



CITY OF ATLANTA

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AUDIT COMMITTEE
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October 12, 2022

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 2023 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 the remainder of fiscal year 2023.

The schedule reflects City Council and executive requests, projects deferred from prior years, and potential risks identified through previous performance and financial audits. The Audit Committee selected audit topics considering relevant risks and coverage of city operations. 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
Office of Inspector General

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

Audits in Progress

Audit Topic	Reason for Audit	Planned (Actual) Draft to Management
In Rem Process	City Council members asked for this audit after hearing constituent concerns regarding In Rem in March 2022. We are assessing whether the city's administrative In Rem process follows best practices and whether demolition orders were consistent with state law, city code, and internal policies and procedures.	November 2022
Office of Contract Compliance	Resolution #22-R-3198 requested an analysis to compare amounts represented in the original bids with the amounts actually disbursed for work completed by Minority and Female Business Enterprises across the City over the last four years (2018-2021).	November 2022
Municipal Market Lease	DEAM (Department of Enterprise Asset Management) became aware that the Municipal Market Corporation potentially has not made lease rental payments or repaid HUD and CDBG funds according to the terms of its current lease agreement with the city. Under the lease terms, it is possible the market does not owe rent. DEAM requested the audit to assess the market's current financial standing.	December 2022
Solid Waste Services	Our previously planned audit of Solid Waste Services was deferred at the request of the city attorney due to pending litigation. We are focusing on cost-effective ways to improve service delivery, including curbside collection of garbage, recycling and yard trimmings, bulk collection, street sweeping, mowing public rights-of-way, and emptying public trash receptacles.	January 2023
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 2023
Business License Administration	System failures and staffing reductions resulted in a backlog of business license applications and renewals and longer processing times, leading to business owner complaints. The audit will assess policies, procedures, and practices to ensure controls are in place to administer the process consistently and in accordance with city code provisions.	February 2023

Audit Topic	Reason for Audit	Planned (Actual) Draft to Management
Management of Plane Train Contract	The Department of Aviation requested this audit. The city contracts with a third-party to manage the plane train. It's a cost-plus management fee contract with performance incentives, worth about \$23 million per year. We will assess controls to ensure the vendor complies with contract requirements.	March 2023
Oracle Time and Labor	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. We are reviewing the implementation as it progresses to ensure that previously identified timekeeping control weaknesses are addressed in the new system. We also identified and made recommendations regarding new risks in an interim report to management in February 2022.	TBD

Additional Audits Planned to Start in FY23

Audit Topic	Reason for Audit	Planned Start
Aviation Capital Projects	Resolution #22-R-4261 requests an audit of construction schedules of Atlanta Police Department facilities at the airport and a comparison of planned to actual spending on the improvements over the last five years, including an itemized list of expenditures.	December 2022
Water Billing and Collection	The Department of Watershed Management bills approximately 170,000 residential, commercial, and industrial customer accounts in Atlanta and Fulton County monthly. Uncollected billings increased during the COVID-19 pandemic, as the department focused on continuity of service. The audit will assess controls in place to ensure that bills are accurate, and that adjustments and write-offs are appropriate.	January 2023
Moving Atlanta Forward	Ordinance #22-O-1369 requests an annual review of financials and project delivery for the \$406 million Moving Atlanta Forward infrastructure initiative.	January 2023
Procurement	The Department of Procurement is charged with acquiring all commodities and services for city departments. Delays in receiving goods and services negatively affect operations and incentivize departments to circumvent procurement controls that are intended to ensure a fair and competitive purchasing process. The audit will assess efficiency of the procurement cycle.	February 2023

Audit Topic	Reason for Audit	Planned Start
Cybersecurity	AIM (Atlanta Information Management) follows the NIST (National Institute of Standards and Technology) Cybersecurity Framework—a compilation of voluntary standards, guidelines, and best practices to manage cybersecurity-related risks. The audit will test selected control activities to assess whether they are working as intended.	February 2023
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. The audit will assess the effectiveness of operations, including staffing and scheduling.	February 2023
City Council Expenditures	We last audited City Council expenditures in 2009 at the request of the Council to assess compliance with City Charter and Code provisions. Because City Council transactions undergo less scrutiny than those of other city departments, there is risk of error, wrongdoing, or the appearance of wrongdoing. The audit will assess controls in place to ensure that transactions comply with applicable requirements.	May 2023