

March 6, 2025

Robert Atkins
Treasurer
Finance Department
DeKalb County
1300 Commerce Dr.
Decatur, GA 30030

RE: 1st Follow-up on Management Actions - Wire Transfer Audit Report Number IA-2022-081-FN

Dear CFO McNabb,

As required by DeKalb County, Georgia – Code of Ordinances/Organizational Act Section 10A - Independent Internal Audit (I), the Office of Independent Internal Audit (OIIA) has completed a follow-up of the audit noted above. I have attached OIIA's report on the status of management actions taken to address the findings contained in the referenced audit report. The conclusions in this follow-up report are limited to the status of the implementation and not the effectiveness of the completed action plans, which may be assessed in a future audit.

Status of Audit Findings

Based on our review of management responses to the findings, we concluded that the six findings cited in the audit report were "Partially Complete," as some actions have been implemented, while other actions to address the finding fully are in progress. It is expected that all action plans will be implemented **by the end of May 2025**. A summary of the status is shown in Figure 1 below, and details are provided in the attached pages 4-9:

Figure 1 - Status of Management Actions Plans

No.	Report Finding	Status of Management Action Plans
1	Unauthorized User Department (UD) Employees "Initiated" and "Approved" Manual Wire Transfers Payments	Partially Complete
2	Some Manual Wire Transfer Payments, Requested by UD's, Were Not Supported with Documented Evidence of Authorization	Partially Complete
3	Some Preauthorized Debit Wire Transfers Were Not Supported with Evidence of Senior Management Authorization Permitting Vendors to Initiate Payments from County Bank Accounts	Partially Complete
4	No Evidence Senior Management Authorized the Opening of Some of the County Bank Accounts Used to Make Wire Transfers Payments	Partially Complete
5	Treasury Management Monitoring/Oversight Controls Were Not in Place for Wire Transfers Activities	Partially Complete
6	Operating Policies and Procedures Are Not Current or Complete and Need to be Updated	Partially Complete



Office of Independent Internal Audit

LAVOIS CAMPBELL, CHIEF AUDIT EXECUTIVE

Please contact me if you require additional information.

Regards,

Lavois Campbell

Lavois Campbell, CIA, CISA, CFE, CGA-CPA
Chief Audit Executive

Attachment: Audit Findings Status Update Form



Office of Independent Internal Audit

LAVOIS CAMPBELL, CHIEF AUDIT EXECUTIVE

cc. Lorraine Cochran-Johnson, Chief Executive Officer
Robert Patrick, Board of Commissioners District 1
Michelle Long Spears, Board of Commissioners District 2
Nicole Massiah, Board of Commissioners District 3
Chakira Johnson, Board of Commissioners District 4
Mereda Davis Johnson, Board of Commissioners District 5
Ted Terry, Board of Commissioners District 6
LaDena Bolton, Board of Commissioners District 7
Tanja Christine Boyd-Witherspoon, Chairperson, Audit Oversight Committee
Adrienne McMillion, Vice Chairperson, Audit Oversight Committee
Lisa Earls, Audit Oversight Committee
Gloria Gray, Audit Oversight Committee
Harold Smith Jr., Audit Oversight Committee
Zachary L. Williams, Chief Operating Officer/Executive Assistant
Dianne McNabb, Chief Financial Officer
Leah Davis, CEO's Chief of Staff

DeKalb County Government			
Office of Independent Internal Audit			
Date: March 4, 2025		Prepared by: Clenty Hinton	
Audit Findings Status Update Form			
Report Date	Report #	Report Title	
8/21/23	IA-2022-081-FN	Audit of Wire Transfer Processes	
Contact Person	Title	Phone No.	Email Address
Dianne McNabb	Chief Financial Officer	(404) 371-2745	dmcnabb@dekalbcountyga.gov
Activity	Responsible Area	Repeat Finding	Anticipated Completion Date (OIIA)
1st Follow-up	Finance	No	5/30/25
Finding		Finding Detail	
No.	1		
Date	8/21/23		
Unauthorized User Department (UD) Employees "Initiated" and "Approved" Manual Wire Transfers Payments.			
Recommendations		<p>We recommend that Finance management:</p> <ol style="list-style-type: none"> 1) Require that user departments document the name and signature of authorized initiators and approvers for wire transfer requests. The list should be periodically reviewed and updated by the UD head to help ensure it does not include employees who have separated from the department. Any updates should be immediately communicated to Treasury. 2) Require that Treasury personnel verify with documented evidence that the initiator and approver of the request were authorized by the UD head before processing the wire transfer. 3) Document the procedures for establishing authorized UD initiators and approvers for wire transfer requests submitted to Treasury. 	
Management Action Plans As Stated in Final Audit Report		<p>Treasury will document all the names and signatures of all authorized wire transfer request personnel and update them as needed with the UD head. Treasury will update the procedures to include verifying all wire request signatures are authorized.</p> <p>The estimated timeline for implementation of the Action Plan is October 1, 2023.</p>	
For OIIA Use Only			
Status Update		Details of Status:	
<input type="checkbox"/>	Open	<p>We reviewed a copy of the revised Wire Transfer Policy and Procedures Manual and observed the business units that were authorized to initiate manual wire transfers were identified. In addition, we received the Electronic Funds Transfer (EFT) forms that listed the authorized approvers and initiators from the payroll and pension departments.</p> <p>Treasury is working towards completing the EFT forms for the remaining business units - Debt Service, Governmental, and Watershed.</p> <p>Additionally, the revised policies/procedures require the business units to designate specific users assigned to handle the input, review, and approval of wire transfers.</p>	
<input type="checkbox"/>	Management/Agency Assumes Risk		
<input checked="" type="checkbox"/>	Partially Complete		
<input type="checkbox"/>	Complete Pending Verification by OIIA		
<input type="checkbox"/>	Closed		

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1st Follow-up		Finance	No	5/30/25
Finding		Finding Detail		
No.	2			
Date	8/21/23			
<p align="center">Some Manual Wire Transfer Payments, Requested by User Departments (UD), Were Not Supported with Documented Evidence of Authorization.</p>				
Recommendations		<p>We recommend that Finance management:</p> <ol style="list-style-type: none"> 1) Collaborate with UD's to implement procedures to ensure UD wire transfer requests are not processed without a completed UD authorized Oracle Gateway Data form or an alternative standardized cover document capturing similar information. 2) Revise the policy to indicate the types of transactions that require the use of the Gateway form so that it is clear when a Gateway form is required or not. 3) Implement procedures requiring the retention of the form and supporting documents. 4) Document procedures for Treasury's verification of wire transfer requests upon receipt, supporting documentation, and UD authorization. 5) Develop procedures to help ensure electronic signatures are "restricted" from editing. For example, using the restricted signature feature in the Adobe Acrobat application to prevent the date and signatures from being manipulated. 6) Work with Wells Fargo Bank to implement procedures for obtaining application user activity reports, including "approval" of wire transfer transactions in the Commercial Electronic Office (CEO) application. 		
Management Action Plans As Stated in Final Audit Report		<p>Treasury will implement and revise all policies and procedures to ensure wire transfer requests are properly documented and secure. We will pull and save the audit wire transfer report every quarter.</p> <p>The estimated timeline for implementation of the Action Plan is October 1, 2023.</p>		
For OIIA Use Only				
Status Update		Details of Status:		
Open		We observed that the following recommendations were included in the revised Policies and Procedures Manual.		
Management/Agency Assumes Risk		(1) Wire transfers can not be processed without an authorized/signed Oracle Gateway form except when an invoice or authorized executed contract with supporting documentation is present.		
X Partially Complete		2) When verifying the wire transfer the authorized signor must be on the list used by Treasury.		
Complete Pending Verification by OIIA				
Closed		<p>The revised policy/procedures did not require the use of the recommended alternative standardized form, instead it listed the requirement for supporting documentation and additional information (e.g. payment instruction, purchase order etc.) necessary for the initiation of the wire.</p> <p>The requirement for an electronic signature was mentioned, but the requirement that the signature be restricted/tamper proof was not stated. Treasury is satisfied with the existing (editable) electronic signatures and indicated that risk is mitigated as the Gateway forms were accompanied by supporting documentation that contained official signatures.</p> <p>There was no mention in the revised policy/procedures of the length of time the form and supporting documentation should be retained. Treasury will check the legal requirements for retaining the wire transfer documents before updating the policy.</p>		

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1st Follow-up	Finance	No	5/30/25
Finding		Finding Detail	
No.	3		
Date	8/21/23		
Some Preauthorized Debit Wire Transfers Were Not Supported with Evidence of Senior Management Authorization Permitting Vendors to Initiate Payments from County Bank Accounts.			
Recommendations	<p>We recommend that Finance management:</p> <ol style="list-style-type: none"> 1) Request from Wells Fargo Bank a list of all vendors that are preauthorized to debit a county account for wire transfer transactions. 2) Request that user departments review, at least annually, all vendor preauthorized wire transfer agreements to verify and update preauthorization terms if necessary. All documents supporting vendor approval and wire transfer preauthorization should be retained and available for review. 3) Document procedures for handling preauthorized wire transfers. 		
Management Action Plans As Stated in Final Audit Report	<p>Treasury will send the master list to the UD to review annually and update procedures.</p> <p>The estimated timeline for implementation of the Action Plan is October 1, 2023</p>		
For OIIA Use Only			
Status Update	Details of Status:		
Open	The revised Policies and Procedures Manual included instructions for handling preauthorized wire transfers.		
Management/Agency Assumes Risk	The revised policy/procedures did not require departments to perform an annual review of preauthorized wire transfer agreements. Treasury agreed to add procedures regarding the annual review of the wire transfer agreements to the Policy and Procedures Manual. The areas of emphasis will include, (1) Persons who are deemed a responsible party, (2) Timelines, (3) Activity of interest, and (4) Resolution of issues/inconsistencies.		
X Partially Complete	The revised policy/procedures provided did not mention anything about the retention and availability of documents that supported vendor approval and wire transfer preauthorization.		
Complete Pending Verification by OIIA			
Closed			

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1st Follow-up	Finance	No	5/30/25
Finding		Finding Detail	
No.	4		
Date	8/21/23		
<p align="center">No Evidence Senior Management Authorized the Opening of Some of the County Bank Accounts Used to Make Wire Transfers Payments.</p>			
Recommendations		<p>We recommend that Finance management:</p> <p>1) Review all County bank account documentation to ensure documentation authorizing the opening of accounts are available. If documents are not currently on file with the County, Treasury should collaborate with Wells Fargo Bank to obtain copies of the supporting documentation, including the account signatory cards.</p> <p>2) Revise the Treasury Retainage Account Policy to help ensure it is consistent with the Wells Fargo DeKalb Authorization Certification.</p>	
Management Action Plans As Stated in Final Audit Report		<p>Treasury will ensure authorizing account information is available if requested.</p> <p>The estimated timeline for implementation of the Action Plan is October 1, 2023</p>	
For OIIA Use Only			
Status Update	Details of Status:		
<input type="checkbox"/> Open	The retainage policy was revised to limit the authority to open an account to the CEO and CFO. The retainage policy is still in draft form.		
<input type="checkbox"/> Management/Agency Assumes Risk	<u>Authorization to Open Bank Accounts</u>		
<input checked="" type="checkbox"/> Partially Complete	Treasury provided confirmation from the Wells Fargo bank of the authorized Senior County Officials that opened the bank accounts tested during the audit.		
<input type="checkbox"/> Complete Pending Verification by OIIA	Treasury stated that the process for opening a bank account had since changed, and the current process only allowed for electronic transactions/activities. As a result, physical signature cards are no longer utilized. Further, it was noted that the CEO and CFO are the only persons authorized to open bank accounts. In addition, Treasury stated that documented evidence of authorization to open bank accounts would be available if requested.		
<input type="checkbox"/> Closed			

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1st Follow-up		Finance	No	5/30/25
Finding				
No.	5			
Date	8/21/23			
Finding Detail				
Treasury Management Monitoring Controls Were Not in Place for Wire Transfers Activities.				
Recommendations		<p>We recommend that Finance management:</p> <p>1) Document procedures for performing and reporting on periodic analytical or monitoring activities of wires processed. Treasury should collaborate with the county senior management and user departments to determine analytical and statistical information needs.</p> <p>2) Perform and report on the results of periodic analysis of wires transfer data. The reporting should consider the</p>		
Management Action Plans As Stated in Final Audit Report		<p>Treasury will develop Monitoring/Metric reports</p> <p>The estimated timeline for implementation of the Action Plan is October 1, 2023</p>		
For OIIA Use Only				
Status Update		Details of Status:		
<input type="checkbox"/>	Open	We observed the generation/creation of reports utilized by Treasury staff and management.		
<input type="checkbox"/>	Management/Agency Assumes Risk	However, we do not have evidence that shows the data in the reports was analyzed and shared with Senior Management.		
<input checked="" type="checkbox"/>	Partially Complete	Treasury staff is currently working on annual metrics and the manner in which they should be presented to senior management and vendors.		
<input type="checkbox"/>	Complete Pending Verification by OIIA			
<input type="checkbox"/>	Closed			

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1st Follow-up	Finance	No	5/30/25
Finding		Finding Detail	
No.	6		
Date	8/21/23		
Operating Policies and Procedures Are Not Current or Complete and Need to be Updated.			
Recommendations	<p>Recommendations:</p> <p>We recommend that Treasury management revise its wire transfer policies and procedures to address the above mentioned gaps and deficiencies.</p>		
Management Action Plans As Stated in Final Audit Report	<p>Treasury will incorporate the resolutions to Findings 1 – 5 in its revised policy.</p> <p>The estimated timeline for implementation of the Action Plan is October 1, 2023</p>		
For OIIA Use Only			
Status Update		Details of Status:	
<input type="checkbox"/>	Open	We observed the documentation and incorporation/implementation of some recommended procedures.	
<input type="checkbox"/>	Management/Agency Assumes Risk	Several issues have not yet been implemented and, as a result, are not documented in the revised Policy and Procedures Manual, which remains in draft form. These issues pertain to findings 1 through 5. Treasury attributed the delay in implementing the recommendations to staff shortages and the ongoing CV360 implementation, which has significantly impacted the department's capacity.	
<input checked="" type="checkbox"/>	Partially Complete		
<input type="checkbox"/>	Complete Pending Verification by OIIA		
<input type="checkbox"/>	Closed		