



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

October *, 2024

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 2025 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 2025. 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 [FY25 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, 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

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Audits in Progress

Audit Topic	Reason for Audit	Planned Draft to Management
Moving Atlanta Forward Infrastructure Program 2024	In compliance with Ordinance #22-O-1369 passed by the Atlanta City Council in May 2022, we are conducting our second annual review of the Moving Atlanta Forward Infrastructure Program. This audit will continue to review financials and project delivery for the \$750 million dollar infrastructure initiative and include a follow-up review on recommendations made in the first Moving Atlanta Forward audit.	Mid-October 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.	Mid-October 2024
Oracle Time and Labor Configuration	The city implemented 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 went live in February 2024. We reviewed the implementation as it progressed to help ensure that previously identified timekeeping control weaknesses and compliance risks were addressed cost-effectively. We issued an interim report to management in January 2021.	Late October 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 their 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.	Mid-November 2024

Audit Topic	Reason for Audit	Planned Draft to Management
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.	Mid-December 2024
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.	Early January 2025
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.	Mid-March 2025

Additional Audits Planned to Start in FY25

Audit Topic	Reason for Audit	Planned Start
Body-Worn Camera Follow-Up	Body-worn cameras enhance transparency and accountability for interactions between citizens and the police. Our 2018 performance audit made 16 recommendations intended to align policies with best practices, improve compliance with policies, and better monitor compliance. This follow up audit will assess the extent to which the recommendations were implemented and their effectiveness improving compliance.	November 2024

Audit Topic	Reason for Audit	Planned Start
Beltline Special Services 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. Our first review focused on the governance structure and whether the governing entities were setting up adequate controls. This will be our second review, which will focus on how much money has been collected, how it is being spent, and whether controls are operating effectively.	December 2024
Airport Rental Car Operations	The city charges a \$5.00 fee on each rental car per day for cars rented at the airport. These CFCs (customer facility charges), net of operations and maintenance costs for the rental car facility, fund debt service for the bonds used to build the facility. COVID-19 disrupted the rental car market. Over the past seven years, CFCs have decreased 12.6% and operating expenses have increased 26%. This audit will assess the department's management of the operations and maintenance contract and whether charges are collected and reported accurately.	December 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.	January 2025
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. This audit will test selected control activities to assess whether they are working as intended.	February 2025

Audit Topic	Reason for Audit	Planned Start
Moving Atlanta Forward Infrastructure Program 2025	This will be our third annual review of the \$750 million Moving Atlanta Forward infrastructure program, as requested by the City Council in Ordinance #22-O-1369. The audit will continue to assess whether controls are in place to keep projects on budget and on schedule. We will also follow-up on recommendations from our previous reports.	March 2025
Timeliness of Payments	Not paying our bills on time can result in reduced competition and higher prices for contracted work. At the end of 2023, the city undertook an effort to reduce the number of invoices over 30 days old and train employees on accounts payables policies and procedures. This audit will assess whether timeliness of payments has improved and barriers, if any, to making prompt payments.	March 2025
Implementation of Blight Tax	City Council adopted Ordinance #24-O-1370 to impose a “blight tax” equivalent to 25 times the current city general operating levy millage rate on properties that have been “officially identified as maintained in a Blighted condition.” Occupied properties that are the primary residence of one or more persons are exempted. The increased tax takes effect January 1 st the year after the property is officially identified unless the condition(s) have been remediated during the calendar year. This audit will review the processes put in place to implement the tax, including how properties are identified, how properties are removed, and how funds are allocated.	March 2025
Drinking Water and Sewer Capacity Planning	The Atlanta metro area is the 3 rd fastest growing in the country, according to Census data, with the highest growth rate in the city itself, based on ARC data. How does the city ensure that its water and sewer infrastructure are sufficient to meet growing demand?	May 2025

Audit Topic	Reason for Audit	Planned Start
Traffic Studies	Some City Council members have expressed concern about the backlog of traffic studies. According to the Department of Transportation’s website, the process can be lengthy due to the work required and volume of requests. Traffic studies include site assessments, crash histories, and 24-hour volume or peak-hour turning movement counts. The Department of Transportation conducts traffic studies to determine whether an area meets the criteria for various traffic calming or safety measures. This audit will review intake, prioritization, resource level, and the service model to assess whether there are opportunities to improve operational effectiveness.	May 2025
Offboarding	Offboarding—the processes used to separate an employee—can pose security, compliance, and productivity risks. Prior audits have found instances of retired or separated employees with access to city systems or retained equipment. This audit will assess whether offboarding guidance and procedures are sufficient to mitigate risk.	June 2025

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