

DEKALB COUNTY GOVERNMENT

Annual Audit Work Plan for 2020



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

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John Greene
Chief Audit Executive

OFFICE OF INDEPENDENT INTERNAL AUDIT
2020 ANNUAL AUDIT WORK PLAN

April 20, 2020

Harmel Codi, Chairperson, Audit Oversight Committee
Maloof Administration Building
1300 Commerce Drive, 3rd Floor
Decatur, Georgia 30030

Dear Ms. Codi:

I am pleased to submit for your review and approval of the Office of Independent Internal Audit (OIIA) 2020 Annual Work Plan.

This work plan is based on the results of our annual risk assessment. The plan is designed 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 emerging risks and changes in County operations.

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 the year 2020. Thank you for your continued support and cooperation.

Sincerely,

John L. Greene

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

Approved: *Harmel Codi*

Ms. Harmel Codi
Chairperson, Audit Oversight Committee

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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. Examples of these risks are operational, compliance, financial, legal or reputational.

Each year the OIIA will assess the operations of the County to identify statutory compliance requirements as well as areas with the highest level of risk. The OIIA performed this risk assessment to provide a basis for the 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 approved audit work plan will guide the work throughout the year but may be adjusted to meet the County needs as emerging risks are identified.

RISK ASSESSMENT PROCESS

Step 1: Define the Universe

Using the information from available County organizational structure documents and organizational chart of accounts included in the Comprehensive Annual Financial Report (CAFR), the audit universe was identified. Finance provided the organizational chart of all accounts included in the CAFR and each of the program and functional areas were reviewed to confirm all of the areas to be included in the risk assessment.

Step 2: Risk Identification and Assessment

Using surveys, interviews, and group discussions with County management, risks were identified that could adversely impact County goals, objectives, and initiatives for the coming year. Once management identifies the risks, they were assessed to determine the program areas with the greatest level of risks.

Step 3: Translate Risks into Audit Topics and Objectives

Risk areas assessed as high or very high were outlined. Using information from management and audit staff input, audit history both internal and external and topics presented directly to the CAE, potential audit objectives were developed.

Step 4: Develop a Risk-Based Audit Work Plan

The Audit Managers and CAE reviewed potential audit topics and the current staffing levels. The County Ordinance requires that audit work plans be risk-based (both short and long term) and include consideration for resource requirements. The CAE converted the list into a risk ranking.

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

RISK ASSESSMENT RESULTS

The table below highlights the higher risks program areas identified during our risk assessment exercise. These areas were assessed from an inherent perspective (the level of risks in the absence of proper internal controls and safeguards). Our objective for any audit projects in these areas would be to provide assurance that risks management activities and internal controls are working as intended by County management and governing bodies.

Program Area	Risk Ranking
Information Technology	Very High
Payroll	Very High
Treasury	Very High
Accounts Payable	Very High
Purchasing and Contracting	Very High
Watershed	High
Sanitation	High
Fleet Management	High
Enterprise-wide – Physical Security	High
Enterprise-wide – Termination and Transfer	High
Human Resources	Moderate

RESOURCES

The OIIA currently has 15 professional positions and one administrative assistant position, with two positions vacant. The analysis of resource availability indicates staff members will have approximately 18,798 hours available for work plan engagements. Approximately 5,824 staff hours are needed to complete ongoing projects initiated during previous years and for staff time managing external projects. The remaining 12,724 hours are being allocated to the new engagements.

The CAE sent the proposed audit plan to the Audit Oversight Committee (AOC) on March 30, 2020 for the AOC review and comment. The OIIA surveyed the BOC during the risk assessment process to get concerns about risk and audit topics in developing the 2020 audit plan. The CAE plans to make a workplan presentation in May after the COVID-19 concerns are eased.

The following is the proposed 2020 audit work plan for your review. The plan includes a list of projects proposed for 2020. Some of these projects are being proposed using staff augmentation. In addition, a list of potential long-range projects has been included.

**OFFICE OF INDEPENDENT INTERNAL AUDIT
DEKALB COUNTY GOVERNMENT
ANNUAL AUDIT WORK PLAN FOR 2020**

2020 AUDIT WORK PLAN

The following is the proposed 2020 audit work plan for your review. The plan includes a list of projects proposed for 2020. Some of these projects are being proposed using staff augmentation. In addition, a list of potential long-range projects has been included.

Audit Type	Project	Criteria	Objective and Scope
IT	Asset Management	Risk Assessment	To review and assess the adequacy and effectiveness of internal controls and management of IT assets.
IT	Patch Management	Risk Assessment	To review and evaluate the effectiveness of the patch management processes.
IT	Access Management	Risk Assessment	To review and assess the adequacy and effectiveness of internal controls over access management.
IT	Mobile Device Inventory	Risk Assessment	To assess the adequacy of mobile device inventory management
IT	Software Licensing	Risk Assessment	To determine if an adequate process is in place for tracking and monitoring IT software licensing compliance.
IT	Data Loss Management	Risk Assessment	To assess if the DoIT's approach to data loss prevention is designed and implemented effectively.
Performance	Payroll	Risk Assessment	Internal control assessment of time reporting and processes and systems.
Performance	Treasury	Risk Assessment	Internal control assessment of Treasury Operations.
Performance	Purchasing & Contracting	Risk Assessment	Evaluation of County bidding process and procedures.
Performance	Purchasing & Contracting	Previous Audits	To evaluate the County's methods, policies, and practices for managing and monitoring third-party service providers.
Performance	Utility Billing Process	Risk Assessment	To assess the readiness of the utility billing processes for the implementation of the new billing system.
Performance	Termination and Transfer of Employees	Prior Issues	To evaluate the procedures and controls in place for ensuring terminations and transfers of employees are managed effectively.
Performance	Physical Security	Prior Issues	To assess the control related to the physical security of County offices and operations.

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Audit Type	Project	Criteria	Objective and Scope
Performance	Watershed Equipment Inventory	Risk Assessment	To evaluate the effectiveness of inventory equipment management in the Watershed department.
Performance	Fleet Inventory	Risk Assessment	To evaluate the effectiveness of inventory management in the County's vehicle fleet inventory.
Performance	Business Continuity Process	CAE	To assess the effectiveness of the County's business continuity plan as it relates to the County's readiness for a disaster.
Non-audit Services	Contract Reviews	Management Request	At the request of the Board of Commissioners, determine whether the information provided in the proposed contract award, contract renewal, change order, and related documents are supported.
Routine Audit Services	Follow-up Audits	Standards	Audit standards require audit organization to monitor the status of open recommendations.
Routine Audit Services	Risk Assessment	Standards	Audit standards and State law require organization to develop risk-based audit work plan annually.
Routine Audit Services	Ongoing Quality Control	Standards	Process required by government auditing standards.
Routine Audit Services	Annual Internal Assessment	Standards	Process required by government auditing standards.

PROPOSED USE OF STAFF AUGMENTATION FOR 2020

OIIA plans to work selected vendors for assistance on some of the projects listed above as limitation on resources indicate. Currently, external resources are planned for the following projects.

- Follow-up Audit of the Utility Billing Process.
- IT Asset Management.

LONG RANGE AUDIT PLANS – 2021 AND BEYOND

OIIA plans to continue to focus on the highest risk program areas of the County as identified by the annual risk assessment exercise. Currently, this focus is in the following areas, concentrating on an expansion into areas outside the County's Executive offices.

- Department of Innovation and Technology.
- Divisions of the Finance Department.

DISTRIBUTION

Statutory Distribution:

Michael L. Thurmond, Chief Executive Officer

Nancy Jester, Board of Commissioners District 1

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

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