

Office of Independent Internal Audit

May 4, 2017

Monica Miles, CPA, CFE,
Chairperson, Audit Oversight Committee
Maloof Administration Building
1300 Commerce Drive, 3rd Floor
Decatur, Georgia 30030.

Dear Ms. Miles:

I am pleased to submit for your review and approval the Office of Independent Internal Audit (OIIA) Annual Work Plan.

This work plan is based on the results of our annual risk assessment to provide the best use of available resources and the most effective coverage of DeKalb County Georgia's programs, systems, activities and contracts. In addition to the audits we have identified, time that has been allocated for audit oversight committee requests and hotline items. During the year, this plan may be modified to address changing conditions and risks.

We look forward to working with you and your fellow audit oversight committee members in meeting the challenges and opportunities that face DeKalb County Georgia. With your approval, we will implement the OIIA Annual Work Plan for year 2017. Thank you for your continued support and cooperation.

Sincerely,



John Greene, CIA, CIG, CGAP, CGFM
Chief Audit Executive
Office of Independent Internal Audit

Approved:



Monica Miles
Chairperson, Audit Oversight Committee



DeKalb County Georgia Office of Independent Internal Audit Proposed 2017 Work Plan

INTRODUCTION

We are pleased to present the results of our annual risk assessment and work plan development. The purpose of this memorandum is to share the results of our annual risk assessment and provide our proposed 2017 Office of Independent Internal Audit (OIIA) Work Plan.

Our annual risk assessment is used to identify and manage risks – events or actions that may adversely affect DeKalb County Georgia and the achievement of organizational objectives. These risks may be operational, compliance, financial, legal or reputational.

Each year the OIIA will assess the operations of DeKalb County Georgia with the objective of identifying statutory compliance requirements as well as areas with the highest level of risk (probability of adverse events occurring). We performed this risk assessment to: provide a basis for allocation of our resources; facilitate proactive responses by management; and comply with professional auditing standards, which is required by law. This year, we used a chart developed by the Chief Audit Executive (CAE) that was created from attending many Board Of Commissioners(BOC) meetings, BOC subcommittee meeting, talking with DeKalb County personnel and DeKalb County citizens. The CAE formulated the listing into a Draft Think Sheet of Ideas for Audits. The CAE provided the initial draft of the Think Sheet of Ideas for Audits to some members of the audit oversight committee who suggested that the OIIA use this work as our risk assessment for calendar year 2017. We considered the results of audits, management reviews and investigations performed during the current and prior years to identify areas of potential weakness in the DeKalb County Georgia operations. Using the results from these collective efforts and our professional judgment, we developed the audit work plan.

The approved work plan document will guide our work throughout the year but will be adjusted to meet DeKalb County Georgia needs as other priorities are identified.

RISK ASSESSMENT PROCESS

As part of the OIIA Annual Risk Assessment process, the CAE developed a think sheet of 44 possible audit topics/areas of audit. The CAE converted the list into the risk ranking spreadsheet and then numerous meetings were held with OIIA staff to add more audit topics to the risk spreadsheet, consolidate audit topics and discuss possible scopes for the audit topic identified on the risk ranking spreadsheet before we individually ranked them. The OIIA staff identified 64 possible audit topics on the risk ranking spreadsheet.

The CAE sent out a request to audit managers to review the risk ranking spreadsheet and rank the possible audit topics with a risk from 1 (lowest risk) to 10 (highest risk). Each manager and the CAE ranked the audit topics independently and then we consolidated the results to attain at an average ranking score for each possible audit topic. The team met to look at the overall risk ranking and concentrated on the items with an average ranking score of 7.00 or above. There was a total of 28 audit topics with an average ranking score of 7.00 and above.

The CAE held a meeting with two audit oversight committee members to obtain feedback on the 64 possible audit topics. The committee members suggested focusing on topics that have a higher risk of fraud, waste and abuse and mentioned that some of the audit topics could be outsourced to supplement resource constraints.

The managers and the CAE met to discuss the feedback from the audit oversight committee members to determine if a possible reassessment of our risk ranking was required. We felt that we had considered many risk factors in completing the ranking and in addition, we considered fraud, waste and abuse, and items of safety to the taxpayers of DeKalb County in completing the risk rankings. Using the results from these efforts and our professional judgment, we developed the audit work plan.

The CAE submitted the audit plan for review and comment to the audit oversight committee at the March 24, 2017 meeting and presented the audit plan to the BOC on April 18, 2017 at the Committee of the Whole as required by HB 599.

PROPOSED 2017 WORK PLAN

The professional audit standards require the development of risk based work plans (both short and long term) which consider resource requirements.

The OIIA currently has 12 positions. Based on our analysis, staff members will have approximately 18,851 staff hours to expand on work plan engagements. Total available staff hours was reduced by approximately 10,540 for staff being phased in during the year, completion of ongoing projects from Finance Internal Audit and staff managing external projects. The remaining 8311 hours was allocated for new engagements.

The following is our proposed 2017 work plan for your review. The work plan includes a list of projects proposed for 2017, projects proposed for 2017 using staff augmentation, and a list of potential out year projects.

**DeKalb County
Office of Independent Internal Audit**

PROPOSED 2017 WORK PLAN AND SELECTION CRITERIA		
Work Plan Project	Selection Criteria	Estimated hours
Follow-up to December 31, 2015 Financial Statements performed by Mauldin & Jenkins	Statutory Compliance	221
Water Issues RFP & Working with selected firm	Risk Assessment Issue	280
Risk Assessments(2017 & 2018)	Recurring OIIA Work Plan Item	400
Monitoring External Audits-Mauldin & Jenkins and RFP Process for 2017 External Auditor	Statutory Compliance	240
Hotline Request	Risk Assessment Issue	1080
911 response times/911 replacement & where 911 back-up –data is stored	Risk Assessment Issue	400
Consent Decree at Watershed	Risk Assessment Issue	350
Work Force DeKalb Grants	Risk Assessment Issue	400
Purchasing/Procurement	Risk Assessment Issue	500
Low Bid Process	Risk Assessment Issue	250
Sole Source Contract process and its usage	Risk Assessment Issue	300
Snap Finger project	Risk Assessment Issue	350
Contract Award Thresholds	Risk Assessment Issue	300
Construction Contracts-Road Projects	Risk Assessment Issue	500
Emergency Contract Process	Risk Assessment Issue	250
Inventory of Maintenance yards/Facilities(Fixed Assets Process)	Risk Assessment Issue	300
Animal Shelter Construction Contracts	Risk Assessment Issue	300
Recreation Department-Receiving cash for usage of Fields- Policy and Procedures for handling the cash received	Risk Assessment Issue	250
Protection of Personal Identifiable Information (Privacy Impact Assessments, HIPPA, Privacy Act, etc.)	Risk Assessment Issue	250
Change Order/ Change order support	Risk Assessment Issue	250
Consulting Contracts-Professional Services	Risk Assessment Issue	350
Sanitations Expenditures-Business Needs	Risk Assessment Issue	300
Cost Center-Non Departmental Expenditures	Risk Assessment Issue	250
Audit Oversight Committee Requests	Risk Assessment Issue	240

PROPOSED 2017 WORK PLAN USING STAFF AUGMENTATIONS		
Work Plan Project	Selection Criteria	Estimated hours
Employee I.T. Access/ Look at Terminated Employees and transfer	Risk Assessment Issue	120
I. T. Inventory of Software and Hardware	Risk Assessment Issue	120
Look at number of contracts awarded to same vendor	Risk Assessment Issue	120
Doing an audit of personnel files	Risk Assessment Issue	120
Look at employees who are on the payroll and are also receiving payments for contracts/consultant; Compare vendor addresses with employee addresses on file	Risk Assessment Issue	120

POTENTIAL OUT YEAR WORK PLAN PROJECTS

Vendor Qualifications
Alcohol license; Sunday Sale and Business Occupation Tax Certificates
Time limited employees and contract labor employees
Review of Cell Phone Usage
Confiscated Funds
Aroma - Compliance (Late Night Establishment Status)
Lou Walker Senior Center Usage
Fleet Maintenance and Repairs
OIIA Risk Assessment
Audit Oversight Committee Requests
Handling Hotline Issues as Needed

ATTACHMENT 1- Addresses and Distribution List

Monica Miles, CPA, CFE, Chairperson, Audit Oversight Committee

Copies distributed to:

Gena Major, Vice Chairperson, Audit Oversight Committee
Harmel Codi, Member, Audit Oversight Committee
Harold Smith, Jr., Member, Audit Oversight Committee
William Mulcahy, Member, Audit Oversight Committee
Michael L. Thurmond, Chief Executive Officer
Nancy Jester, Board of Commissioners District 1
Jeff Rader, Board of Commissioners District 2
Larry Johnson, Board of Commissioners District 3
Steve Bradshaw, Board of Commissioners District 4
Mereda Davis Johnson, Board of Commissioners District 5
Kathie Gannon, Board of Commissioners District 6
Gregory Adams, Board of Commissioners District 7

This report is reviewed by:

Cornelia Louis
Cornelia Louis, Financial Audit Manager

May 4, 2017
Date

Campbell
Lavois M. Campbell, CIA, CFE, CPA, CGA
Performance Audit Manager

May 4, 2017
Date

Approved by:

John L. Greene
John L. Greene, CIA, CIG, CGAP, CGFM
Chief Audit Executive

May 4, 2017
Date

