

CITY AUDITOR'S OFFICE

Mission Statement

The City Auditor's Office promotes honesty, efficiency, effectiveness, and accountability in City government.

Core Functions

- Conducting performance audits to support legislative oversight and public accountability.
- Making recommendations to management that will foster improvements in effectiveness of results, efficiency of operations, risk management, compliance, and controls.
- Assisting the Audit Committee in its oversight of the City's annual financial audit and its coordination of internal and external audit activities, as required by the City Charter.

Summary of Operations

The office provides objective information and useful recommendations through audit reports and continuous audit procedures. Under direction of the City's Audit Committee, the City Auditor conducts audits to assess whether City activities and programs comply with applicable laws and regulations, achieve intended outcomes and benefits, use resources economically and efficiently, and operate with adequate systems of internal control.

Audit topics are selected through risk assessment, City Council requests, and management requests. Topics may also include analyses of concerns targeted by proposed legislation and policies. Audit recommendations address safeguarding assets, streamlining processes, managing revenue, managing contracts, monitoring and reporting functions, and complying with internal and external policies and regulations.

Auditors work with management of the audited area to discuss and refine the scope of an audit. Audit teams conduct fieldwork, which generally involves interviews, identifying best practices, document review, site visits, and data analysis. The teams discuss preliminary findings with

management to confirm understanding and to develop workable recommendations. Audits result in a public report with findings and recommendations. Management's response is included in the report, and auditors follow up on the implementation status of recommendations after report release.

Continuous auditing leverages technology to test controls and to identify potential red flags in transactions as, or soon after, they occur. For our continuous audit program, we have three goals: to clean up permissions in Oracle ATLCLOUD; to detect and review red flags promptly; and to provide input to audit planning, both for the annual audit plan and individual audit engagements. To this end, we support and monitor departmental investigators in monthly reviews of segregation of duties, sensitive access, and transactional monitoring reports.

Risk assessment allows us to effectively prepare an audit plan. We need to identify which activities are the most important and detect areas that pose potential risk to the city. To provide the most benefit, our audits need to be targeted and relevant. We conduct risk assessments both to compare departments and offices based on their potential risk and to better serve the city with our audits.

The Audit Committee comprises audit, finance, and management professionals appointed by the City Council, the Council President, and the Mayor. The Committee appoints and supervises the City Auditor, approves the annual audit plan and completed audit reports, oversees the City's annual financial audit, and undertakes other activities as resources allow and as consistent with its authority under the City Charter. This structure ensures organizational independence because the office is organizationally outside the reporting line of those responsible for areas subject to audit. The Committee holds public meetings every other month to conduct its business.

The City Auditor's Office staff has skills, education, and experience in business and public administration, public policy analysis, research methods, management, accounting, social sciences, law, and information technology. Staff members hold professional certifications in internal auditing, government auditing, information systems auditing, and fraud examination. The office procures professional services as necessary to perform audits that require specialized expertise.

FY2023 Accomplishments

- **Audit Reports**

- Cash Handling
- Beltline Special Services District
- Employee Benefits
- Atlanta Fire Rescue Department Financial Transaction Review
- Municipal Market
- Solid Waste Services
- Business License Administration
- Grants Management
- In Rem Process
- Management of the Plane Train Contract
- Controls over Aviation Capital Projects
- Management of Landscape Contracts

- We continued to work with departments to train business owners how to submit progress reports in Missionmark and upload documents to support audit implementation status updates as required by city charter. Through the third quarter of fiscal year 2023, we closed approximately one-quarter of the recommendations open, with 95% of those recommendations implemented. The system includes a publicly available interactive dashboard to report the status of audit recommendations.

- **Continuous Audit**

Building on our FY2022 implementation of a continuous audit program to monitor 49 segregation of duties conflict pairs, access to 13 sensitive business activities, and 25 financial and HR transactions for risks and red flags, we worked with departmental investigators to clean up existing access in Oracle ATLCLOUD and to fine-tune the controls to reduce false positives. We drafted policies and procedures to govern use and updates of the continuous audit program. During the cleanup process, we identified several

instances of inappropriate access granted citywide and worked with departments to remediate those issues. We have also been monitoring for individuals who are both employees of the city and registered as suppliers to the city and referring recommendations to the Department of Procurement and the Ethics Office as appropriate.

- **Risk Assessment**

After researching risk assessment models, we developed a new "audit universe" of auditable departments and offices, contracts, vendors, and systems. In preparation for the FY2024 risk assessment, we developed a library of citywide risks and are currently seeking feedback from the executive branch and the audit committee to score these risks on likelihood and impact and apply them to an updated audit universe.

Audit Quality

- The City Charter requires that we follow *Government Auditing Standards* to ensure the quality of our work and to ensure that we conduct our work and report results objectively.

FY2024 Proposed Program Highlights

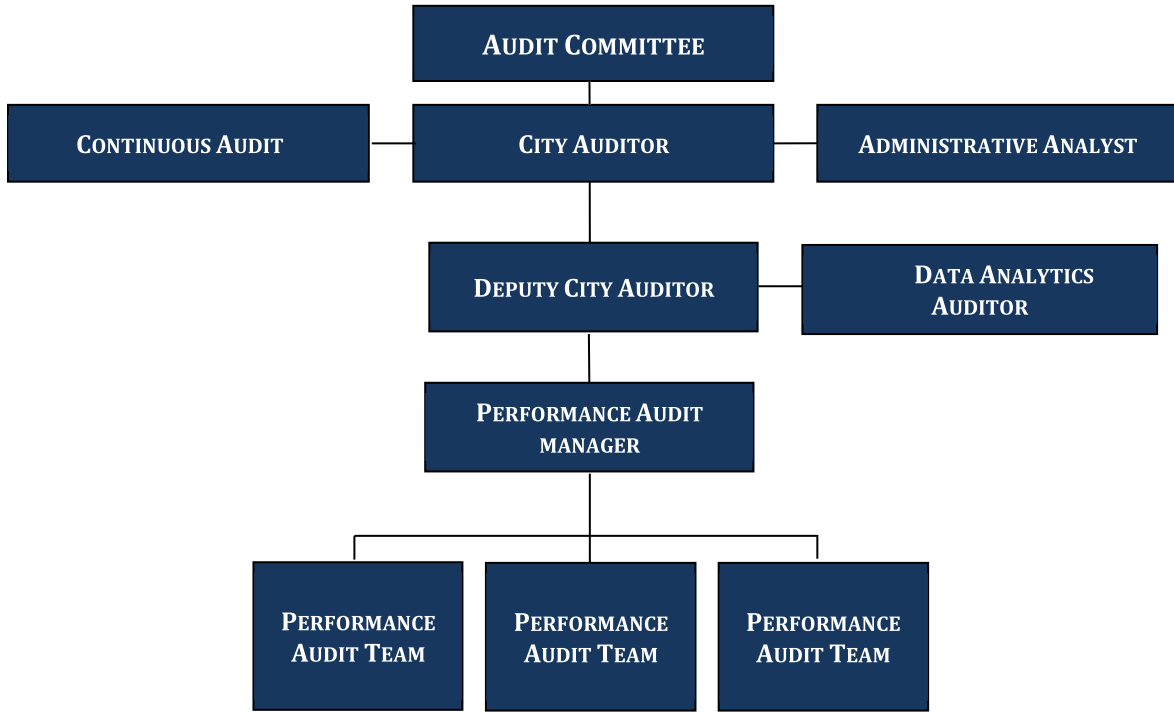
- Upcoming audits include:
 - Moving Atlanta Forward
 - Oracle Time and Labor Configuration
 - Cybersecurity
 - Water and Sewer Billing and Collections
 - City Council Expenditures
 - Municipal Court
 - Procurement Cycle Times

After implementing new software and reorganizing the office in the past two years, our focus in FY2024 will be to ensure that our written procedures align with the changes we have made, develop staff, and develop monitoring tools.

We plan to further develop our risk assessment model to include more input from management and provide for better public reporting on risk assessment results. We also plan to pilot a department-level risk assessment to identify risk-based audit opportunities.

ORGANIZATIONAL CHART

AUDITOR'S OFFICE



PERFORMANCE METRICS

AUDITOR'S OFFICE

PERFORMANCE MEASURE	FY2021 ACTUAL	FY2022 ACTUAL	FY2023 TARGET	FY2024 TARGET
<i>Effective & Ethical Government</i>				
Number of audit reports released	10	10	12	12
Average staff hours per audit	1,851	1,379	1,600	1,400
Recommendation agreement rate	90%	94%	95%	95%
Recommendations closed	0	110	100	120
Percent of closed recommendations implemented	NA	85%	NA	NA
Percent of professional staff with advanced degrees or certification	76%	74%	87%	83%





FY24 OPERATING BUDGET HIGHLIGHTS

Department Of Audit

FY21 ACTUAL EXPENDITURE	FY22 ACTUAL EXPENDITURE	FY23 ADOPTED	EXPENDITURES AND APPROPRIATIONS	FY24 BUDGET	VARIANCE FY24-FY23
\$1,538,999	\$1,316,107	\$1,577,670	Salaries, Regular	\$1,571,222	(\$6,448)
\$0	\$50,505	-	Salaries, Perm Part-Time	-	-
-	-	\$0	Salaries, Sworn	-	\$0
\$22,292	\$0	\$8,000	Salaries, Extra Help	\$8,000	\$0
-	-	-	Salaries, Extra Help-Sworn	-	-
-	-	-	Overtime	-	-
-	-	-	Pen Cont Fire Pen Fd	-	-
-	-	-	Pen Cont Police Pen Fd	-	-
\$63,889	\$68,730	\$69,720	Pen Cont Gen Emp Pen Fd	\$62,860	(\$6,860)
\$78,420	\$67,015	\$56,244	Defined Contribution	\$64,135	\$7,891
-	-	-	Workers' Compensation	-	-
\$199,107	\$198,520	\$408,026	Other Personnel Costs	\$311,158	(\$96,868)
\$1,902,705	\$1,700,876	\$2,119,660	TOTAL PERSONNEL	\$2,017,375	(\$102,285)
OTHER EXPENSES					
\$1,791,829	\$1,463,247	\$1,598,537	Purchased / Contracted Services	\$1,645,764	\$47,227
\$27,612	\$48,246	\$39,550	Supplies	\$36,550	(\$3,000)
-	-	-	Capital Outlays	-	-
-	-	-	Interfund / Interdepartmental Charges	-	-
\$4,983	\$4,343	\$6,000	Other Costs	\$7,500	\$1,500
-	-	-	Debt Service	-	-
-	-	-	Conversion / Summary	-	-
-	-	-	Other Financing Uses	-	-
\$1,824,425	\$1,515,836	\$1,644,087	TOTAL OTHER EXPENSES	\$1,689,814	\$45,727
\$3,727,130	\$3,216,712	\$3,763,747	TOTAL PERSONNEL AND OTHER EXPENSES	\$3,707,189	(\$56,558)

FY21 ACTUAL EXPENDITURE	FY22 ACTUAL EXPENDITURE	FY23 ADOPTED	FUND	FY24 BUDGET	VARIANCE FY24-FY23
\$1,923,585	\$1,702,800	\$2,035,437	General Fund	\$1,954,934	(\$80,503)
\$901,152	\$755,102	\$864,155	Airport Revenue Fund	\$876,127	\$11,972
\$902,393	\$758,810	\$864,155	Water & Wastewater Revenue Fund	\$876,128	\$11,973
\$3,727,130	\$3,216,712	\$3,763,747	TOTAL EXPENSES	\$3,707,189	(\$56,558)

FY21	FY22	FY23	AUTHORIZED POSITION COUNT	FY24	VARIANCE FY24-FY23
17.29	-	18.00	Full Time Equivalent	19.00	1.00



FY24 OPERATING BUDGET HIGHLIGHTS
Department Of Audit
General Fund

FY21 ACTUAL EXPENDITURES	FY22 ACTUAL EXPENDITURES	FY23 ADOPTED	FY24 EXPENDITURES AND APPROPRIATIONS BUDGET	VARIANCE FY24-FY23
			<i>PERSONNEL</i>	
\$1,043,943	\$894,019	\$1,072,800	Salaries, Regular	\$1,085,590 \$12,790
-	\$34,344	-	Salaries, Perm Part-Time	-
-	-	-	Salaries, Sworn	-
\$13,385	-	\$5,440	Salaries, Extra Help	\$5,440 -
-	-	-	Salaries, Extra Help-Sworn	-
-	-	-	Overtime	-
-	-	-	Pen Cont Fire Pen Fd	-
-	-	-	Pen Cont Police Pen Fd	-
\$44,510	\$48,203	\$48,000	Pen Cont Gen Emp Pen Fd	\$43,444 (\$4,556)
\$52,984	\$45,571	\$38,532	Defined Contribution	\$47,791 \$9,259
-	-	-	Workers' Compensation	-
\$134,860	\$134,991	\$282,736	Other Personnel Costs	\$184,740 (\$97,996)
\$1,289,682	\$1,157,129	\$1,447,508	TOTAL PERSONNEL	\$1,367,005 (\$80,503)
			<i>OTHER EXPENSES</i>	
\$612,370	\$509,979	\$557,595	Purchased / Contracted Services	\$558,615 \$1,020
\$18,923	\$33,490	\$26,974	Supplies	\$24,934 (\$2,040)
-	-	-	Capital Outlays	-
-	-	-	Interfund / Interdepartmental Charges	-
\$2,611	\$2,202	\$3,360	Other Costs	\$4,380 \$1,020
-	-	-	Debt Service	-
-	-	-	Conversion / Summary	-
-	-	-	Other Financing Uses	-
\$633,903	\$545,671	\$587,929	TOTAL OTHER EXPENSES	\$587,929 -
\$1,923,585	\$1,702,800	\$2,035,437	TOTAL PERSONNEL AND OTHER EXPENSES	\$1,954,934 (\$80,503)

FY21 ACTUAL EXPENDITURES	FY22 ACTUAL EXPENDITURES	FY23 ADOPTED	FY24 EXPENDITURES AND APPROPRIATIONS BUDGET	VARIANCE FY24-FY23
\$1,923,585	\$1,702,800	\$2,035,437	General Fund	\$1,954,934 (\$80,503)
\$1,923,585	\$1,702,800	\$2,035,437	TOTAL EXPENSES	\$1,954,934 (\$80,503)

FY21	FY22	FY23	FY24 AUTHORIZED POSITION COUNT	VARIANCE FY24-FY23
10.45	-	12.24	Full Time Equivalent	12.92 0.68



FY24 OPERATING BUDGET HIGHLIGHTS

Department Of Audit General Fund

EXPENDITURES AND APPROPRIATIONS	VARIANCE (24-23)	EXPLANATION
<i>PERSONNEL</i>		
Salaries, Regular	\$12,790	Increase based on actual/projected staffing levels. This line also includes a 2.5% Cost of Living Adjustment (COLA) as per Mayoral Priority for A City of Opportunity for All.
Salaries, Perm Part-Time	-	
Salaries, Sworn	-	
Salaries, Extra Help	-	
Salaries, Extra Help-Sworn	-	
Overtime	-	
Pen Cont Fire Pen Fd	-	
Pen Cont Police Pen Fd	-	
Pen Cont Gen Emp Pen Fd	(\$4,556)	Decrease based on preliminary estimated pension costs.
Defined Contribution	\$9,259	Increase based on preliminary estimated pension costs.
Workers' Compensation	-	
Other Personnel Costs	(\$97,996)	Decrease to properly align the budget based on preliminary estimated healthcare costs. This line also includes Group Life and Medicare contributions.
TOTAL PERSONNEL	(\$80,503)	
<i>OTHER EXPENSES</i>		
Purchased / Contracted Services	\$1,020	Increase to properly align contractual and operational expenses based on anticipated contractual obligations.
Supplies	(\$2,040)	Decrease based on cost associated with Consumable/Non-consumable supplies.
Capital Outlays	-	
Interfund / Interdepartmental Charges	-	
Other Costs	\$1,020	Increase to properly align the budget based on anticipated expenses for other costs. This line includes payments to Audit Committee members.
Debt Service	-	
Conversion / Summary	-	
Other Financing Uses	-	
TOTAL OTHER EXPENSES	-	
TOTAL PERSONNEL AND OTHER EXPENSES	(\$80,503)	

FUND	VARIANCE (24-23)	EXPLANATION
General Fund	(\$80,503)	
TOTAL EXPENSES	(\$80,503)	

AUTHORIZED POSITION COUNT	VARIANCE (24-23)	EXPLANATION
Full Time Equivalent	0.68	Increase based on actual staffing levels.



FY24 OPERATING BUDGET HIGHLIGHTS

Department Of Audit Airport Revenue Fund

FY21 ACTUAL EXPENDITURES	FY22 ACTUAL EXPENDITURES	FY23 ADOPTED	EXPENDITURES AND APPROPRIATIONS	FY24 BUDGET	VARIANCE FY24-FY23
			<i>PERSONNEL</i>		
\$247,333	\$211,044	\$252,435	Salaries, Regular	\$242,816	(\$9,619)
-	\$8,080	-	Salaries, Perm Part-Time	-	-
-	-	-	Salaries, Sworn	-	-
\$4,454	-	\$1,280	Salaries, Extra Help	\$1,280	-
-	-	-	Salaries, Extra Help-Sworn	-	-
-	-	-	Overtime	-	-
-	-	-	Pen Cont Fire Pen Fd	-	-
-	-	-	Pen Cont Police Pen Fd	-	-
\$9,010	\$9,297	\$10,860	Pen Cont Gen Emp Pen Fd	\$9,708	(\$1,152)
\$12,608	\$10,722	\$8,856	Defined Contribution	\$8,172	(\$684)
-	-	-	Workers' Compensation	-	-
\$32,110	\$31,764	\$62,645	Other Personnel Costs	\$63,209	\$564
\$305,515	\$270,907	\$336,076	TOTAL PERSONNEL	\$325,185	(\$10,891)
			<i>OTHER EXPENSES</i>		
\$590,121	\$475,748	\$520,471	Purchased / Contracted Services	\$543,574	\$23,103
\$4,345	\$7,377	\$6,288	Supplies	\$5,808	(\$480)
-	-	-	Capital Outlays	-	-
-	-	-	Interfund / Interdepartmental Charges	-	-
\$1,171	\$1,071	\$1,320	Other Costs	\$1,560	\$240
-	-	-	Debt Service	-	-
-	-	-	Conversion / Summary	-	-
-	-	-	Other Financing Uses	-	-
\$595,637	\$484,195	\$528,079	TOTAL OTHER EXPENSES	\$550,942	\$22,863
\$901,152	\$755,102	\$864,155	TOTAL PERSONNEL AND OTHER EXPENSES	\$876,127	\$11,972

FY21 ACTUAL EXPENDITURES	FY22 ACTUAL EXPENDITURES	FY23 ADOPTED	FUND	FY24 BUDGET	VARIANCE FY24-FY23
\$901,152	\$755,102	\$864,155	Airport Revenue Fund	\$876,127	\$11,972
\$901,152	\$755,102	\$864,155	TOTAL EXPENSES	\$876,127	\$11,972

FY21	FY22	FY23	AUTHORIZED POSITION COUNT	FY24	VARIANCE FY24-FY23
3.23	-	2.88	Full Time Equivalent	3.04	0.16



FY24 OPERATING BUDGET HIGHLIGHTS

Department Of Audit

Airport Revenue Fund

EXPENDITURES AND APPROPRIATIONS	VARIANCE (24-23)	EXPLANATION
<i>PERSONNEL</i>		
Salaries, Regular	(\$9,619)	Decrease based on actual/projected staffing levels. This line also includes a 2.5% Cost of Living Adjustment (COLA) as per Mayoral Priority for A City of Opportunity for All.
Salaries, Perm Part-Time	-	
Salaries, Sworn	-	
Salaries, Extra Help	-	
Salaries, Extra Help-Sworn	-	
Overtime	-	
Pen Cont Fire Pen Fd	-	
Pen Cont Police Pen Fd	-	
Pen Cont Gen Emp Pen Fd	(\$1,152)	Decrease based on preliminary estimated pension costs.
Defined Contribution	(\$684)	Decrease based on preliminary estimated pension costs.
Workers' Compensation	-	
Other Personnel Costs	\$564	Increase to properly align the budget based on preliminary estimated healthcare costs. This line includes Group Life and Medicare Contributions.
TOTAL PERSONNEL	(\$10,891)	
<i>OTHER EXPENSES</i>		
Purchased / Contracted Services	\$23,103	Increase to properly align contractual and operational expenses based on anticipated contractual obligations.
Supplies	(\$480)	Decrease based on cost associated with Consumable/Non-consumable supplies.
Capital Outlays	-	
Interfund / Interdepartmental Charges	-	
Other Costs	\$240	Increase to properly align the budget based on anticipated expenses for other costs. This line includes payments to Audit Committee members.
Debt Service	-	
Conversion / Summary	-	
Other Financing Uses	-	
TOTAL OTHER EXPENSES	\$22,863	
TOTAL PERSONNEL AND OTHER EXPENSES	\$11,972	

FUND	VARIANCE (24-23)	EXPLANATION
Airport Revenue Fund	\$11,972	
TOTAL EXPENSES	\$11,972	

AUTHORIZED POSITION COUNT	VARIANCE (24-23)	EXPLANATION
Full Time Equivalent	0.16	Increase based on actual staffing level.



FY24 OPERATING BUDGET HIGHLIGHTS

Department Of Audit

Water & Wastewater Revenue Fund

EXPENDITURES AND APPROPRIATIONS	VARIANCE (24-23)	EXPLANATION
<i>PERSONNEL</i>		
Salaries, Regular	(\$9,619)	Decrease based on actual/projected staffing levels. This line also includes a 2.5% Cost of Living Adjustment (COLA) as per Mayoral Priority for A City of Opportunity for All.
Salaries, Perm Part-Time	-	
Salaries, Sworn	-	
Salaries, Extra Help	-	
Salaries, Extra Help-Sworn	-	
Overtime	-	
Pen Cont Fire Pen Fd	-	
Pen Cont Police Pen Fd	-	
Pen Cont Gen Emp Pen Fd	(\$1,152)	Decrease based on preliminary estimated pension costs.
Defined Contribution	(\$684)	Decrease based on preliminary estimated pension costs.
Workers' Compensation	-	
Other Personnel Costs	\$564	Increase to properly align the budget based on preliminary estimated healthcare costs. This line also includes Group Life and Medicare Contributions.
TOTAL PERSONNEL	(\$10,891)	
<i>OTHER EXPENSES</i>		
Purchased / Contracted Services	\$23,104	Increase to properly align contractual and operational expenses based on anticipated contractual obligations. This line includes financial and contracted special audits.
Supplies	(\$480)	Decrease based on cost associated with Consumable/Non-consumable supplies.
Capital Outlays	-	
Interfund / Interdepartmental Charges	-	
Other Costs	\$240	Increase to properly align the budget based on anticipated expenses for other costs. This line includes payments to Audit Committee members.
Debt Service	-	
Conversion / Summary	-	
Other Financing Uses	-	
TOTAL OTHER EXPENSES	\$22,864	
TOTAL PERSONNEL AND OTHER EXPENSES	\$11,973	

FUND	VARIANCE (24-23)	EXPLANATION
Water & Wastewater Revenue Fund	\$11,973	
TOTAL EXPENSES	\$11,973	

AUTHORIZED POSITION COUNT	VARIANCE (24-23)	EXPLANATION
Full Time Equivalent	0.16	Increase based on actual staffing level