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Chief Audit Executive

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OFFICE OF INDEPENDENT INTERNAL AUDIT

2024 AUDIT WORK PLAN

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May 8, 2024

Members of the Audit Oversight Committee (AOC) and Board of Commissioners (BOC)
DeKalb County, Georgia

2024 Annual Audit Work Plan - Office of Independent Internal Audit

Attached is the Office of Independent Internal Audit's Annual Audit Work Plan for 2024. The 2024 audit work plan activities include four (4) performance audits already in progress and carried forward from 2023, seven (7) new performance audits, sixteen (16) follow-up reviews of previously issued audits, various non-audit reviews of contract-related BOC agenda items, and other routine activities required by professional standards and applicable laws.

The Audit Work Plan was developed by considering the results of the 2024 countywide risk assessment and input from the County Board of Commissioners, Audit Oversight Committee, County senior management, the public, and other sources. We designed our work plan to address what we considered to be risk areas while limiting the scope of work to what we can realistically accomplish with the available staff resources.

The Audit Work Plan is a "working document" that may be modified during the year in response to changing circumstances. These changes may include new and emerging risks, changes in audit resources, and changes to County organization or operations.

We look forward to working together to meet the challenges and embracing the opportunities that face DeKalb County, Georgia.

Thank you for your continued support and cooperation.

Sincerely,

Lavois Campbell, CIA, CISA, CFE, CGA-CPA

Chief Audit Executive

Office of Independent Internal Audit | DeKalb County, GA



OVERVIEW

The audit work plan provides the OIIA's schedule of activities for the year, including performance audit projects, non-audit projects, and routine activities required by professional standards and applicable laws. The principles and procedures discussed in this document are developed to provide a process for fulfilling these objectives.

The development of the audit work plan involved 1) Identifying potential auditable entities, programs, and processes within the County, 2) Risk identification and assessment, 3) Prioritizing potential audit projects, 4) Selecting audit projects for the audit work plan, 5) Allocating resources for follow-up management action plans to address previously reported audit findings, non-audit services provided to management, and other routine activities such as risk assessments, internal quality control activities, and the OIIA annual audit report.

The Chief Audit Executive (CAE) has the final authority to select the projects included in the OIIA annual audit work plan.

THE ROLE OF THE OIIA

The OIIA's mission is to provide an independent, objective, insightful, nonpartisan assessment of the stewardship of public funds, compliance with policies, and performance of programs, and promote enhancing operational efficiency and effectiveness and maintaining integrity in DeKalb County. Our services are intended to help County management accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management, control, and governance processes. OIIA's assessments provide County management with information to reduce exposure to the risks that may challenge or prevent the achievement of organizational objectives.

Professional and Statutory Requirements

The purpose, authority, and responsibilities of the OIIA are outlined in the Georgia House Bill 599 and DeKalb County, Georgia - Code of Ordinances/ Organizational Act, Section 10A - Independent Internal Audit. Section 10A (j) states that the Chief Audit Executive (CAE) "... shall submit a one-to-five-year audit schedule to the Audit Oversight Committee and the Commission for review and comment. The schedule shall include the proposed plan and the rationale for selecting auditing departments, offices, boards, activities, programs, policies, contractors, subcontractors, and agencies for the period."

The OIIA is also required to comply with the Government Auditing Standards established by the United States Government Accountability Office (GAO).



DEVELOPMENT OF THE AUDIT WORK PLAN

The proposed projects included in the audit work plan were primarily determined by the OIIA's annual risk assessment process results. Audit standards also require that the availability and qualifications of audit resources be considered in selecting audit projects.

RISK ASSESSMENT AND AUDIT PROJECT SELECTION PROCESS

The following is a summary of the risk assessment and audit selection process:

Step 1: Define the Audit Universe

The audit universe represents the full range of potential auditable entities. It consists of County departments, agencies, programs, systems, and activities. The Chief Audit Executive (CAE) reviewed and updated the prior year's audit universe as necessary.

Step 2: Perform Annual Risk Identification and Assessment Activities

The risk identification and assessment processes considered various sources of information and feedback, including feedback from County senior management, the County Board of Commissioners, Audit Oversight Committee members, and qualified OIIA personnel. We also considered emerging risks in the government sector, risks identified by similar entities, and the results of prior audit reports, including the County's single audit report.

The CAE and OIIA management team reviewed the identified risks and associated programs and processes. The risks were then ranked as very high, high, medium, or low. The factors considered in the assessment included but were **not limited** to the following:

- Potential impact on County-wide/ multi-departmental operations
- Changes in systems, processes, policies, or procedures
- Legal and regulatory impact
- Potential financial impact
- Potential impact on public safety, life, and property
- Prior audit results associated with the risks.

These factors are reviewed at least annually to help ensure relevance.



Step 3: Identify and Prioritize Potential Audit Projects

The CAE and OIIA management team evaluated risks ranked as 'high' or 'very high' to identify and prioritize potential audits of associated programs and processes.

Step 4: Select Audit Projects to Include in the Audit Work Plan

The CAE then selected the audit projects from the list of potential audits to be included in the 2024 audit work plan. In making the selection, the CAE considered the time elapsed since the last audit of the area and the availability and qualifications of audit personnel.

In addition to the proposed audits, audit resources were dedicated to carry-forward projects, follow-up reviews, non-audit services, and other routine activities such as an internal quality control assessment, an annual audit report, and an external peer review.

TYPES OF OIIA PROJECTS

The OIIA conducts performance audits, follow-up reviews, and non-audit services.

Performance audits are engagements that provide assurances or conclusions based on an evaluation of sufficient appropriate evidence against stated criteria. They provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, lower risks, reduce costs, facilitate decision-making by parties responsible for implementation, and contribute to public accountability. Therefore, the sufficiency and appropriateness of evidence and testing will vary based on the audit objectives and conclusions.

Follow-up reviews are conducted to determine the adequacy and timeliness of management's actions to address previously reported engagement findings and recommendations from the OIIA and other external entities, such as the external financial auditors. This work determines whether management has implemented action plans to address audit findings or has assumed the risk of not taking corrective action on reported findings.

Non-audit services are advisory client service activities that are intended to add value and improve the agency's governance, risk management, and control processes. Examples include reviews of proposed contracting activities, advice, and training that may be provided to management. This type of project can only be conducted if



providing the non-audit service does not impair independence, either in fact or appearance, with respect to future audit projects, and adequate safeguards for independence can be implemented.

2024 AUDIT WORK PLAN

A) PERFORMANCE AUDITS CARRIED FORWARD FROM 2023

The following are performance audit projects initiated during 2023 and carried forward for completion in 2024.

- ❖ Contract Performance - Watershed Management Department Vendor Contracts
- ❖ COVID-19 Vaccine Incentive Gift Card Management
- ❖ Cybersecurity Governance Audit
- ❖ Capital Planning and Debt Management Audit



B) PERFORMANCE AUDITS INITIATED IN 2024

The following are the proposed performance audits for 2024. The objectives proposed below for the performance audits are preliminary. The specific objective of each audit project will be determined by the detailed assessment of relative risks at the time the project is initiated.

Purchasing and Contract Department	Source	Objective
1. Low Bid Procurement	Risk Assessment	Evaluate the internal controls associated with the Low Bid procurement process.
Finance Department	Source	Objective
2. Grants Management	Risk Assessment & Findings noted in the Annual Comprehensive Financial Reports.	Evaluate the controls associated with the grants administration and management processes.
3. Purchasing Card Management	Risk Assessment	Evaluate the controls associated with the administration of PCards by user departments.
Human Resources/ Enterprise-Wide	Source	Objective
4. Temporary Help Services	Risk Assessment	Evaluate the controls to help ensure compliance with the terms of Temporary Help Services contracts.
Information Technology	Source	Objective
5. Application Change Management	Risk Assessment	Assess controls associated with application change management processes.
6. Third-Party Hosted Application Contract Audit	Risk Assessment	Verify that the third-party software as a service (SaaS) contracts comply with industry best practices.



Public Works- Sanitation	Source	Objective
7. Sanitation Recycling Process	Risk Assessment	Assess the internal controls over recycling processes.

C) MONITORING OF AUDITS PERFORMED BY EXTERNAL AUDITORS

The following are audits to be performed by external certified public accounting firms or other organizations employed under contract by the administration.

Public Safety - DeKalb County Animal Shelter Audit	DeKalb County Ordinance - Sec. 10A(j)	Provide oversight of the external audit of the DeKalb County Animal Shelter commissioned by the County administration.
2023 Annual Comprehensive Financial Report	DeKalb County Ordinance - Sec. 10A(j)	Provide oversight of the external audit of the County's 2023 Financial Statements.



D) FOLLOW-UP REVIEWS OF PREVIOUSLY ISSUED AUDITS

The DeKalb County Code of Ordinances/ Organizational Act, Section 10A, requires that OIIA report on the status of management action plans to address findings from previously issued audit reports.

Audit Follow-ups on the Following Previously Issued Audits

1. Audit of the management of Personal Identifiable Information
2. Audit of Payroll Processes - No. IA-2021-018-FN
3. Off-Cycle Payroll Online Manual Checks Audit Report No. 2018-011-FM.
4. Information Technology General Controls (ITGC) of Infor Public Sector Application - No. IA-2021-015-IT
5. Audit of Wire Transfer Processes - Audit Report No. IA-2022-081-FN
6. Audit of Revenue Collections and Deposits Processes - Audit Report No. IA-2022-080-FN
7. Audit of Local Small Business Enterprise - No. 2017-020-PC
8. Purchasing and Contracting Policy Audit - No. 2017-008-PC
9. Code Enforcement Audit - No. 2019-010-CE
10. Purchasing Card Program Audit-Audit Report No. 2020-003-FN
11. Audit of The Termination and Transfer of Employees Process - No. IA-2021-007-IT
12. Termination and Transfer Audits Juvenile and Probate Court - No. IA-2022-076-IT
13. Oracle Information Technology General Controls (ITGC) Audit - No. IA-2020-005-IT
14. Alcohol Privilege License Audit - No. 2019-013-PS
15. Audit of Invoice Payment and Cash Disbursement - No. 2019-011-FIN
16. 2022 Annual Comprehensive Financial Report/ Single Audit.



E) NON-AUDIT SERVICES

❖ **Review of Proposed Contract Activities**

At the request of the Board of Commissioners, OIIA reviews contracting activities to determine whether the proposed contract award, renewal, or change orders are supported.

❖ **Other Non-Audit Services**, as requested by County management, BOC, or AOC.

F) ROUTINE ACTIVITIES

Activities	Required by	Purpose
❖ Annual Risk Assessment	County Ordinance	Facilitate the risk-based selection of audit projects for the audit work plan.
❖ OIIA Annual Report	County Ordinance	Report on OIIA activities for the prior year.
❖ Annual Internal Quality Assessment Report	Government Auditing Standards	Provide written assurance that OIIA audit work is performed in accordance with the Government Accountability Office's Government Auditing Standards.



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