



CITY OF ATLANTA

AMANDA NOBLE
City Auditor
anoble@atlantaga.gov

STEPHANIE JACKSON
Deputy City Auditor
sjackson@atlantaga.gov

CITY AUDITOR'S OFFICE
68 MITCHELL STREET SW, SUITE 12100
ATLANTA, GEORGIA 30303-0312
<http://www.atlaudit.org>
(404) 330-6452
FAX: (404) 658-6077

Report Fraud, Waste, and Abuse 1-800-884-0911

AUDIT COMMITTEE
Danielle Hampton, Chair
Daniel Ebersole, Vice-Chair
Amanda Beck, PhD
Donald T. Penovi, CPA
Dargan Burns, III

October *, 2021

Honorable Mayor, City Council President, and members of the City Council:

We are pleased to provide you a summary of the City Auditor's Office fiscal year 2022 annual audit schedule. Section 2-603 (2) of the Atlanta City Charter requires the city auditor to submit at the beginning of each fiscal year an annual schedule to the Audit Committee for review and comment. The attached tables list work currently in progress and audits we plan to begin in fiscal year 2022.

The schedule reflects City Council and executive requests, potential risks identified through previous performance and financial audits, and work deferred during mandatory telework. The Audit Committee selected audit topics considered highest priority. Under the charter, the Audit Committee or the city auditor may amend this schedule if, in our judgment, changes are needed.

We or the city auditor, Amanda Noble, would be happy to answer questions about the schedule. Thank you for your continued support of the Audit Committee and the city's independent audit function.

Sincerely,

Danielle Hampton, Chair
City of Atlanta Audit Committee

Attachment

Distribution (via e-mail):
Cabinet members
Deputy Commissioners
Judicial agency heads
Ethics Office

Citizen Review Board
City Council staff
City Auditor's Office staff
Audit Committee members

DRAFT FOR DISCUSSION

Audits in Progress

Audit Topic	Reason for Audit	Planned (Actual) Draft to Management
Enforcement of Building/Zoning Code Violations	City councilmembers have expressed concern about enforcement efforts in the Department of City Planning's Office of Buildings, which enforces the city's building and zoning codes. The audit will assess enforcement procedures compared with industry best practices.	September 29, 2021
Aviation Maintenance Staffing	The Department of Aviation's Facilities Management Division is responsible for operations and maintenance of the airport. Previous work and hotline complaints have identified concerns about deployment of staff and equipment. The audit will review policies and practices used to schedule staff and to ensure credentials are up-to-date.	October 2021
Streetlighting	Streetlighting improves safety for drivers, riders, and pedestrians. The Atlanta Department of Transportation oversees and maintains the city's streetlights. The city leases lights on wooden poles from Georgia Power. The audit will assess operations, maintenance, and costs compared with industry best practices.	November 2021
Controls over Direct Payments	Previous work has identified potentially improper payments made through direct disbursements. The audit will recommend ways to strengthen controls over departments' direct disbursement requests to pay invoices that don't go through the city's procure-to-pay process.	December 2021
Controls over Use of Extra Help Positions	The city's budget chief has expressed concern that departments' overuse of extra help positions is pushing a projected budget deficit. The audit will assess budgetary and human resources controls to ensure use of extra help positions is appropriate.	January 2022
DWM Management of Inventory and Fixed Assets	While the department of Watershed Management has implemented most recommendations from our 2014 performance audit, the department still stores inventory in multiple locations using different tracking systems. Reduced on-site staffing and supply chain disruptions during the COVID-19 emergency have also increased risk. The audit will assess policies and practices used to safeguard equipment and inventory.	February 2022
Oracle Timekeeping Configuration	The city is implementing Oracle Time and Labor, which is part of the Oracle Cloud Human Capital Management application suite, to replace Kronos as its timekeeping system. Reviewing the configuration as it progresses will allow us to ensure that previous timekeeping control weaknesses are addressed cost effectively.	March 2022
Follow up on Open Audit Recommendations	We are partnering with the Mayor's Office of Innovation and Performance to streamline the process for tracking and reporting on the	March 2022

	implementation of audit recommendations. At the beginning of fiscal year 2022, we had a backlog of 234 open audit recommendations made to 19 different departments in 40 reports. Allocating staff resources will reduce the backlog of open audit recommendations and introduce new procedures to ensure timely follow up and reporting.	
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Additional Audits Planned to Start in FY22

Audit Topic	Reason for Audit	Planned Start
Aviation Maintenance Management of Inventory and Fixed Assets	The Department of Aviation's Facilities Management Division is responsible for operations and maintenance of the airport. Previous work and hotline complaints have identified concerns about deployment of staff and equipment. The audit will assess policies and practices used to safeguard equipment and inventory. (Deferred from previous plan).	November 2021
Cash Handling	Office of Revenue records show 16 different departments that accept cash and check payments for goods, services, permits, fines, or deposits. Handling cash, or cash-equivalents such as checks and money orders, poses inherent risk that was likely heightened by reduced on-site staffing during the COVID-19 emergency. The audit will assess controls in place to collect and record payments and safeguard assets.	November 2021
Business License Administration	A license is required to operate a business within the city. Applicants apply and submit documentation to the Department of Finance's Office of Revenue along with two separate payments for registration and zoning review fees. Some types of businesses require additional regulatory permits or approvals before a license may be granted. Business licenses expire December 31st of each year. Businesses are required to renew their licenses online; the city does not send renewal notifications. Some small business owners have complained about the process. The office implemented a new computer system to replace its Business License Information System. The audit will assess policies, procedures, and practices to ensure controls are in place to administer the process fairly and in conformance with applicable city code provisions. (Deferred from previous plan).	December 2021

Grants Management	In February 2020, the city merged the former Office of Human Services from the Mayor's Office and Office of Grant Management from the Finance Department to form the Department of Grants and Community Development. The department is charged with managing federal entitlement and competitive grants, foundation, state, and pass-through grants. Previous performance and financial audits have identified heightened risk of noncompliance with grant requirements. The audit will assess controls in place to ensure timely and compliant administration of grant agreements.	January 2022
Scooter Enforcement	Cities across the country are focusing on how to best regulate e-scooters. A recent NACTO (National Association of City Transportation Officials) publication found that 38.5 million trips were taken on shared e-scooters in 2018, requiring cities to establish new oversight tools, metrics, and practices to ensure safety of riders, drivers, and pedestrians in the public right-of-way. The audit will review Atlanta's regulatory framework compared to industry best practices and assess enforcement efforts to-date. (Deferred from previous plan).	February 2022
BeltLine Special Service District Financial Review	The city created the BeltLine Special Service District in 2021 to fund completion of the trail corridor, infrastructure improvements around connectivity, wayfinding and public safety through a special improvement tax. Ordinance 21-O-0049, which established the district, stated that CDHS would request the City Auditor to do a financial review every two years.	April 2022
ATL311	The city implemented its ATL311 call center service in 2014 to function as the primary phone number for government information and non-emergency services. The center also operates a portal, mobile app, social media, and a mass notification system. Call volume generally increased during the COVID-19 emergency, while the percentage of calls handled dropped. An audit could assess the effectiveness of operations, including staffing and scheduling.	April 2022
Employee Benefits	Previous performance and financial audits identified Employee Benefits errors in that resulted in inaccurate employee payroll deductions, inaccurate pension and beneficiary payments, delayed enrollment in benefit plans, and overpayment of healthcare providers. An audit of the Employee Benefits Division could assess processes and systems in place to administer benefit programs.	May 2022

Solid Waste Services	The City Council's City Utilities Committee requested an audit of solid waste fees and services. The city increased solid waste fees in April 2019 with a goal of better aligning fees to services. Services include curbside collection of garbage, recycling and yard trimmings, bulk collection, street sweeping, mowing public rights-of way and emptying public trash receptacles. The audit will assess services levels, staffing, equipment, and management. (Deferred from previous plan).	TBD
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