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March 2021

OFFICE OF INDEPENDENT INTERNAL AUDIT

Annual Audit Work Plan for 2021

DEKALB COUNTY GOVERNMENT

Annual Audit Work Plan for 2021



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

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John Greene
Chief Audit Executive

OFFICE OF INDEPENDENT INTERNAL AUDIT
2021 ANNUAL AUDIT WORK PLAN

March 10, 2021

Adrienne T. McMillion, Chairperson, Audit Oversight Committee
Maloo Administration Building
1300 Commerce Drive, 3rd Floor
Decatur, Georgia 30030

Dear Ms. McMillion:

I am pleased to submit for your review and approval the Office of Independent Internal Audit (OIIA) 2021 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 (AOC) 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 AOC 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 2021. Thank you for your continued support and cooperation.

Sincerely,

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

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

Approved: A handwritten signature in black ink that reads 'Adrienne T. McMillion'.

Ms. Adrienne T. McMillion
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; align audit plan activities with management goals and objectives; comply with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing (Standards); and comply with the requirements of 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's needs as emerging risks are identified.

RISK ASSESSMENT PROCESS

Step 1: Define the Universe

Using the information from the previous year and the internal audit application implementation, we updated the audit universe where necessary.

Step 2: Risk Identification and Assessment

Using surveys with County management, Board of Commissioners, AOC, and OIIA staff, risks were identified that could adversely impact County goals, objectives, and initiatives for the coming year. Once risks were identified, 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 and compared to audit projects not begun in 2020. Using information from management and audit staff input, potential audit objectives were developed.

Step 4: Develop a Risk-Based Audit Work Plan

The Audit Managers, Deputy Chief Audit Executive, and Chief Audit Executive (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-risk program areas identified during our risk assessment exercise. These areas were assessed from an inherent perspective (the level of risk in the absence of proper internal controls and safeguards). Our objective for any audit projects in these areas would be to provide assurance that risk 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
Procuring Goods and Services	Very High
Watershed	High
Roads and Drainage	High
Facilities Management	High
Enterprise-wide – Physical Security	High
Enterprise-wide – Termination and Transfer	High
Finance	High

RESOURCES

The OIIA currently has 14 professional positions and one administrative assistant position. The analysis of resource availability indicates staff members will have approximately 24,616 hours available for work plan engagements. Approximately 1912 staff hours are needed to complete ongoing projects initiated during previous years and for staff time managing external projects. The remaining 22,704 hours are being allocated to the new engagements.

2021 AUDIT WORK PLAN

The following is the proposed 2021 audit work plan for your review. The plan includes a list of projects proposed for 2021. 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	Oracle ITGC	Risk Assessment	Review and assess the adequacy and effectiveness of internal controls over Information Technology General Controls related to this application.
IT	Mobile Device Inventory	Risk Assessment	Assess the adequacy of mobile device inventory management.

**OFFICE OF INDEPENDENT INTERNAL AUDIT
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ANNUAL AUDIT WORK PLAN FOR 2021**

Audit Type	Project	Criteria	Objective and Scope
Performance	Payroll	Risk Assessment	Assess internal controls over time reporting processes and systems.
Performance	Treasury	Risk Assessment	Assess internal controls over Treasury Operations.
Performance	Procuring Goods and Services	Risk Assessment	Evaluate County procurement processes and procedures.
Performance	Utility Billing Process	Risk Assessment	Assess the readiness of the Utility Billing processes for the implementation of the new billing system.
Performance	Termination and Transfer of Employees	Prior Issues	Evaluate the procedures and controls in place for ensuring terminations and transfers of employees are managed effectively.
Performance	Business Continuity Process	CAE	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 proposed contract awards, contract renewals, change orders, and related documents are supported.
Routine Audit Services	Follow-up Audits	Standards	Verify whether recommendations made during prior audits were implemented by management, as required by audit standards.
Routine Audit Services	Risk Assessment	Standards	Identify and assess events or actions that may adversely affect the County's achievement of its organizational objectives.
Routine Audit Services	Ongoing Quality Control	Standards	Ensure audit work is performed in accordance with Government Auditing Standards.
Routine Audit Services	Annual Internal Assessment	Standards	Ensure audit work is performed in accordance with Government Auditing Standards in preparation of a peer review by external auditors.

PROPOSED USE OF STAFF AUGMENTATION FOR 2021

OIIA plans to utilize vendors to provide 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.

In addition, OIIA plans to increase its focus on the County's programs and plans to spur recovery and growth for its residents. In addition, OIIA plans to review some of the higher risks identified in the risk assessment within the County's constitutional offices. The following projects identified for late 2021 and beyond are designed to address these additional areas:

- Economic Development.
- Constitutional Offices Administrative Processes:
 - Cash Receipts.
 - Cash Disbursements.
 - Procurement Card.
 - Terminations and Transfers.

DISTRIBUTION

Statutory Distribution:

Michael L. Thurmond, Chief Executive Officer

Robert Patrick, 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

Ted Terry, Board of Commissioners District 6

Lorraine Cochran-Johnson, Board of Commissioners District 7

Adrienne McMillion, Chairperson, Audit Oversight Committee

Harold Smith, Jr., Vice Chairperson, Audit Oversight Committee

Claire Cousins, Audit Oversight Committee

Lisa Earls, Audit Oversight Committee

Harmel Codi, 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

Kwesi K. Obeng, 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

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