



CITY OF ATLANTA
City Auditor's Office
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June 2021

Why We Did This Audit

In 2020, the city's former director of the Office of Contract Compliance was convicted of tax and wire fraud. We undertook this audit to increase transparency around the office's work, assess its ability to meet diversity contracting goals, and assess internal controls.

What We Recommended

To reduce errors, improve monitoring, and increase data accuracy, the Director of Contract Compliance should:

- automate certification applications and track completed submission and decision dates in the contract monitoring software
- create reports for city council
- store all contract- and task order-related documents in software
- work with software developer to restrict user access
- document revenue allocations for each concessionaire or agency
- implement quality assurance review of data input
- work with AIM and developer to integrate Oracle with software
- automate concessionaire management
- create a communication process with Aviation and Procurement
- work with Procurement to maintain a contract and task order document repository

For more information regarding this report, please use the "contact" link on our website at www.atlaudit.org

Performance Audit:

Office of Contract Compliance

What We Found

The Office of Contract Compliance manages the city's initiatives to promote small and diverse business participation on eligible contracts. The office sets, evaluates, and monitors diversity and small business participation goals on contracts. It also certifies small, minority-owned, and female-owned businesses.

Contract Compliance reported the city meeting most of its six contracting and certification goals over the past few years, but data limitations prevent conclusive analysis. Contract Compliance reports showed that the city achieved two goals in only three out of the past 11 years. Additionally, we found that the Departments of Procurement and Aviation do not always share necessary contract and revenue updates with Contract Compliance. We compared data from Contract Compliance's monitoring software against files obtained from Procurement and legislation for a sample of contracts and task orders, and we found that total value varied by \$23.9 million and 77% of the contracts and task orders had different subcontractors.

Contract Compliance's could improve efficiency by better distributing its workload and using more software features. Three of its eight specialists are monitoring 70% of contracts. The office could also improve accuracy by automating the certification application and concessionaire management processes. We found that the office under-reported car rental agency expenditures by nearly \$90,000 in fiscal year 2019.

The office's policies and procedures support city code requirements and several best practices but could improve by providing annual reports to City Council.

Management Responses to Audit Recommendations

Summary of Management Responses		
Recommendation #1:	We recommend the contract compliance director automate certification applications and work with the software vendor to track completed submission and decision dates in the contract monitoring software to comply with city code.	
Response & Proposed Action:	OCC has an active procurement for a supplier diversity tracking software system that includes an online certification application.	Agree
Timeframe:	January 2022	
Recommendation #2:	We recommend the contract compliance director create reports for city council, report regularly to committees, and share Federal Aviation Administration reports and other documents, such as presentations on Contract Compliance's work and its role in the procurement process, on its website.	
Response & Proposed Action:	OCC will continue to produce reports for The Mayor and City Council for EBO, SBO and DBE participation. Reports may be subjected to the Georgia Open Records Act and will be made available upon request. OCC will develop a presentation detailing the various programs offered within the City.	Partially Agree
Timeframe:	September 2021	
Recommendation #3:	We recommend the contract compliance director and senior managers store all contract- and task order-related documents in the office's contract monitoring software, including the original contracts and task orders, final subcontractor utilization plans, change orders, amendments, renewals, and subcontractor substitution and removal forms.	
Response & Proposed Action:	OCC senior management will utilize the supplier diversity tracking software to monitor EBO, SBO, ACDBE and DBE participation throughout the life of the contract. This also includes tracking change orders, task orders, amendments, renewals, and subcontractor substitutions.	Agree
Timeframe:	January 2022	
Recommendation #4:	We recommend the contract compliance director work with the contract monitoring software vendor to restrict access and periodically review usage reports.	
Response & Proposed Action:	We will have a detailed discussion with the software vendor to address the concerns (provided the additional features are not cost prohibitive).	Agree
Timeframe:	To be determined, procurement pending	

Recommendation #5:	We recommend the contract compliance director document revenue allocations for each concessionaire or agency in the monitoring tool or software, including a history of changes.	
Response & Proposed Action:	The tracking software will capture concessionaire revenue. Please see recommendation 8.	Agree
Timeframe:	January 2022	
Recommendation #6:	We recommend the contract compliance director implement a quality assurance review for concessionaire and contract information input.	
Response & Proposed Action:	OCC is in the process of procuring a new tracking software system. This new system will include quality assurance controls for concessionaire and contract information input.	Agree
Timeframe:	January 2022	
Recommendation #7:	We recommend the contract compliance director work with AIM and the software vendor to integrate Oracle with contract monitoring software.	
Response & Proposed Action:	OCC is in the process of procuring a new tracking software system. This new system should include Oracle integration capabilities with the ATL Cloud and the Department of Finance payment system.	Agree
Timeframe:	January 2022	
Recommendation #8:	We recommend the contract compliance director work with the Department of Aviation's finance director and the software vendor to automate concessionaire management.	
Response & Proposed Action:	OCC is in the process of procuring a supplier diversity and inclusion software tracking system, which will include all concessions activities.	Agree
Timeframe:	January 2022	
Recommendation #9:	We recommend the contract compliance director work with the Department of Aviation's finance director to establish a process to update the offices' standard operating procedures for communicating concessionaire updates.	
Response & Proposed Action:	OCC will agree to initiate discussions with DOA Finance to establish a process to update SOPs for communicating concessionaire updates. The success of these discussions will be contingent upon the cooperation of DOA Finance.	Agree
Timeframe:	January 2022	
Recommendation #10:	We recommend the contract compliance director work with the chief procurement officer to establish a process between contract compliance and the user departments to communicate updates and create a contract and task order repository, including original contracts and task orders, change orders, amendments, and renewals.	
Response & Proposed Action:	OCC, DOP, Risk Management and IPRO held a process improvement meeting in fall 2020. We will continue those discussions to address those recommendations that are related to the procurement and contracting process.	Agree
Timeframe:	Ongoing	