



Office of Independent Internal Audit

March 20, 2019

Harold Smith
Chairperson, Audit Oversight Committee
Maloo Administration Building
1300 Commerce Drive, 3rd Floor
Decatur, Georgia 30030

Dear Mr. Smith:

I am pleased to submit for your review and approval the Office of Independent Internal Audit (OIIA) 2019 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 embracing the opportunities that face DeKalb County, Georgia. With your approval, we will implement the OIIA Annual Work Plan for year 2019. Thank you for your continued support and cooperation.

Sincerely,

A handwritten signature in green ink that reads 'John Greene'.

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

Approved:

A handwritten signature in blue ink that reads 'Harold Smith'.

Harold Smith
Chairperson, Audit Oversight Committee



John Greene
Chief Audit Executive

OFFICE OF INDEPENDENT INTERNAL AUDIT RISK ASSESSMENT AND 2019 WORK PLAN

INTRODUCTION

The annual risk assessment is used to identify and assess risks (events or actions that may adversely affect DeKalb County, Georgia's (County) achievement of organizational objectives) as a basis for preparing the annual audit work plan. 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 its resources; alignment of audit plan activities with management goals and objectives; comply with Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing (Standards); and required by House Bill 599 (2015 Ga. Laws 3826), enacted by the Georgia General Assembly signed into Law on May 12, 2015¹. The Chief Audit Executive (CAE) prepared a chart of potential auditable areas identified from attending various management and Board meetings. The CAE formulated the listing into a Draft Think Sheet of Potential Audits (Think Sheet) and provided it to the OIIA Audit Managers who solicited other potential audit topics from their staff members. The CAE added these topics to the Think Sheet. The CAE and Audit Managers 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. The CAE drafted a work plan using results from these collective efforts and the professional judgment of the audit management team. The CAE presented this plan to the Audit Oversight Committee for feedback and approval.

The approved work plan document will guide the work throughout the year but will be adjusted to meet the County needs as emerging risks are identified.

RISK ASSESSMENT PROCESS

The Standards require that audit work plans be risk based (both short and long term) and include consideration for resource requirements.

To begin the OIIA annual risk assessment process, the CAE prepared a Think Sheet of 86 possible audit topics/areas of audit. Many of these audit topics and areas were carryforward from the previous year's planning. The CAE converted the list into a risk

¹ Incorporated into *DeKalb County, Georgia – Code of Ordinances / Organizational Act Section 10A- Independent Internal Audit*.

**OFFICE OF INDEPENDENT INTERNAL AUDIT
DEKALB COUNTY GOVERNMENT
RISK ASSESSMENT AND 2019 WORK PLAN**

ranking worksheet. Meetings were held with OIIA staff to capture all potential audit topics, consolidate where appropriate, and discuss possible objectives and scope for the audit topics identified before ranking them. The OIIA staff identified 45 new potential audit topics for a total of 131 possible audit topics.

The possible audit topics were risk ranked from 1 (lowest risk) to 10 (highest risk). Each manager and the CAE (management team) ranked the audit topics independently and the results were consolidated to attain an average ranking score for each possible audit topic. The management team met to review the overall risk ranking, concentrating on the items with an average ranking score of 6.25 or above for non-Information Technology projects, the topics with an average ranking score of 6.0 for Information Technology projects. This yielded a total of 38 projects, 7 Information Technology and 31 non-Information Technology projects.

During the meeting, the management team discussed the risk factors used in completing the ranking. In addition, the management team considered potential fraud, waste, abuse, and issues of safety to the taxpayers of the County before finalizing the risk rankings.

PROPOSED 2019 WORK PLAN

The OIIA currently has 12 positions. The analysis of resource availability indicate staff members will have approximately 18,296 hours available for work plan engagements. Approximately 5,813 staff hours are needed to complete ongoing projects initiated during previous years and for staff time managing external projects. The remaining 12,483 hours are being allocated to the new engagements.

The CAE discussed the proposed audit plan with the Audit Oversight Committee (AOC) at the February 22, 2019 AOC meeting and presented the proposed audit plan to the Board of Commissioners (BOC) on March 19, 2019 at the Committee of the Whole as required by DeKalb County Georgia – Code of Ordinances / Organizational Act / Section 10A – Independent Internal Audit.

The following is the proposed 2019 work plan for your review. The work plan includes a list of projects proposed for 2019. Some of these projects are being proposed using staff augmentation. In addition, a list of potential outer year work plan projects have been included.

**OFFICE OF INDEPENDENT INTERNAL AUDIT
DEKALB COUNTY GOVERNMENT
RISK ASSESSMENT AND 2019 WORK PLAN**

PROPOSED 2019 WORK PLAN AND SELECTION CRITERIA		
Work Plan Project	Selection Criteria	Estimated hours
Annual Risk Assessments for 2020	Recurring OIIA Work Plan Item	400
Annual Reports for 2019	Recurring OIIA Work Plan Item	200
Monitoring External Audit-2018 Financial Statement by Mauldin & Jenkins	Statutory Compliance	200
Hotline Requests	Risk Assessment	600
Six-Month Follow-up on OIIA Issued Audits	Statutory Compliance	500
Information Technology Network Access and Cyber Monitoring Partially Co-sourced: Potential Penetration Testing	2018 Work Plan Carryover	300
Special Purpose Local Option Sales Tax (SPLOST) Projects	2018 Work Plan Carryover	450
Information Technology General Computing Controls: General Ledger	2018 Work Plan Carryover	550
Vehicle Fuel Process	2018 Work Plan Carryover	400
Usage of P-card in the Maintenance Area	2018 Work Plan Carryover	350
Information Technology Audit of Taleo Software including Candidate Rating Module and HR Background Check Process	2018 Work Plan Carryover	350
Cycle Time for Post Award Contracting	2018 Work Plan Carryover	300
Vendor Payment Process	2018 Work Plan Carryover	350
Cost Center-Non-Departmental Expenditures	2018 Work Plan Carryover	250
Timesheet System	2018 Work Plan Carryover	400
Adult Day Respite Voucher Program	2018 Work Plan Carryover	350
DeKalb Reimbursement Vouchers for the Elderly (DRIVE)	2018 Work Plan Carryover	350
Chart of Accounts Naming Conventions	2018 Work Plan Carryover	300
CEO's Strategic Information Technology Audit Project's System Development Life Cycle Processes	2018 Work Plan Carryover	350
Lou Walker Senior Center Usage	2018 Work Plan Carryover	300
Wire Transfers	2018 Work Plan Carryover	350
Inventory of Maintenance Yards/Facilities	2018 Work Plan Carryover	300
Look at Number of Contracts Awarded to Same Vendor	2018 Work Plan Carryover	120
Pension Accumulated Balance, Contribution and Years of service	Risk Assessment Issue	500
Construction Contracts-Building and Road Projects	Risk Assessment Issue	500
Cell Phone Usage	Risk Assessment Issue	450
Accounts Payable -Segregation of Duties	Risk Assessment Issue	450
Planning Permitting Process	Risk Assessment Issue	500
Sewer Capacity Process	Risk Assessment Issue	400
Human Resources Background Check Process	Risk Assessment Issue	300
Consulting Contract Review	Risk Assessment Issue	350
Overtime Compensation	Risk Assessment Issue	500
Commercial Sanitation Fees	Risk Assessment Issue	350
Audit Oversight Committee Requests	Risk Assessment Issue	163

**OFFICE OF INDEPENDENT INTERNAL AUDIT
DEKALB COUNTY GOVERNMENT
RISK ASSESSMENT AND 2019 WORK PLAN**

PROPOSED 2019 WORK PLAN USING STAFF AUGMENTATIONS		
Work Plan Project	Selection Criteria	Estimated hours
Information Technology Network Access and Cyber Monitoring Partially Co-sourced: Potential Penetration Testing	2018 Work Plan Carryover	800
Rental Contract for Memorial Drive-Watershed	Risk Assessment Issue	400

POTENTIAL OUT YEAR WORK PLAN PROJECTS
Library Construction Projects-Ellenwood Branch Library
Emergency Medical Services Contract
Small Business Growth Accelerator program
Look at Sanitation Process
Performance Art Center
Audit of DeKalb County Institution Fund Recipients

**OFFICE OF INDEPENDENT INTERNAL AUDIT
DEKALB COUNTY GOVERNMENT
RISK ASSESSMENT AND 2019 WORK PLAN**

DISTRIBUTION

Statutory Distribution:

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

Lorraine Cochran-Johnson, Board of Commissioners District 7

Harold Smith Chairperson, Audit Oversight Committee

Harmel Codi, Vice Chairperson, Audit Oversight Committee

Adrienne T. McMillon, Audit Oversight Committee

Claire Cousins, Audit Oversight Committee

Gena Major, Audit Oversight Committee

Information Distribution:

Zachary L. Williams, Chief Operating Officer/ Executive Assistant

Vivian Ernstes, County Attorney

La'Keitha D. Carlos, CEO's Chief of Staff

Antwyn Brown, Chief of Staff, Board of Commissioners

Stacey Kalberman, Ethics Officer, DeKalb Board of Ethics

Karla Drenner, House District 85, Chairwoman of the DeKalb County Delegation to the State House

Emanuel Jones, Senate District 10, Chairman of the DeKalb Delegation to the State Senate