



# Office of Independent Internal Audit

LAVOIS CAMPBELL, CHIEF AUDIT EXECUTIVE

**FINAL**

January 18, 2024

Mr. Cedric Hudson  
Director, Planning & Development  
Planning & Sustainability Department  
330 West Ponce De Leon  
Decatur, GA 30030

**RE: Alcohol Privilege License Audit Follow-up - Audit Report Number IA-2023-174-PS**

Dear Mr. Hudson,

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 one of the two findings cited in the audit report was “Open” and one was “Partially Complete”, as shown in Figure 1 below. Management anticipates completing all action plans by April 30, 2024.

Figure 1 - Status of Management Actions Plans

Finding No.	Report Finding	Status of Management Action Plans
1	Written Policies and Procedures Not Consistent with Current Ordinances and Practices.	Open
2	Licenses Issued and Renewed Without Required Documentation.	Partially Complete

Please contact me if you require additional information.

Regards,

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



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## **Attachment:** Audit Findings Status Update Form

- cc. Michael L. Thurmond, Chief Executive Officer
- Robert Patrick, Board of Commissioners District 1
- Michelle Long Spears, 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
- Gloria Gray, Chairperson, Audit Oversight Committee
- Adrienne McMillion, Vice-Chairperson, Audit Oversight Committee,
- Tanja Christine Boyd-Witherspoon, Pro-Tem, Audit Oversight Committee
- Lisa Earls, Audit Oversight Committee
- Harold Smith Jr., 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



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Dekalb County Government			
Office of Independent Internal Audit			
Date: January 17, 2024		Prepared by: Len Ohnstad	
Audit Findings Status Update Form			
Status Date	Report #	Report Title	
1/17/24	2019-013-PS	Alcohol Privilege License Audit	
Contact Person	Title	Phone No.	Email Address
Cedric Hudson	Director, Planning & Sustainability	404-687-7154	<a href="mailto:chudson@dekalbcountyga.gov">chudson@dekalbcountyga.gov</a>
Activity	Accountability	Schedule	
Alcohol License Processes	Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
	Planning and Sustainability Department - Business and Alcohol Licenses	N/A	4/30/24
Finding		Finding Detail	
No.	1		
Date	4/29/22		
Finding	<b>Written Policies and Procedures Not Consistent with Current Ordinances and Practices</b>		
Recommendations	<p>We recommend that management:</p> <ul style="list-style-type: none"> <li>Update the draft policies and procedures to be consistent with the current ordinances and include detailed procedures regarding the current alcohol license processes.</li> <li>Finalize the draft policies and procedures manual by obtaining the required approval.</li> <li>Implement procedures to help ensure that policies and procedures remain consistent with County Ordinances.</li> </ul>		
Management's Response	<p>Management will develop new a standard operating procedure manual, job aids, and guides as soon as the implementation of both Hansen application upgrade, ePermitting customer interface (payment and application portal) are completed along with the new COVID-19 protocol. In addition, the changes in GA state law with an effective date of January 12, 2022, that will require all new alcohol license applications to be applied through the state website and not the county will also have a significant impact on our current workflow process. As a result, the standard operating procedure will be completed/finalized after upgrade implementation and process of the state of GA is finalized.</p>		
Status Update-Final (To be assessed by)		Management's Response Regarding Implementation Status	
<input checked="" type="checkbox"/>	Open (4/30/24)	<p><b>Update the draft policies and procedures to be consistent with the current ordinances and include detailed procedures regarding the current alcohol license processes:</b> P&amp;S Administration has hired a business analyst to generate SOP's for the department including the business license division. Additionally, the current alcohol policies and procedures follow the GA state law and new alcohol licenses must be submitted to the state portal first before submitting for the local license which streamlines the process with the exception of required background checks/fingerprinting.</p> <p><b>Finalize the draft policies and procedures manual by obtaining the required approval:</b> The business license division has documentation in place and an SOP in progress for licensing and taxation requirements. The SOP for system input is still being generated due to system issues/upgrades. It is unable to be finalized for all processes at this time due to some system limitations. We have generated a manual for new business license data processing.</p> <p><b>Implement procedures to help ensure that policies and procedures remain consistent with County Ordinances:</b> All policies and procedures are consistent with County Ordinances.</p> <p><b>The estimated completion date for the policy manual is April 30, 2024</b></p>	
<input type="checkbox"/>	Management/Agency Assumes Risk		
<input type="checkbox"/>	Partially Complete		
<input type="checkbox"/>	Complete Pending Verification by OIIA		
<input type="checkbox"/>	Closed		



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Audit Findings Status Update Form			
Status Date	Report #	Report Title	
1/17/24	2019-013-PS	Alcohol Privilege License Audit	
Contact Person	Title	Phone No.	Email Address
Cedric Hudson	Director, Planning & Sustainability	404-687-7154	<a href="mailto:chudson@dekalbcountyga.gov">chudson@dekalbcountyga.gov</a>
Activity	Accountability	Schedule	
Alcohol License Processes	Responsible Area	Repeat Finding	Anticipated Completion Date/Date Adjustments will be made
	Planning and Sustainability Department - Business and Alcohol Licenses	N/A	Unknown
Finding		Finding Detail	
No.	2		
Date	4/29/22		
Finding	<b>Licenses Issued and Renewed Without Required Documentation</b>		
Recommendations	During the audit, we determined that the Division had implemented a quality control procedure (checklist) just after our test period (January – December 2019) to help ensure applications are approved only when all required documentation has been received and properly completed. We will verify the effectiveness of the newly implemented quality control procedures during our audit follow-up process. In addition, to the quality control procedures implemented, we recommend that Division management consider implementing procedures to assess provisional excise tax based on payment history for licensees that fail to file their return.		
Management's Response	While we agree with the finding, it should be noted that, of the sampling size, only 10% had "one" item missing of the 20 items required for a complete application. This means that 95% of the sample size was complete. Furthermore, we disagree with this recommendation to assess provisional excise tax. Our current process requires the customer to have a current excise alcohol account before an alcohol renewal license can be issued. With the Hansen application upgrade, we hope to streamline the reporting, payment, and collection of delinquent excise taxes. After implementation, the system will automatically send notifications to customers if no return is made		
Status Update-Final (To be assessed by OIIA)	Management's Response Regarding Implementation Status		
<input type="checkbox"/> Open <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	<p>Documents required for license processing are now electronically uploaded into the Infor/Hansen system by applicants. The system interface lists all documents that must be uploaded based on the type of license for which the applicant is applying. The system prevents the applicant from submitting the application package until all required documents have been uploaded. This portion of management's action plan related to the audit finding is completed.</p> <p>The Hansen application upgrade is only partially completed. The system does not yet automatically send notifications to customers who have not filed an excise tax return. This portion of management's action plan related to the audit finding is open and the implementation date of this part of the upgrade is unknown.</p>		