



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
Donald T. Penovi, CPA
Dargan Burns, III

December 7, 2023

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

We are pleased to provide you with a summary of the City Auditor's Office fiscal year 2024 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 2024. The schedule reflects City Council and other stakeholder requests, projects deferred from prior years, and potential risks identified through a risk assessment. Information about the [FY24 Risk Assessment for Annual Audit Selection](#) can be found on our website.

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

Danielle Hampton, Chair
City of Atlanta Audit Committee

Attachment

Distribution (via email)
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
Water Billing and Collections	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 an estimated \$15-22 million in write-offs are appropriate.	10/5/2023
Moving Atlanta Forward Infrastructure Program 2023 Annual Review	Ordinance #22-O-1369 requests an annual review of financials and project delivery for the \$750 million Moving Atlanta Forward infrastructure initiative.	11/7/23
Municipal Court	We undertook this audit because the Atlanta City Council expressed concerns about the Municipal Court of Atlanta. City council adopted Resolution #22-R-4794 that requested an audit of Municipal Court to review workflow and workload including numbers and types of cases, failures to appear, cases bound over to state court, and other performance indicators.	12/1/23
Efficiency of the Procurement Process	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 and anti-fraud measures adopted in updated procedures.	11/18/23

Aviation Capital Projects	We undertook this audit because the Atlanta City Council expressed concerns about APD (Atlanta Police Department) facilities under construction at the Hartsfield-Jackson Atlanta International Airport. City council adopted Ordinance 22-R-4261, requesting the APD, Department of Aviation, and the City Auditor's Office deliver an audit reviewing the previous five years of construction expenditures and the condition of the police precinct adjacent to the atrium after a \$1M renovation in 2020. Because of the size of the airport's capital program, the audit is also examining controls over the management of capital projects.	Early December 2023
City Council Expense and Carry Forward Accounts	We last audited Council Expenditures in 2009 at the request of the City 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 and that the funds of outgoing councilmembers were returned to the general fund as required by city code.	Mid-December 2023
Office of Contract Compliance Monitoring of Subcontractor Utilization	We initially started this audit in August 2022 in response to resolution 22-R-3198, which requested the City Auditor conduct a study and analysis of the funds spent by the City of Atlanta with minority and female business partner vendors compared to the amounts represented in the original bids. Data migration problems from a legacy system to a new system, however, made historical data unreliable. We terminated the audit to allow time for the new system to build reliable data. The new system has been live for over a year. We are re-initiating the performance audit with a different time scope.	Late January 2024

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.	Early February 2024
Fire Fleet Maintenance	Our risk assessment flagged public safety and deferred maintenance as areas of concern. Atlanta Fire Rescue Department provides fire mitigation, rescue services, and emergency medical services to the city but has experienced a shortage of fire vehicles due to maintenance issues and supply chain backlog. Because of the lack of working fire apparatus, there is an increased liability to the city regarding the safety of fire department staff and the public. The audit will assess whether operational standards are met regarding preventive maintenance and identify processes that should be implemented going forward to ensure the timely replacement of aging fire fleet.	Late April 2024
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.	Mid-May 2024
Oracle Time and Labor Configuration	The city is implementing Oracle Time and Labor, part of the Oracle Cloud Human Capital Management application suite, to replace Kronos as the city's timekeeping system. This system is currently scheduled to go live in February 2024. We are reviewing the implementation as it progresses to ensure that previously identified timekeeping control weaknesses and compliance risks are addressed cost-effectively.	TBD

Additional Audits Planned to Start in FY24

Audit Topic	Reason for Audit	Planned Start
DWM Contract Amendments, Extensions, and Alternative Procurements	Contract amendments, extensions and alternative procurements are inherently risky because they can signal non-competitive selection of a contractor, leading to the city paying too much for goods or services, and/or continuing to accept low quality or non-compliant goods or services. The audit will assess whether the department has controls in place to ensure the department is procuring goods and services fairly.	January 2024
Fire Inspections	Recent media reports have described an increase in fire incidents and noted incidents in which sprinkler systems did not work. Our prior audit work flagged financial risks in fire permitting and inspections. This audit will assess whether there are opportunities to improve operational effectiveness.	February 2024
Recycling	The Department of Public Works collects recyclables once a week as part of its curbside collections service. In FY23, the department collected approximately 19,800 tons of recyclables from Atlanta residences, comprising about 19% of total tonnage collected. While recycling diverts waste from the landfill, the department estimates 20% is contaminated and participation varies across the city. This audit will assess the effectiveness of the city's recycling program in diverting waste and identify barriers to participation.	January 2024
Service Delivery/Remote Work	Following the pandemic, much of the city's workforce has transitioned to working remotely or on a hybrid schedule. This audit will assess the benefits and challenges posed by remote/hybrid work and effects, if any, on service delivery.	May 2024
Fuel Inventory	We last audited controls over fuel inventory in 2012. In that audit, we identified patterns of use consistent with theft but weak controls over user IDs and lack of CCTV (closed circuit television) tapes prevented us from obtaining conclusive evidence of fraud. The Department of Public Works implemented all but one of our recommendations intended to better safeguard assets	June 2024

Paid Administrative Leave	City Code defines administrative leave as a paid leave of absence pending an investigation authorized by the appointing authority with concurrence of the commissioner of human resources. The city's Inspector General referred this topic to us following her review of an employee who had been placed on administrative leave for over two years and other indications of wasteful practices. The audit will assess how often paid administrative leave is used, for how long, and whether it is used for its intended purpose.	May 2024
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