

July 2, 2021

Tracey A. Hutchinson, Division Director
Public Works Department – Sanitation Division & Beautification
3720 Leroy Scott Dr
Decatur, GA 30032

RE: Audit of Public Works-Sanitation Other Professional Services-Audit Report No. 2017-012-SAN- Follow-up Report

Dear Director Hutchinson:

As required by DeKalb County, Georgia – Code of Ordinances / Organizational Act Section 10A- Independent Internal Audit (I), the Office of Independent Internal Audit has completed a follow-up of the audit noted above. I have attached the Office of Independent Internal Audit's report on the status of actions taken by your office to address the findings contained in the audit report referenced above.

Status of Audit Findings

Based on our review of management responses to the findings, we concluded that: Five out of five (100%) findings are considered to have a status of ***“Complete Pending Verification by OIIA”***.

#	Report Finding	Management Action Plan Status
1	Lack of Written Standard Operating Procedures	Complete Pending Verification by OIIA
2	Noncompliance with the County Procurement Policy	Complete Pending Verification by OIIA
3	Inadequate Segregation of Duties within the Sanitation's Purchasing Cycle	Complete Pending Verification by OIIA
4	Insufficient Documentation to Support Goods and Services Received	Complete Pending Verification by OIIA
5	Classifying Expenditures Incorrectly as Other Professional Service (OPS).	Complete Pending Verification by OIIA

Please contact me if you require additional information.

Sincerely,



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

Attachment: Audit Findings Status Update Form

cc. 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 T. 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
Zachary L. Williams, Chief Operating Officer/ Executive Assistant
La'Keitha D. Carlos, CEO's Chief of Staff
Kwasi K. Obeng, Chief of Staff, Board of Commissioners
Richard Lemke, Director, Public Works Department

DeKalb County Government

Office of Independent Internal Audit

Date: 7/2/21

Prepared by: Lavois Campbell

Audit Findings Status Update Form

Status Date		Report #	Report Title	
7/2/21		2017-012-SAN	Audit of Other Professional Services	
Contact Person		Title	Phone No.	Email Address
Tracy Hutchinson		Division Director	404-294-2177	tahutchinson@DeKalbcountyga.gov
Activity		Accountability	Repeat Finding	Schedule
Other Professional Services		Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
		Sanitation	No	12/1/19
Finding		Finding Detail		
No.	1			
Date	11/20/18			
Finding		Lack of Written Standard Operating Procedures		
Recommendation		<p>Sanitation management should:</p> <ul style="list-style-type: none"> • Develop and implement written SOP for their internal procurement process. • Ensure the procedures within the written SOP corresponds with the County's Purchasing Policy. • Disseminate the SOP to all Sanitation employees in charge of purchasing. • Review and update the SOP periodically to ensure efficiency and effectiveness. <p>In addition, the Chief Procurement Officer should develop and implement countywide general procurement procedures as a guide in establishing internal controls for the decentralization of procuring goods and services by user departments. User departments should customize the general procurement procedures specific to their businesses.</p>		
Management Response		Sanitation Division follows the current P&C SOP. The Department will establish a purchasing procedures/SOP that coincides with the Purchasing Policy and will conduct a mandatory training session for employees in charge of purchasing function.		
Status Update-12 months		All Sanitation's Requisition Technicians have completed the P&C Oracle training class.		
	Open			
	Management/Agency Assumes Risk			
	Partially Complete			
	Complete Pending Verification by OIIA			
	Closed			
Status Update-Final		Purchase requisition requests are submitted to the Division Director for review and approval to ensure services/materials are assigned properly to the right object code.		
	Open			
	Management/Agency Assumes Risk			
	Partially Complete			
X	Complete Pending Verification by OIIA			
	Closed			

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Activity		Accountability	Schedule	
Other Professional Services		Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
		Sanitation	No	12/1/19
Finding		Finding Detail		
No	2			
Date	11/20/18			
Finding		Noncompliance with the County Procurement Policy		
Recommendation		<p>Sanitation management should:</p> <ul style="list-style-type: none"> • Obtain the required quotes as mentioned in the County's Purchasing Policy when procuring goods or services. • Implement procedures to comply with the County's Purchasing Policy for creating requisitions. Such procedures shall include, but not limited to, obtaining approved POs prior to receiving the goods or services and related invoices. <p>In addition, the Chief Procurement Officer should:</p> <ul style="list-style-type: none"> • Periodically, provide countywide refresher training on the requirements of the Purchasing Policy for County personnel involved in the process of procuring goods and services. • Ensure employees acknowledge that they understood the training and will apply the procurement requirements when procuring goods and services. 		
Management Response		The Department will request P&C to conduct a mandatory training session for Sanitation employees in charge of purchasing function.		
Status Update-12 months		All Sanitation's Requisition Technicians have completed the P&C Oracle training class.		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency			
<input type="checkbox"/>	Assumes RiskPartially			
<input type="checkbox"/>	Complete			
<input type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			
Status Update-Final		Quotes are obtained per the Purchasing Policy. Sanitation Division has fully implemented reviewing account codes prior to entering requisitions.		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency			
<input type="checkbox"/>	Assumes RiskPartially			
<input type="checkbox"/>	Complete			
<input checked="" type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			

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Activity		Accountability		Schedule
Other Professional Services		Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
		Sanitation	No	12/1/19
Finding		Finding Detail		
No.	3			
Date	11/20/18			
Finding		Inadequate Segregation of Duties within the Sanitation's Purchasing Cycle		
Recommendation		<p>Sanitation management should implement controls to segregate duties so that different individuals create requisition receive goods with appropriate documentation and approve invoices for payment. In addition, itemized list of goods or services should be signed and dated by the individual who received them before the final approval of invoices by a person independent of requisition and receiving functions.</p> <p>When it is not practicable to segregate duties due to limited staff size, management should periodically print a report of POs and subsequent payments from the Oracle and have a supervisory level employee independent of purchasing process review the report for accuracy. A special focus should be on payments to new vendors where fraud is likely to occur.</p>		
Management Response		<p>Sanitation Division will establish an internal SOP for the procurement process to piggyback P&C SOP. Training will be conducted to employees in charge of purchasing function. Sanitation Division will ensure itemized list of goods or services is signed and dated by the individual who received them before the final approval of invoices for payment.</p>		
Status Update-12 months		All Sanitation's Requisition Technicians have completed the P&C Oracle training class.		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency Assumes Risk			
<input type="checkbox"/>	Partially Complete			
<input type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			
Status Update-Final		Only approved Sanitation employees are allowed to enter Requisitions. The Sanitation Division implemented the P&C SOP as it relates to Requisitions.		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency Assumes Risk			
<input type="checkbox"/>	Partially Complete			
<input checked="" type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			

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Activity		Accountability		Schedule
Other Professional Services		Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
		Sanitation	No	12/1/19
Finding				
No.	4			
Date	11/20/18			
Finding		Insufficient Documentation to Support Goods and Services Received		
Recommendation		Sanitation management should ensure that staff obtains and maintains supporting documentation to verify receipt of goods and services. Supporting documentation should include, but not limited to packing slips/sheet, bill of lading, invoices, quotes, work orders, and sign off sheets.		
Management Response		Sanitation Division will establish a tracking/record keeping system to verify receipt of goods and services, including but not limited to packing slips/sheet, bill of lading, invoices, quotes, work orders and sign off sheets.		
Status Update-12 months		All Sanitation's Requisition Technicians have completed the P&C Oracle training class.		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency Assumes Risk			
<input type="checkbox"/>	Partially Complete			
<input type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			
Status Update-Final		The Sanitation Division follows P&C SOP for entering and receiving Requisitions.		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency Assumes Risk			
<input type="checkbox"/>	Partially Complete			
<input checked="" type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			

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Other Professional Services		Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
		Sanitation	No	12/1/19
Finding		Finding Detail		
No.	5			
Date	11/20/18			
Finding		Classifying Expenditures Incorrectly as OPS		
Recommendation		<p>The Finance Department and OMB should work together to provide periodic countywide training to employees involved in the procurement process on how to assign expenditures to appropriate object codes. In addition, the training materials should be made available online for future reference.</p> <p>Selecting appropriate object codes will improve the accuracy and reliability of the County's financial reporting and assist Sanitation management with controlling costs within their budget, forecasting expenditures, and making decisions. Sanitation management should obtain the Chart of Accounts' object code descriptions from the Finance department to assist its staff in charging transactions to the appropriate object codes.</p>		
Management Response		Sanitation Division has implemented the process of assigning expenditures to the appropriate object codes.		
Status Update-12 months		All Sanitation's Requisition Technicians have completed the P&C Oracle training class.		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency Assumes Risk			
<input type="checkbox"/>	Partially Complete			
<input type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			
Status Update-Final		Object codes (Account strings) are reviewed and assigned prior to entering Requisitions in Oracle.		
<input type="checkbox"/>	Open			
<input type="checkbox"/>	Management/Agency Assumes Risk			
<input type="checkbox"/>	Partially Complete			
<input checked="" type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			