



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

**MAY 2022**

**DEKALB COUNTY GOVERNMENT**

**OIIA ANNUAL  
AUDIT WORK PLAN**

**2022**

Report No. IA-2022-070-IA

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Lavois Campbell  
Interim Chief Audit Executive

## 2022 ANNUAL AUDIT WORK PLAN

May 23, 2022

Adrienne T. McMillion, Chairperson,  
Audit Oversight Committee  
Maloofo 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) 2022 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, the time has been allocated for Audit Oversight Committee (AOC) requests and other non-audit service requests. 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 2022. Thank you for your continued support and cooperation.

Sincerely,

*Lavois M. Campbell*

Lavois Campbell, CIA, CISA, CFE, CGA-CPA  
Interim Chief Audit Executive  
Office of Independent Internal Audit

Approved: *Adrienne T. McMillion*  
Ms. Adrienne T. McMillion  
Chairperson, Audit Oversight Committee



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## **INTRODUCTION**

Internal audits provide essential accountability and transparency over government programs. Given the current challenges facing governments and their programs, the oversight provided through auditing is critical. Through objective analysis, government auditing provides the information needed by stakeholders and the public to ensure accountability; improve program performance and operation; reduce costs; facilitate decision-making; stimulate improvement; and identify current and projected issues and trends that affect government programs and the people they serve. The OIIA provides an independent, objective, insightful, nonpartisan assessment of the stewardship or performance of policies, programs, and operations in promoting efficiency, effectiveness, and integrity in DeKalb County.

This is accomplished through examination and evaluation of both the adequacy and effectiveness of the County systems of internal control, as well as the quality with which assigned responsibilities are performed. The OIIA helps to mitigate risks by recommending specific improvements to County processes and controls. 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.

The OIIA performed a risk assessment to provide a basis for the allocation of its resources; and align audit plan activities to effectively assess controls around risks that threaten County goals and objectives.

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.

## **STANDARDS AND METHODOLOGY**

The purpose of internal audit standards and methodology is to provide a basis for the consistent and reliable application of audit services. Additionally, audit methodology guides the key phases and activities of work plan development. Generally Accepted Government Auditing Standards (GAGAS) as promulgated by the Government Accountability Office (GAO) – Comptroller General of the United States, are often referred to as the Yellow Book and provide a framework for conducting high quality audits with competence, integrity, objectivity, and independence. In addition, the OIIA performs audits in compliance with the DeKalb County, Georgia – Code of Ordinances/Organizational Act, Section 10A- Independent Internal Audit.

Audits conducted in accordance with GAGAS require sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions in relation to an audit's objectives. To ensure compliance with these standards, an independent peer review (audit) of the OIIA is required every three years. An external peer review of the OIIA quality control processes is anticipated to be initiated and completed during 2022.



## RESOURCE ALLOCATION

The OIIA is currently staffed with eight full-time auditor positions and the CAE position. There are currently seven unfilled staff positions. Audits and projects proposed in the 2022 work plan are based on the consideration and evaluation of the following:

- The number of auditors on staff, and audit management available to provide effective supervision.
- Available staff hours (approximately 11,708 hours available for completion of projects initiated in prior years, work plan engagements, and routine activities that were initiated or will be initiated in 2022.)
- Non-audit services requested by the AOC, BOC, or County senior management.
- Time allocated to satisfy continuing professional education requirements
- Time allocated to performing follow-up procedures on previously issued audits
- Utilization of external consultants/auditors (approximately 2000 hours) if the inherent complexities of a proposed audit necessitate subject matter expertise.

Additional time was allocated for quality control activities performed by the OIIA throughout the year as required by GAGAS.

## RISK ASSESSMENT PROCESS

The development of an annual, risk-based audit plan is a dynamic and continuous process. The involvement of County senior management and other key stakeholders in the risk assessment process is crucial to its ongoing success. Management's understanding of key operations and inherent risks, coupled with OIIA's objective analysis, facilitates the development of a comprehensive annual risk assessment.

The overall purpose of the risk assessment is to:

- Gain an understanding of the risks that potentially threaten the organization's operations, goals and objectives, systems, and achievement of strategic objectives.
- Assess the likelihood and impact of the identified risks.
- Establish which agencies, programs, operations, systems, etc. will be prioritized for an audit; and
- Develop the basis for the annual audit work plan.

The OIIA performed the risk identification process during March and April 2022. The following is a summary of the key steps in the OIIA risk assessment process:

### **Step 1: Define the Universe**

The audit universe represents the full range of potential auditable entities. It consists of all County agencies, processes, systems, and activities. The Interim Chief Audit Executive (CAE) reviewed the County's chart of accounts and made updates to the prior year's audit universe as necessary.



## Step 2: Risk Identification and Assessment

Risks were identified that could adversely impact the achievement of various program area goals, objectives, and initiatives for the coming year and beyond. The OIIA risk identification process included but was not limited to consideration of emerging risks in the government sector; results of surveys, interviews, or group sessions completed with County senior management, Board of Commissioners, AOC, and OIIA staff.

The identified risks were then assessed and ranked as very high (5) high (4), medium (3), or low (1-2). OIIA considers the following risk factors and overall criteria during the performance of each assessment:

- Complexity of operations
- Financial exposure
- Public reputation
- Regulatory compliance
- Results of the assessment of management controls during prior internal audits and the Annual Comprehensive Financial Report (ACFR) and single audits.
- Information technology
- Strategic implications – County-wide impact.

Consideration was also given to the likelihood of the risks occurring.

## Step 3: Translate Risks into Audit Topics and Objectives

The program areas impacted by the most number of risks assessed as *very high* or *high* were identified as outlined in **Table 1**. Then considering the high to very high risks in those program areas, the CAE and senior audit staff identified potential additional audit projects and objectives.

## Step 4: Develop a Risk-Based Audit Work Plan

The County Ordinance requires that audit work plans be risk-based and include consideration for resource availability and expertise. The CAE reviewed the potential audit projects and the current staffing levels. The CAE then determined the audit projects to be included in the 2022 audit work plan, based on the risk level and resource availability.

## RISK ASSESSMENT RESULTS

Table 1 below outlines the program areas or enterprise processes with the highest number of risks assessed as very high or high. Our objective for any audit project in these areas would be to provide assurance that risk management activities and internal controls have been designed effectively and are working as intended by County management and governing bodies.



**Table 1.**

Program Area	Risk Ranking
Department of Innovation and Technology	Very High
Enterprise-Wide – IT Security	Very High
Enterprise-Wide – Enterprise technology	Very High
Treasury Division, Finance	Very High
Purchasing and contracting	Very High
Finance Department	High
Facilities Management	High
Public Safety	High

**2022 AUDIT WORK PLAN**

The 2022 Annual Audit Work Plan is a “working document,” meaning Internal Audit may make changes to the plan, throughout 2022, as deemed necessary based on professional judgment. Typically, any adjustments to the annual work plan will reflect identified changes in risks, and changes in an audit’s scope (expansion or contraction). Changes to the audit plan will be communicated to the AOC chairperson.

Audits are typically performed on a three to five-year cycle; however, resource limitations, professional auditor judgment, and the ongoing re-evaluation of risk priorities can change the annual work plan each year. Audits not completed in the year initially anticipated will be carried forward into subsequent years (**Table 2**).

**Table 2.**

WORK INITIATED IN PRIOR YEARS AND CONTINUING INTO 2022
❖ Oracle Information Technology General Controls Audit
❖ Payroll Audit
❖ KPMG Water Billing Audit Follow-up Audit
❖ Hansen (Infor) Information Technology General Controls Audit

The following (Table 3) lists performance audits and non-audit services and routine activities that will be started in 2022 and targeted for completion in either 2022 or 2023 if necessary.

**Table 3.**

2022 AUDIT WORK PLAN		
Performance Audits		
Information Technology	Source	Objectives
1. Termination and Transfer	Risk Assessment	Assess the termination and transfer processes for key applications within





		County's administrative and constitutional offices.
2. Cybersecurity	Risk Assessment	Assess the County's cybersecurity resilience.
3. Virtual Private Network (VPN)	Risk Assessment	Assess controls around VPN security.
<b>Treasury Division, Finance</b>	<b>Source</b>	<b>Objectives</b>
4. Wire Transfer	Risk Assessment	Evaluate the internal controls around the wire transfer process.
5. Cash Receipts Management	Risk Assessment	Evaluate the internal controls around the collection and depositing of funds.
6. PCard	Risk Assessment	Evaluate the Purchasing Card process controls.
7. Treasury operations	Risk Assessment	Evaluate the control environment against best practices.
<b>Purchasing and Contracting</b>	<b>Source</b>	<b>Objectives</b>
8. Temporary Personnel Services	Prior Issues	Assess compliance with the contract terms.
<b>Public Safety</b>	<b>Source</b>	<b>Objectives</b>
9. 911 Call response	Risk Assessment	Evaluate processes and procedures for 911 call prioritization and response times.
<b>Routine Audit Services</b>		
❖ <b>Upcoming Follow-up Audits:</b>	Standards Require	Verify whether recommendations made during prior audits were implemented by management, as required by the County ordinance and auditing standards.
<ul style="list-style-type: none"> <li>○ Internal Controls Related to the Invoice Payment and Cash Disbursement Processes (Accounts Payable).</li> <li>○ 2018 Purchasing and Contracting Policy Audit</li> <li>○ Vehicle Fuel Administration Audit</li> <li>○ Management of PII</li> <li>○ Fleet Management Division, SPLOST Vehicles Audit- Audit Report No. 2019-008-PS</li> </ul>		
❖ Annual Risk Assessment	Standards Require	Identify and assess events or actions that may adversely affect the County's achievement of its organizational objectives.
❖ Ongoing Internal Quality Control Activities	Standards Require	To help ensure audit work is performed in accordance with government auditing standards.
❖ Annual Internal Quality Assessment Report	Standards Require	Provide written assurance that OIIA audit work is performed in accordance with auditing standards.



❖ Triennial External Peer Review of Compliance with GAGAS.	Standards Require	Performed by external independent assessors to give assurance that OIIA audit work is performed in accordance with the government auditing standards.
<b>Non-audit Services</b>		
❖ Pre-award Contract Reviews	Management Request	At the request of the Board of Commissioners, determine whether the requested amounts and information in proposed contract awards, contract renewals, change orders, and related documents are supported.

## 2022 AND BEYOND

OIIA plans to continue to focus on the highest risk ranked program areas of the County as identified by the annual risk assessment exercise. Currently, this focus is on the following areas:

- Department of Innovation and Technology
- Purchasing and contracting activities – various departments
- Finance Department
- Public Safety

Based on resource availability other potential audits identified may be initiated in late 2022 to early 2023 to address other high risks identified in the program areas noted above.

In addition, OIIA plans to review some of the higher risks identified in the risk assessment within the County’s constitutional offices, including but not limited to the following processes:

- Cash receipts management
- Purchasing Card



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