Performance Audit:

Aviation Terminal Leases

Why We Did This Audit

We undertook this audit of airport terminal leases at the request of the airport deputy general manager. Aviation staff expressed concern that the department's billing system did not properly interface with the city's financial management system and data in the two systems did not reconcile.

Additionally, the external auditor's letter on management controls for fiscal year 2008 described the need for the enterprise funded departments to provide more timely financial information to the city's finance department.

What We Recommended

- The Department of Information Technology should involve key stakeholders and application owners early in the change management process.

- The Department of Aviation should review all user IDs to remove any inappropriate access.

- The Department of Aviation should develop and document a policy for determining the appropriate level of access for PROPworks users.

- The Department of Aviation should ensure all leaseholders are invoiced monthly.

- The Department of Aviation should seek to include a late payment provision when renegotiating the lease agreements in 2010.

- The Department of Aviation should propose a change in city code to establish a penalty for late payment for all leaseholders.

For more information regarding this report, please contact Eric Palmer at 404.330.6455 or epalmer@atlantaga.gov.

What We Found

The Department of Information Technology hired a consultant to make changes to the city's Oracle financial system to fix a faulty interface between the Department of Aviation's billing system – PROPworks – and the city's Oracle system. While the proposed change should address aviation's concerns, some system stakeholders were excluded from decisions regarding the interface. Making changes to Oracle rather than to PROPworks poses some risk to Oracle, and it is not clear that the problem resides in Oracle. DIT and aviation should have followed the city's defined process for evaluating proposed system changes in Oracle.

Aviation should also develop a policy to govern user access in PROPworks and strengthen access controls. Information security best practices recommend that users be granted only the system privileges necessary to do their jobs in order to reduce risk of errors, fraud, misuse, or unauthorized changes. We found that several employees who no longer work for the department still had access to the system and some current employees have more access than they need to do their jobs or their access enables them to perform incompatible job functions.

Each month, aviation bills leaseholders for terminal leased space. Aviation staff appears to have entered billing data into PROPworks accurately. Staff expressed concern that electronic bank payment data could be uploaded into Oracle more than once and that financial records of their transactions were incomplete due to interface problems. After testing and analysis, we found that neither of these concerns presents significant risk.

Aviation generated and posted invoices by the first of the month for 35 of the 36 invoices we reviewed, but the department did not invoice one leaseholder for February 2008. Aviation management told us that the leaseholder had released some of its space and requested an adjustment; however, the department had yet to invoice it as of June 2009. About one third of the invoices we reviewed were paid late. While the newer lease agreements include a late payment penalty, the majority of lease agreements and the municipal code do not explicitly address late fees.