

# CITY AUDITOR'S OFFICE

## Mission Statement

The City Auditor's Office promotes honesty, efficiency, effectiveness, and accountability in City government.

## Core Functions

- Conducting performance audits to support legislative oversight and public accountability.
- Making recommendations to management that will foster improvements in effectiveness of results, efficiency of operations, risk management, compliance, and controls.
- Assisting the Audit Committee in its oversight of the City's annual financial audit and its coordination of all internal and external audit activities, as required by the City Charter.

## Summary of Operations

The office provides objective information and recommendations through audit reports. Under direction of the City's Audit Committee, the City Auditor conducts audits to assess whether City activities and programs comply with applicable laws and regulations, achieve intended outcomes and benefits, use resources economically and efficiently, and operate with adequate systems of internal control.

Audit topics are selected through a biennial risk assessment, City Council requests, and management requests. Topics may also include analyses of concerns targeted by proposed legislation and policies. Audit recommendations address safeguarding assets, streamlining processes, managing revenue, managing contracts, monitoring and reporting functions, and complying with internal and external policies and regulations.

Auditors work with management of the audited area to discuss and refine the scope of an audit. Audit teams conduct fieldwork, which generally involves interviews, identifying best practices, document review, site visits, and data analysis. The teams discuss preliminary findings with management to confirm understanding and to

develop workable recommendations. Audits result in a public report with findings and recommendations. Management's response is included in the report, and auditors follow up on the implementation status of recommendations after report release.

*The Audit Committee* comprises audit, finance, and management professionals appointed by the City Council, the Council President, and the Mayor. The Committee appoints and supervises the City Auditor, approves the annual audit plan and completed audit reports, oversees the City's annual financial audit, and undertakes other activities as resources allow and as consistent with its authority under the City Charter. This structure ensures organizational independence because the office is organizationally outside the reporting line of those responsible for areas subject to audit. The Committee holds public meetings every other month to conduct its business. During the closure of public buildings during the COVID-19 emergency, the Committee has conducted its meetings via teleconference.

*The City Auditor's Office* staff has skills, education, and experience in business and public administration, public policy analysis, research methods, management, accounting, social sciences, law, and information technology. Staff members hold professional certifications in internal auditing, government auditing, construction auditing, information systems auditing, and fraud examination. The office procures professional services as necessary to perform audits that require specialized expertise.

Throughout fiscal year 2021, all City Auditor's Office staff worked remotely due to the City's deployment of mandatory telework for non-essential employees during the COVID-19 emergency. While we were largely able to conduct our work and replicate existing procedures in the remote environment, we modified audit scopes, objectives, or planned tests in some cases.

## **FY2021 Accomplishments**

- **Audit Reports**

- Renew Atlanta and TSPLOST
- City Hiring Processes
- Comcast Franchise Fees
- Tree Trust Fund
- DWM Capital Projects Contract Management
- Controls over CARES Act Spending and FEMA Reimbursement Requests
- APD Hiring Practices
- Liquor Licensing and Enforcement
- Office of Contract Compliance
- Forensic Review of Selected Transactions

- We worked with the Office of the Chief Operating Officer to follow up on the status of 46 of 125 audit recommendations open at the beginning of the year. Our follow-up efforts were reduced this year during the COVID-19 emergency. We are implementing an electronic workpaper system that will facilitate real-time tracking and reporting on the status of audit recommendations.

- **Independent Procurement Review**

Pending transition of the Independent Procurement Review function to the Office of Inspector General authorized in Ordinance 19-0-1729, we completed reports on 28 solicitations totaling more than \$494 million. We also provided training on the program and on controls to detect and prevent public procurement fraud to the Department of Procurement.

- **Continuous Audit**

Continuous auditing leverages technology to test controls and to identify potential red flags in transactions as, or soon after, they occur. We worked with the departments of Finance, Procurement, AIM and other stakeholders to identify high-risk transactions to develop a continuous audit pilot program.

## **Audit Quality**

- The City Charter requires that we follow Government Auditing Standards to ensure the quality of our work and to ensure that we conduct our work and report results objectively.

- The City Charter and Standards also require us to undergo an external quality assurance review every three years to ensure that we are following standards. The office successfully completed its fifth review in November 2018. We are planning another review toward the end of fiscal year 2022. The Association of Local Government Auditors, which conducts the reviews, is experiencing a backlog due to the COVID-19 emergency.

## **FY2022 Proposed Program Highlights**

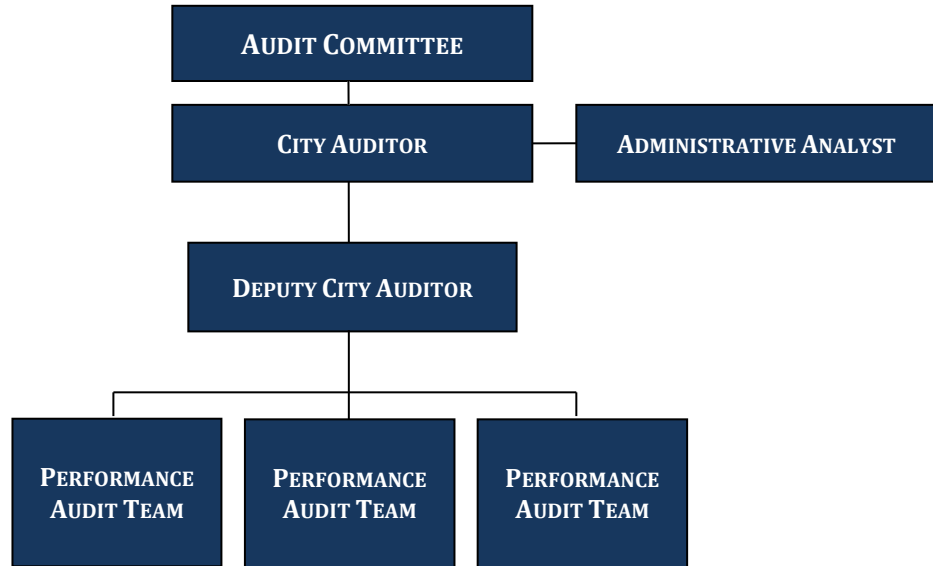
- Upcoming audits include:

- Cybersecurity
- Enforcement of Building and Zoning Codes
- Recreation Fees
- Streetlighting
- Business License Administration
- Aviation Maintenance

We will finalize our audit recommendation tracking dashboard. We also plan to finalize and expand our continuous audit program and schedule our sixth external quality assurance review.

# ORGANIZATIONAL CHART

AUDITOR'S OFFICE



# PERFORMANCE METRICS

AUDITOR'S OFFICE

PERFORMANCE MEASURE	FY2019 ACTUAL	FY2020 ACTUAL	FY2021 TARGET	FY2022 TARGET
<b><i>Fiscal Accountability &amp; Governmental Efficiency</i></b>				
Number of audit reports released	10	9	10	10
Average staff hours per audit	1,864	2,082	1,650	1,650
Recommendation agreement rate	87%	76%	95%	95%
Recommendations closed	47	73	75	
Percent of closed recommendations implemented	100%	59%		
Allegations reviewed	7	N/A	N/A	N/A
Investigative cases opened	5	N/A	N/A	N/A
Investigative cases closed	3	N/A	N/A	N/A
Investigative reports released	1	N/A	N/A	N/A
Percent of professional staff with advanced degrees or certification	81%	77%	88%	87%

