deposits and Investments
- Component Units
- Cybersecurity Risk Management
- Evaluating Financial and Non-Financial Health of a Govt.
- Financial Report Card – Where Does Your Govt. Stand?
- Financial Reporting Model Improvements
- GASB Nos. 74 & 75, OPEB Standards
- GASB No. 77, Tax Abatement Disclosures
- GASB No. 84, Fiduciary Activities
- GASB Projects & Updates (ongoing & several sessions)
- Human Capital Management
- Grant Accounting Processes and Controls
- Internal Controls Over Accounts Payable, Payroll and Cash Disbursements
- Internal Controls Over Receivables & the Revenue Cycle
- IRS Issues, Primarily Payroll Matters
- Legal Considerations for Debt Issuances & Disclosures
- Policies and Procedures Manuals
- Segregation of Duties
- Single Audits for Auditees
- Special Purpose Local Option Sales Tax (SPLOST)
- Accounting, Reporting & Compliance
- Uniform Grant Reporting Requirements and the New Single Audit

Communication. To better communicate our free continuing education plans and newsletters, please email Paige Vercoe at pvercoe@mjcpa.com (send corresponding copy to dmoses@mjcpa.com), and provide to her individual names, mailing addresses, email addresses and phone numbers of anyone you wish to participate and be included in our database.

IT and Cybersecurity Solutions

•Cybersecurity Framework Engagements

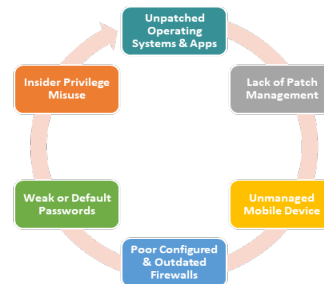
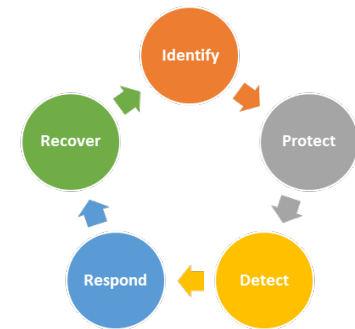
- Performed as either a SOC for Cybersecurity under AICPA attestation standards, or as a consulting engagement under AICPA consulting standards.

•System Vulnerability Assessment Engagements

- Process of defining, identifying, classifying and prioritizing vulnerabilities in computer systems, applications and networks infrastructures, and providing an assessment with necessary knowledge, awareness and risks to understand the threats to determine appropriate reactions.

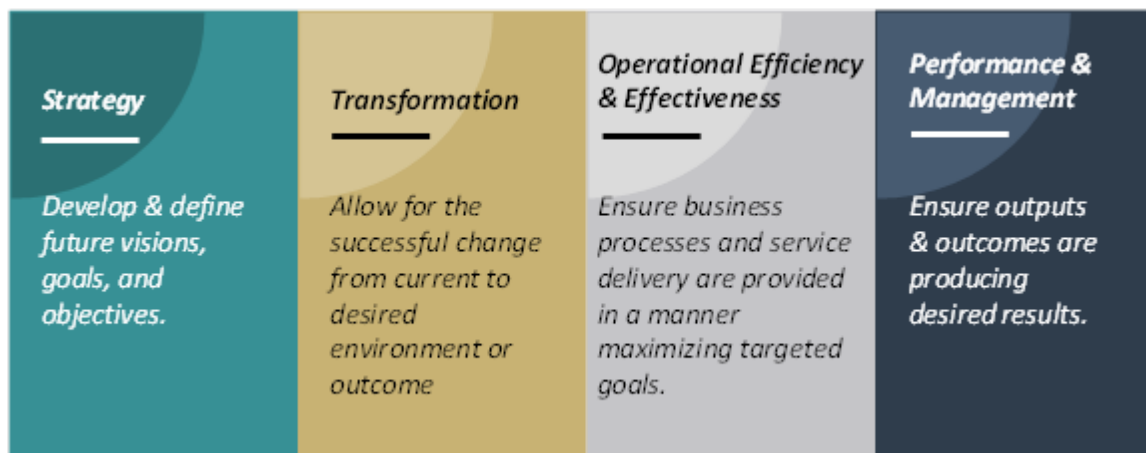
•Penetration Testing Engagements

- Practice of testing a computer systems to find security vulnerabilities that a hacker / attacker could exploit using automation or manual applications.



Governmental Advisory Services

Beyond traditional audit and accounting services and IT services, we provide advisory services that are wide-ranging in nature. Our experienced government advisory team helps governments, governmental agencies and special purpose governmental organizations balance fiscal responsibility with the latest business strategies to achieve targeted and overarching objectives. Our advisory services can be summarized:





Questions & Comments

Thank You for the Opportunity to Serve