

Office of Independent Internal Audit

May 9, 2018

Gena Major
Chairperson, Audit Oversight Committee
Maloof Administration Building
1300 Commerce Drive, 3rd Floor
Decatur, Georgia 30030.

Dear Ms. Major:

I am pleased to submit for your review and approval the Office of Independent Internal Audit (OIIA) 2018 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 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 2018. Thank you for your continued support and cooperation.

Sincerely,



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

Approved:



Gena M. Major
Chairperson, Audit Oversight Committee



John Greene
Chief Audit Executive

OFFICE OF INDEPENDENT INTERNAL AUDIT RISK ASSESSMENT AND 2018 WORK PLAN

INTRODUCTION

We are pleased to present the results of our annual risk assessment and 2018 work plan. The purpose of this memorandum is to share the results of our annual risk assessment and provide our proposed 2018 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 (County) from achieving organizational objectives. These risks may be operational, compliance, financial, legal or reputational.

Each year the OIIA will assess the operations of the County with the objective of identifying statutory compliance requirements as well as areas with the highest level of risk (probability of adverse events occurring). The OIIA 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. We initiated the process using a chart developed by the Chief Audit Executive (CAE) that listed potential ideas for audit identified from attending various meetings. The CAE formulated the listing into a Draft Think Sheet of Ideas for Audits (Think Sheet) and provided it to the Financial Audit Manager, Cornelia Louis; Performance Audit Manager, Lavois Campbell and Information Technology Audit Manager, April Green who solicited ideas from their staff members to add topics to the Think Sheet. We considered the results of current risk events, previous audits, management reviews and investigations performed during the current and prior years to identify areas for potential improvement in the County 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 the County needs as other priorities are identified.

RISK ASSESSMENT PROCESS

As part of OIIA annual risk assessment process, the CAE developed a Think Sheet of 46 possible audit topics/areas of audit. The CAE converted the list into a risk ranking spreadsheet. 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 topics identified on the risk ranking spreadsheet before we individually ranked them. The OIIA staff identified additional 43 possible audit topics on the risk ranking spreadsheet for a total of 89 possible audit topics.

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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 the results were consolidated to attain an average ranking score for each possible audit topic. The team met to review the overall risk ranking and concentrated on the items with an average ranking score of 6.25 or above for non-Information Technology projects, which were 40 projects. In addition, we looked at all Information Technology projects that are 5.75 or higher, which were six projects. We considered all 46 projects.

We discussed many risk factors in completing the ranking. In addition, we considered potential fraud, waste and abuse, and items and issues of safety to the taxpayers of the 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 on April 12, 2018 and presented the audit plan to the Board of Commissioners (BOC) on May 1, 2018 at the Committee of the Whole as required by DeKalb County Georgia – Code of Ordinances / Organizational Act / Section 10A – Independent Internal Audit.

PROPOSED 2018 WORK PLAN

Professional audit standards require the development of risk based work plans (both short and long term) which includes consideration for resource requirements.

The OIIA currently has 12 positions. Based on our analysis, staff members will have approximately 18,296 hours available for work plan engagements. Approximately 3,792 staff hours are needed to complete ongoing projects initiated during fiscal year 2017 and for staff time managing external projects. The remaining 14,504 hours was allocated for new engagements.

The following is our proposed 2018 work plan for your review. The work plan includes a list of projects proposed for 2018, projects proposed for 2018 using staff augmentation, and a list of potential out year work plan projects.

PROPOSED 2018 WORK PLAN AND SELECTION CRITERIA		
Work Plan Project	Selection Criteria	Estimated hours
Annual Risk Assessments for 2018 and 2019	Recurring OIIA Work Plan Item	400
Annual Reports for 2017 and 2018	Recurring OIIA Work Plan Item	200
RFP - OIIA Staff Augmentation	OIIA Work Plan Item	100
Monitoring External Audit-2017 Financial Statement by Mauldin & Jenkins	Statutory Compliance	200
Follow-up- on Annual Audit findings by Mauldin Jenkins	Statutory Compliance	200
Hotline Requests	Risk Assessment Issue	600
Follow-up on KPMG Audit Report of DeKalb County Water Metering and Billing	Statutory Compliance	300
Six-Month Follow-up on OIIA Issued Audits	Statutory Compliance	200

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CONTINUED PROPOSED 2018 WORK PLAN AND SELECTION CRITERIA		
Work Plan Project	Selection Criteria	Estimated hours
Information Technology Network Access and Cyber Monitoring Partially co-sourced: potential penetration testing	Risk Assessment Issue	600
Special Purpose Local Option Sales Tax (SPLOST) Projects	Risk Assessment Issue	450
Grants Management - Oversight	Risk Assessment Issue	350
Information Technology General Computing Controls: General Ledger	Risk Assessment Issue	550
Vehicle Fuel Process	Risk Assessment Issue	400
Work Force DeKalb Grants	2017 Work Plan Carryover	400
Payroll – Off Cycle Checks	Risk Assessment Issue	550
Vendor Qualifications- Certified to do work such as Design, Construction Management and CEI work	Risk Assessment Issue	400
Information Technology Data Center - Physical Security	Risk Assessment Issue	600
Information Technology & DeKalb County Departments Software Licensing	2017 Work Plan Carryover	350
Usage of P-card in the Maintenance Area	Risk Assessment Issue	350
Accounts Payable – Travel Expense Reports	Risk Assessment Issue	500
Contracts being Paid After the Fact/Purchase Order	Risk Assessment Issue	300
Information Technology Audit of Taleo Software including Candidate Rating Module and HR Background Check Process	Risk Assessment Issue	350
Cycle Time for Post Award Contracting	Risk Assessment Issue	300
Vendor Payment Process	Risk Assessment Issue	350
Cost Center-Non Departmental Expenditures	2017 Work Plan Carryover	250
Timesheet System	Risk Assessment Issue	400
Business License Process	Risk Assessment Issue	550
Adult Day Respite Voucher Program	Risk Assessment Issue	350
DeKalb Reimbursement Vouchers for the Elderly (DRIVE)	Risk Assessment Issue	350
Snapfinger Project	2017 Work Plan Carryover	350
Chart of Accounts Naming Conventions	Risk Assessment Issue	300
CEO's Strategic Information Technology Audit Project's System Development Life Cycle Processes	Risk Assessment Issue	350
Lou Walker Senior Center Usage	Risk Assessment Issue	300
Wire Transfers	Risk Assessment Issue	350
Consulting Contracts-Professional Services	2017 Work Plan Carryover	350
Community Development Block Grant (CDBG)	Risk Assessment Issue	400
Change Order/ Change Order Support	2017 Work Plan Carryover	400
Inventory of Maintenance Yards/Facilities	2017 Work Plan Carryover	300
Look at Number of Contracts Awarded to Same Vendor	2017 Work Plan Carryover	120
Audit of Personnel Files	2017 Work Plan Carryover	120
Audit Oversight Committee Requests	Risk Assessment Issue	264

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PROPOSED 2018 WORK PLAN USING STAFF AUGMENTATIONS		
Work Plan Project	Selection Criteria	Estimated hours
Pension Payout	Risk Assessment Issue	800
Rental Contract for Memorial Drive-Watershed	Risk Assessment Issue	400
Work Place Safety	Risk Assessment Issue	450
Workers Compensation Claims	Risk Assessment Issue	350
Sanitary Sewer Cleaning Contracts	Risk Assessment Issue	450

POTENTIAL OUT YEAR WORK PLAN PROJECTS
Look at the Sanitation Process
911 Communication System Replacement
Information Technology Servers and Cloud Vulnerability Review
Small Business Growth Accelerator program
Construction Contracts-Building and Road Projects
Performance Art Center
Phase-3 Personal Identifiable Information Judicial and County Service Department
OIIA Risk Assessment
Audit Oversight Committee Requests
Handling Hotline Issues as Needed

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