



December 2025

DeKalb County Government

AUDIT OF DEKALB-PEACHTREE AIRPORT

Revenue Collection Processes

FINAL REPORT



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

Report No. IA-2025-0268-AP

This page was intentionally left blank.



**AUDIT OF DEKALB-PEACHTREE
AIRPORT Revenue Collection Processes
AUDIT REPORT NO. IA-2025-0268-AP**

FINAL

HIGHLIGHT SUMMARY

Why We Performed the Audit

In accordance with the Office of Independent Internal Audit (OIIA) Annual Audit Plan, we conducted a performance audit of DeKalb-Peachtree Airport (PDK). The main objective of this audit was to assess whether internal controls are adequately designed and operating effectively to provide reasonable assurance that airport-generated revenues are collected, accurately recorded, deposited in a timely manner, properly safeguarded, and routinely reconciled.

How We Performed the Audit

Our audit focused on current internal controls over the collection and handling of airport revenues.

Our methodology included but was not limited to:

- Interviewing relevant County personnel.
- Reconciling revenues received from leases and commissions to recorded transactions and bank accounts.
- Reviewing supporting documentation.

Background

PDK is a county-owned, public-use airport in DeKalb County. It is the second-busiest airport in Georgia, behind Hartsfield–Jackson Atlanta International Airport (ATL). PDK helps to relieve ATL of smaller-aircraft traffic and does not support commercial airline service. The airport has averaged about 228,000 take-offs and landings per year over the past 30 years.

What We Found

| Audit Findings |
|---|
| 1. Absence of Written Policies and Procedures for Revenue Cycle Management. |
| 2. Lack of Segregation of Duties in Revenue Collection. |
| 3. Controls over Physically Safeguarding Revenues Collected Onsite at the Airport Need to be Enhanced. |
| 4. Weak Controls Over Rental Revenue Management and Lease Enforcement. |
| 5. Lack of Reconciliation and Verification for Commission-Based Revenue. |
| 6. Commission Revenue is Not Independently Verified. |
| 7. Controls to Ensure Overdue Accounts are Properly Tracked and Collected in a Timely Manner Need to be Enhanced. |
| 8. Market Rent Analysis Recommendations for Restaurant Lessees Need to be Implemented. |
| 9. Ineffective User Access Controls Over the enQuesta Revenue System. |

What we Recommended

- Develop and implement comprehensive, written policies and procedures covering all critical revenue functions.
- Establish segregation of duties over critical revenue functions.
- Enhance controls over revenues collected onsite.
- Implement periodic reconciliation of operating revenue.
- Implement procedures to periodically verify commission revenue.
- Enhance controls over overdue accounts.
- Formally document deviations from third-party recommendations.
- Ensure that user access groups are adequately designed.



TABLE OF CONTENTS

| | |
|--|-----------|
| HIGHLIGHT SUMMARY..... | 3 |
| TABLE OF CONTENTS..... | 4 |
| Methodology..... | 8 |
| FINDING 1: Absence of Written Policies and Procedures for Revenue Cycle Management. | 9 |
| FINDING 2: Lack of Segregation of Duties in Revenue Collection. | 10 |
| FINDING 3: Controls over Physically Safeguarding Revenues Collected Onsite at the Airport Need to be Enhanced. | 11 |
| FINDING 4: Weak Controls Over Rental Revenue Management and Lease Enforcement. | 13 |
| FINDING 5: Lack of Reconciliation and Verification for Commission-Based Revenue. | 15 |
| FINDING 6: Commission Revenue is Not Independently Verified. | 16 |
| FINDING 7: Controls to Ensure Overdue Accounts are Properly Tracked and Collected in a Timely Manner Need to be Enhanced..... | 17 |
| FINDING 8: Market Rent Analysis Recommendations for Restaurant Lessees Need to be Implemented. | 20 |
| FINDING 9: Ineffective User Access Controls Over the enQuesta Revenue System..... | 21 |
| APPENDICES..... | 24 |
| Appendix I – Objective, Scope, and Methodology..... | 24 |
| Appendix II – Management Response | 25 |
| DISTRIBUTION..... | 27 |
| PROJECT TEAM | 28 |
| STATEMENT OF ACCORDANCE | 29 |



BACKGROUND AND INTRODUCTION

DeKalb-Peachtree Airport (PDK) is located on more than 700 acres of land in Chamblee, Georgia, the northeastern part of DeKalb County. It is operated by DeKalb County and is the second-busiest airport in Georgia, behind only Hartsfield-Jackson Atlanta International Airport. It is classified as a general aviation reliever airport, designed to reduce congestion at commercial service airports by accommodating smaller general aviation aircraft. These include corporate and business jets, charter aircraft, training aircraft, helicopters, and personal aircraft used for both business and recreational purposes. The airport does not support commercial airline service.

The airport is reported as a business-type activity in the County's financial reports. The airport's operations are primarily financed through revenues generated through charges or fees to users rather than taxes. Among the tenants at PDK are Fixed-Base Operators (FBOs), corporate clients, flight schools, charter operators, restaurants, and private aircraft owners.

PDK's revenue sources include rentals for hangars, tie-downs, and shop spaces; commissions on fuel delivery, rental car companies, and restaurants; ground rent from FBOs and corporate clients; and income from other aviation-related businesses operating on airport property. **Table 1** below shows the main revenue sources for the last five fiscal years.

Table 1: Operating revenue by source for the last five years.

| Revenue Source | FY20 Actual | FY21 Actual | FY22 Actual | FY23 Actual | FY24 Actual (Unaudited) | Total |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|----------------------------|---------------------|
| Air Ground Lease Fixed Base | \$1,232,219 | \$2,053,878 | \$1,944,618 | \$2,027,359 | \$3,818,988 | \$11,077,062 |
| Land Ground Leases | \$2,491,387 | \$1,179,528 | \$1,119,493 | \$1,669,137 | \$589,951 | \$7,049,496 |
| Air Commercial Fuel Fixed Base | \$837,668 | \$1,301,020 | \$1,708,503 | \$1,347,009 | \$1,447,353 | \$6,641,552 |
| Air Ground Lease Corporate Hangar | \$479,671 | \$1,152,770 | \$1,289,855 | \$1,355,487 | \$89,029 | \$4,366,812 |
| Air Ground T-Hangar | \$590,928 | \$626,704 | \$228,064 | \$722,534 | \$839,686 | \$3,007,916 |
| Other Revenue | \$298,691 | \$328,841 | \$912,611 | \$433,057 | \$2,187,380* | \$4,160,580 |
| Total | \$5,930,564 | \$6,642,741 | \$7,203,144 | \$7,554,583 | \$8,972,386 | \$36,303,418 |

Source: DeKalb County's CV360 financial system.

*The amount includes proceeds from two non-recurring items: an insurance settlement and the sale of land.

For 2024, we requested a listing of all revenue-generating contracts, licenses, and agreements with tenants, licensees, and lessees at the airport. In addition, we asked management to identify the total number of hangars, hangar shops, offices, and tie-down spaces leased by PDK to clients. We also requested monthly reports (Remittance Worksheets) for commission-based revenue from fuel and lubricant deliveries, rental car companies, restaurants, etc.



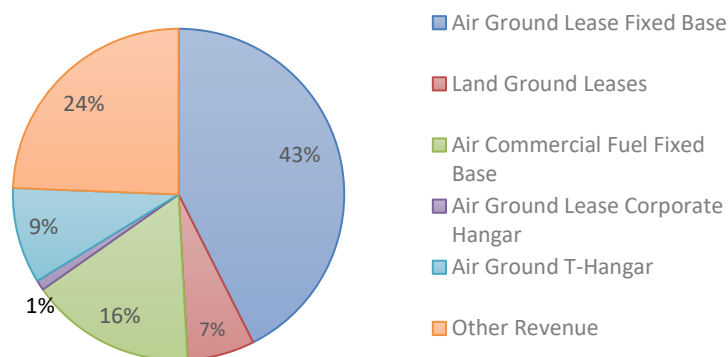
Based on the listing provided, we noted that there were a total of **242** contracts and agreements. These include leases for corporate, billboard, car lots, mini storage facility, Fixed-Based Operator (FBO), office, T-hangar spaces and shops, parking lot, restaurant, and unimproved ground. In addition, there were tie-down agreements and rental car licenses. **Table 2** below summarizes the leases, agreements & licenses active in 2024.

Table 2: Airport contracts, licenses, and agreements in 2024.

| Contracts, Licenses & Agreements in 2024 | Total |
|---|--------------|
| T-Hangar Space Lease | 129 |
| Tie-Down Agreement | 42 |
| Office Lease | 21 |
| Corporate Lease | 19 |
| T-Hangar Shop Lease | 17 |
| Fixed-Based Operator Lease | 4 |
| Rental Car License | 3 |
| Restaurant Lease | 2 |
| Billboard Lease | 1 |
| Car Lot Lease | 1 |
| Mini Storage Facility Lease | 1 |
| Parking Lot Lease | 1 |
| Unimproved Ground Lease | 1 |
| Total | 242 |

Source: Airport management.

Fiscal year 2024 operating revenues (unaudited) by source as a percentage of total operating revenues are illustrated the following chart:

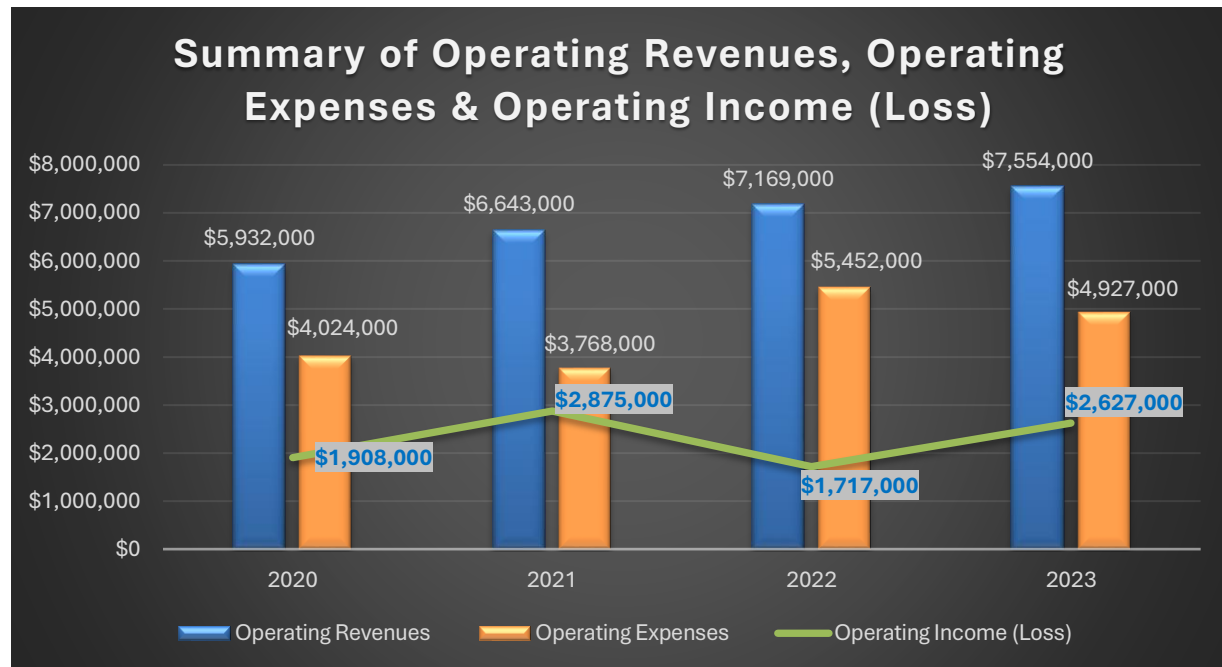


Operating revenues were approximately \$7.6 million in fiscal year 2023, which represents a 5.4% increase over fiscal year 2022. Operating expenses were \$5 million in fiscal year 2023, representing a 9.6% decrease in comparison to fiscal year 2022. Operating income increased to \$2,627,000 in fiscal year 2023, which represents a 53% increase over fiscal year 2022. The net position (net profit) increased by \$10.3 million, or 447.2%, in comparison to fiscal year 2022. The increase is mainly



attributable to an increase in non-operating income from intergovernmental revenue, which is revenue from federal, state and other local government sources.

The chart below summarizes operating revenues, operating expenses, and the net profit/loss from 2020 through 2023.



Source: DeKalb County's audited financial statements.

The DeKalb County Board of Commissioners voted in May 2025 to establish a new landing fee for transient aircraft at PDK. This fee will apply to transient aircraft, which are aircraft visiting PDK that are not based there, and the revenue generated will be used to fund airport improvements and cover operating expenses. The fee structure is weight-based and applies to aircraft over 9,000 pounds. It specifically exempts aircraft based at PDK, medical transport aircraft, military aircraft, and aircraft operated by law enforcement, as well as state and federal government agencies.

Revenue Collection

The revenue collection process begins by billing customers based on the agreed-upon terms and conditions of their contracts or agreements. In general, every customer receives a bill each month; rental payments are due by the 1st of every month (commission payments are due by the 10th of each month for the previous month), and most customers pay their bills online, with a few customers paying onsite with checks or via mail.

Recording of Revenue

enQuesta is the revenue collection system used by the airport. It has been in use since January 2024. According to airport management, all the airport's tenants, licensees, and lessees have been using the system since its implementation in 2024. enQuesta is the system where payment history is recorded and tracked, new customers are added, and several reports for accounts receivable, user access, billings, and payments can be generated.



AUDIT SCOPE AND METHODOLOGY

Objective

The objectives of this audit were to:

1. Determine whether the processes for collecting, recording, and safeguarding airport-generated revenue comply with applicable regulations and recognized industry standards; and
2. Assess whether internal controls are adequately designed and operating effectively to provide reasonable assurance that airport-generated revenues are complete, accurate, timely deposited, properly safeguarded, and routinely reconciled.

Scope

Our audit scope covered operational revenue collections from calendar year 2024—including leases, hangars, and commissions—and excluded non-operating revenues, such as federal grants.

Methodology

To accomplish our objectives, we performed the following procedures:

- **Assessed Internal Controls:** We interviewed airport management, operations, and finance staff; reviewed revenue procedures; performed process walkthroughs; and conducted site visits (including one unannounced) to observe how funds are collected, recorded, and safeguarded.
- **Evaluated System Controls:** We reviewed the enQuesta system through demonstrations and examined user access listings to evaluate segregation of duties and least-privilege controls.
- **Performed Substantive Testing:** We judgmentally selected and tested 50 of 242 rental agreements and 16 commission agreements. We also recalculated expected revenues, traced deposits for three months (February, July, and December 2024), and reviewed the August 13, 2025, accounts receivable aging report.

Our testing was risk-based and used non-statistical sampling; therefore, results cannot be projected across the full population. These procedures provided a reasonable basis for our evaluation of PDK's revenue processes.

AUDIT RESULTS

Our audit determined that PDK's processes for collecting, recording, and safeguarding airport operational revenue do not comply with applicable best practices and industry standards. Specifically, we found that key duties and responsibilities were not divided or segregated among different staff to reduce the risk of error or fraud. This includes separating responsibilities for the on-site collection of revenues, as well as their processing, recording, and reconciliation. No one individual should control all key aspects of a transaction or event.

In addition, we found that internal controls should be enhanced to provide reasonable assurance that operational revenues are complete, accurately recorded, timely deposited, properly safeguarded, and



routinely reconciled. Additionally, there is no formal process in place for monitoring and collecting outstanding receivables. Additional issues identified during the audit include the following:

- Funds collected onsite are not stored in a secure, locked safe.
- Commission revenue is self-reported, with no periodic independent verification.
- Operating revenue is not reconciled on a periodic basis.
- Several airport customers have unpaid rent balances for 2024.
- As of August 13, 2025, 44 customers owed approximately \$129,000 to the airport. These balances had been outstanding for 31 days or more.

The following provides the details of our findings and recommendations.

FINDING 1: ABSENCE OF WRITTEN POLICIES AND PROCEDURES FOR REVENUE CYCLE MANAGEMENT.

We determined that the airport not only lacks written policies and procedures for its revenue cycle, but its current practices for collecting, recording, safeguarding, and reconciling revenue are inadequate and require significant enhancement. This condition is a result of management not prioritizing the formalization of these essential administrative controls. Federal regulations under the Uniform Guidance (2 C.F.R. § 200.303) require entities receiving federal funding to establish effective internal controls compliant with the Government Accountability Office's (GAO) *Standards for Internal Control in the Federal Government* (the "Green Book"). This framework mandates that control activities be implemented through both documented policies and effective procedures. This deficiency in documentation and practice represents a significant internal control weakness that may lead to inefficiencies, inconsistent practices, an increased risk of errors in billings and collections, and a loss of institutional knowledge due to staff turnover.



RECOMMENDATIONS:

We recommend that airport management develop and implement comprehensive written policies and procedures covering all critical revenue functions. These policies should be periodically reviewed, updated, and communicated to all relevant staff to ensure consistency, accountability, and alignment with current practices, legal requirements, and industry best practices. The policies and procedures should:

- Define roles and responsibilities to ensure proper segregation of duties,
- Establish secure protocols for handling and depositing funds,
- Outline procedures for periodically auditing self-reported revenues,
- Include timelines and responsibilities for periodic reconciliations, and
- Provide guidance on monitoring and collecting outstanding accounts receivable.



Management Response:

| Management Agreement with the finding | Description of Management's Action Plan to Address Finding | Estimated Timeline to Implement Action Plan |
|--|---|--|
| <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree | Management is in the process of creating a policy for Revenue Cycle Management. | January 2026 |
| Additional Comments and/or Reason For Disagreement with finding: | | |

FINDING 2: LACK OF SEGREGATION OF DUTIES IN REVENUE COLLECTION.

We identified several significant deficiencies in the airport's onsite revenue collection process, primarily a critical lack of segregation of duties. **A single employee is responsible for the conflicting functions of collecting, recording, safeguarding, reconciling, and transferring all funds received, including updating customer accounts.** Furthermore, key compensating controls are absent: the airport does not use a remittance list to formally track the amount, source, and date of funds collected, and checks are not restrictively endorsed with "For Deposit Only" immediately upon receipt. These conditions exist because management has not designed and implemented formal control procedures for the airport's revenue handling. Federal regulations (2 C.F.R. § 200.303) and the GAO's Green Book require the segregation of key duties—or the implementation of compensating controls where segregation is not feasible—to protect public assets. **This concentration of duties without compensating controls creates an environment with a high risk that errors, irregularities, or misappropriation could occur and go undetected.** The lack of a remittance list and timely endorsement of checks further exposes the county to potential loss of revenue and severely limits management's ability to reconstruct transaction records or ensure all collected funds are deposited.



RECOMMENDATIONS:

We recommend that management:

- **Segregate Duties or Implement Compensating Controls:** Segregate the duties of collecting, recording, safeguarding, reconciling, and transferring funds collected onsite. If complete segregation is not possible due to staffing limitations, compensating controls must be established, such as requiring a supervisor to independently reconcile daily collections to accounting records.
- **Implement a Standardized Remittance Listing.** Implement a standardized remittance listing process to document all funds collected onsite. This listing must include key details such as the date of receipt, amount, payer's name, payment type, and check number. The log should be reviewed and reconciled regularly against accounting records to ensure accuracy and completeness.
- **Restrictively Endorse All Checks Immediately.** Enforce a strict procedure requiring all incoming checks to be restrictively endorsed with "For Deposit Only" immediately upon receipt by the first employee who handles them.



- **Promote Transition to Electronic Payments.** To reduce the risks associated with physical checks, actively encourage customers and tenants to transition to more secure electronic payment methods, such as ACH or online payments, which provide a stronger audit trail.
- **Formalize and Document All Revenue Procedures.** Develop and approve a formal procedures manual that clearly defines all roles, responsibilities, and step-by-step processes for revenue handling. All relevant staff must be trained on and acknowledge their understanding of these documented procedures.

Management Response:

| Management Agreement with the finding | Description of Management's Action Plan to Address Finding | Estimated Timeline to Implement Action Plan |
|--|---|--|
| <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree | Management is in the process of creating a policy for Revenue Cycle Management that will address segregation of duties. | January 2026 |
| Additional Comments and/or Reason For Disagreement with finding: | | |

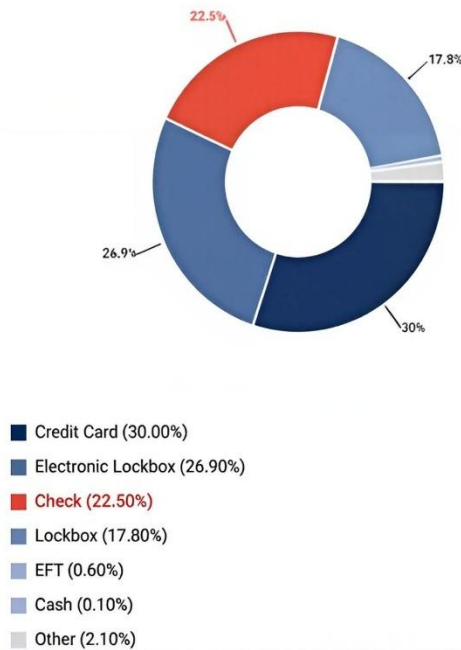
FINDING 3: CONTROLS OVER PHYSICALLY SAFEGUARDING REVENUES COLLECTED ONSITE AT THE AIRPORT NEED TO BE ENHANCED.



We identified significant control deficiencies stemming from a lack of a formal process for on-site revenue collection. According to airport officials, while a single employee is primarily responsible for collecting payments onsite, payments may occasionally be accepted by **other members of the airport staff** when that employee is unavailable, with no defined system for logging or processing them. This unstructured environment has led to critical weaknesses in how funds are safeguarded and deposited. **Physical security is inadequate**, as funds are stored in a locked bag in a desk drawer instead of a secure, locked safe, and the after-hours drop box is not tamper-resistant. Furthermore, airport staff **did not deposit funds in a timely manner**, holding collections for up to a week, including two checks totaling nearly **\$1.8 million**. The **GAO Green Book's Principle 10, Design Control Activities**, requires that management design control activities—such as securing assets and ensuring daily deposits—to respond to risks. The airport's current practices do not meet this standard. This combination of an uncontrolled process, inadequate security, and delayed deposits exposes public funds to an unnecessarily high risk of theft or misplacement and creates a significant cash flow risk. **Figure 1 and Table 3** below summarizes the sources of payments received by the airport in 2024.



Figure 1: 2024 Payment Methods Distribution



Key Takeaway:

The data shows that **checks still constitute nearly 23% of all payment transactions**. This reliance on a manual payment method is the root cause of the physical security and deposit risks identified in the finding.

Table 3: Method of payment for 2024

| Payment Source | Transaction Count | % |
|---------------------------|-------------------|---------------|
| Credit Card | 1,136 | 30.00% |
| Electronic Lockbox | 1,019 | 26.90% |
| Check | 854 | 22.50% |
| Lockbox | 674 | 17.80% |
| Electronic Funds Transfer | 24 | 0.60% |
| Cash | 4 | 0.10% |
| Other | 81 | 2.10% |
| Grand Total | 3,792 | 100% |

RECOMMENDATIONS:

We recommend that management:

- Upgrade Physical Security of Onsite Funds**
Procure and install a secure, immovable safe for storing all funds. Implement strict access controls, including limiting access to the safe's combination or key and changing it periodically. Consider installing security cameras to monitor the area.
- Install a Secure After-Hours Drop Box**
Replace the current drop box with a tamper-resistant model to safeguard after-hours payments. To strengthen controls, maintain a log to track all items retrieved from the box, and consider camera monitoring of the drop box area.
- Establish a Timely Deposit Schedule**
Implement a formal policy requiring that all funds collected onsite be transferred to the Finance Department for deposit within one business day. This policy must prohibit holding funds, especially large-value checks, onsite for extended periods.
- Promote and Transition to Electronic Payments**
Develop a strategy to actively encourage customers to switch from checks to more secure and efficient electronic payment methods, such as ACH, wire transfers, or online payments, to reduce the risks associated with handling physical checks.
- Formalize the Onsite Collection Process**
Establish a formal procedure for accepting onsite payments. This must include designating and training specific employees authorized to accept funds and requiring the use of pre-numbered receipts to create a clear audit trail for every transaction.



Management Response:

| Management Agreement with the finding | Description of Management's Action Plan to Address Finding | Estimated Timeline to Implement Action Plan |
|--|--|--|
| <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree | <ol style="list-style-type: none"> 1. Management has purchased a safe that will be used to secure deposits. We are also working on a plan to encourage online payments and credit card payments for in office transactions. 2. Management will research a more secure method for after-hours payment drop-offs. Payments will remain secured inside newly installed safe until collected by Finance. 3. Management currently follows county protocol for check pick-ups; however, a discussion can be had with Finance to adjust that schedule when necessary. 4. Management will discuss the best method to designate and establish a collection process. | May 2026 |
| Additional Comments and/or Reason For Disagreement with finding: | | |

FINDING 4: WEAK CONTROLS OVER RENTAL REVENUE MANAGEMENT AND LEASE ENFORCEMENT.

Our review identified significant control weaknesses in the management of airport rental revenue, resulting in delayed collections, inconsistent enforcement of lease terms, and the issuance of large, unsubstantiated rent credits.

We selected a sample of 50 tenant agreements and found that key controls over tenant management were not operating effectively, as follows:

- **Deficiencies in Rent Collection:** 14 of 50 tenants (28%) were delinquent, owing a combined **\$38,589**. Two of these tenants had not paid any rent for the entire year.
- **Non-Enforcement of Late Fees:** 40 of 50 tenants (80%) had past-due balances during the year, but the airport did not assess or collect contractually stipulated late fees.
- **Unsupported Rent Credits:** Two tenants received rent credits valued at **\$149,186** in 2024 in exchange for capital improvements. However, management could not provide documentation, such as invoices or inspection reports, to substantiate the value of these improvements. The total value of these credits over the lease terms is **\$1,229,186**.
- **Lack of Policy:** One lessee was approved for a new contract while still carrying an outstanding balance on their previous one.





Standard financial controls, the airport's own lease agreements, and the GAO Green Book's Principle 12 (Implement Control Activities) require management to:

Ensure timely collection of all rental payments by doing the following:

- Consistently apply and enforce late fee policies.
- Maintain verifiable documentation for all financial transactions, including rent credits.
- Resolve outstanding debts before entering into new agreements.

Management attributed these issues to several factors as follows:

- A unilateral decision to waive late fees during the transition to the new enQuesta billing system.
- The absence of a formal policy preventing the execution of new leases with tenants who have outstanding balances.
- A lack of established procedures for documenting and verifying the value of capital improvements before issuing rent credits.

These control gaps have led to a direct loss of revenue from uncollected rent and fees. They also create a significant risk of future uncollectible debt, establish an inconsistent and unfair business practice among tenants, and expose the County to potential financial mismanagement for unsubstantiated credits totaling over \$1.2 million. This may also lead to reduced transparency and accountability in lease administration.

RECOMMENDATIONS:

We recommend that management:

1. **Strengthen Collections:** Implement a structured collections process with defined timelines and actions for follow-up on delinquent accounts.
2. **Reinstate Late Fee Policy:** Collaborate with the IT department to resolve enQuesta billing issues and immediately reinstate the late fee policy, communicating it clearly to all tenants.
3. **Develop Key Policies:** Establish and enforce a formal policy requiring all outstanding balances to be resolved before a new lease is executed.
4. **Validate Rent Credits:** Implement a procedure requiring complete documentation, including third-party invoices and management inspection reports, to be approved before any rent credits for capital improvements are granted.

Management Response

| Management Agreement with the finding | Description of Management's Action Plan to Address Finding | Estimated Timeline to Implement Action Plan |
|--|--|--|
| <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree | 1. Management will follow up more frequently on delinquent accounts. 2. Management will reinstate the late fee policy. 3. Management will establish and enforce a policy. 4. Management procedures currently follow this process. | May 2026 |
| Additional Comments and/or Reason For Disagreement with finding: | | |



FINDING 5: LACK OF RECONCILIATION AND VERIFICATION FOR COMMISSION-BASED REVENUE.

Our review found that controls over the airport's commission-based revenue are ineffective, preventing management from having any reasonable assurance that it is collecting the correct amounts from its licensees.

We tested commission payments from 14 customers and identified the following issues:

Missing Documentation: 6 of 14 customers (43%) did not submit the required remittance worksheets to support their payments, making it impossible for the airport staff to verify the accuracy of the amounts paid.



- **Incorrect Commission Rate:** One rental car licensee paid a 12% commission rate instead of the required 15%, resulting in a revenue understatement of **\$1,846.54** for the year.
- **Failed Reconciliation:** For 9 of 14 customers (64%), commission payments recorded in enQuesta could not be reconciled to the amounts on the remittance worksheets, with a total discrepancy of **\$166,367**.
- **Uncollected Revenue on Lease Transfer:** One corporate client did not make commission payments for most of 2024. The leasehold was transferred in 2025, and management stated it may be impossible to recover the amounts due.

Lease and license agreements stipulate the submission of remittance worksheets to support payments, define specific commission rates, and establish payment deadlines. Standard accounting practices require a formal, documented monthly reconciliation of revenue received against supporting documentation.

The primary causes for these deficiencies are:

- A lack of enforcement of the contractual requirement for vendors to submit supporting documentation.
- The absence of a formal, documented monthly reconciliation process performed by airport staff.
- Potential data entry errors or lack of updates key terms (like commission rates) in the enQuesta system.

The airport has no assurance that it is receiving the correct commission revenue. This exposes the County to a significant and ongoing risk of revenue loss, either through unintentional error or deliberate under-reporting by vendors. Not performing a final settlement upon lease transfer resulted in a permanent loss of revenue.

RECOMMENDATIONS:

We recommend that airport management:



1. **Enforce Submission Requirements:** Reject commission payments that are not accompanied by the required remittance worksheets. Communicate this policy immediately to all commission-based tenants.
2. **Conduct Periodic Rate Audits:** Annually verify that the commission rates in enQuesta match the active lease agreements for all tenants.
3. **Implement a Formal Reconciliation Process:** Establish and perform a mandatory monthly reconciliation between remittance worksheets and enQuesta entries, with documented follow-up on all discrepancies.
4. **Require Final Settlement:** Develop a formal close-out procedure requiring a final reconciliation and settlement of all outstanding payments *before* a leasehold transfer is finalized.

Management Response:

| Management Agreement with the finding | Description of Management's Action Plan to Address Finding | Estimated Timeline to Implement Action Plan |
|--|--|--|
| <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree | <ol style="list-style-type: none"> 1. Management has reached out to tenants regarding worksheets with commission payments. 2. Management will monitor more closely to verify commissions rates. 3. Management will continue reconciliation between worksheets and enQuesta. 4. Management will conduct a final reconciliation on the transfer of leaseholds. | In progress |
| Additional Comments and/or Reason For Disagreement with finding: | | |

FINDING 6: COMMISSION REVENUE IS NOT INDEPENDENTLY VERIFIED.

We found that the airport does not independently verify the accuracy of revenue figures reported by its commission-based licensees. The airport's own lease agreements provide the explicit authority to conduct an audit, with typical contract language stating:

"The Lessor, at its sole discretion, but not more than once during any calendar year, may conduct an audit of the books and records as it relates to the purchase of fuel, oil, and lubricants and all lease payments made by the Lessee to determine the accuracy of said figures..."

Despite this contractual right, management has never performed an audit because it has not established a formal program to do so. As a result, all self-reported data on monthly remittance worksheets is accepted without verification. Not performing periodic audits means the airport has no assurance that revenue is not being underreported and exposes the County to a significant risk of financial loss from either unintentional errors or deliberate misstatement by its customers.

RECOMMENDATIONS:



We recommend that management develop and implement a formal, **risk-based program** to periodically audit and verify commission revenue. This program should include:

- **Conducting periodic audits** of high-revenue or high-risk licensees to fully validate their reported sales against their internal records.
- **Performing random "desk reviews"** for other licensees by requesting and inspecting supporting documentation, such as sales reports, bank statements, or tax filings, to corroborate the figures on their remittance worksheets.
- **Communicating the existence of the audit program** to all licensees to create a strong deterrent against misreporting.

Management Response:

| Management Agreement with the finding | Description of Management's Action Plan to Address Finding | Estimated Timeline to Implement Action Plan |
|--|--|--|
| <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree | <ul style="list-style-type: none"> • Management agrees to perform periodic reviews of high revenue commission payments. • Management will perform "desk reviews". • This exists in each corporate lease, however the airport will reiterate the audit program to each lessee to prepare them for future audits. | January 2026 |
| Additional Comments and/or Reason For Disagreement with finding: | | |

FINDING 7: CONTROLS TO ENSURE OVERDUE ACCOUNTS ARE PROPERLY TRACKED AND COLLECTED IN A TIMELY MANNER NEED TO BE ENHANCED.

The airport does not have a formal, documented process for managing accounts receivable (A/R), resulting in improper accounting for commission revenue and inadequate follow-up on aged balances. The absence of a structured receivables management framework has led to noncompliance with established governmental accounting and internal control principles, including those outlined in the Government Finance Officers Association (GFOA) best practices on revenue collection and receivables management and the GAO Green Book: Standards for Internal Control in the Federal Government (Principles 10, 16, and 17).

Our review of the A/R aging report as of August 13, 2025, revealed:

- **Improper Recording of Commission Revenue:**
Commission payments are being posted as credits to customer accounts before corresponding invoices are generated, resulting in large and misleading negative balances. This accounting method is inconsistent with the GFOA best practices on revenue collection and receivables management, which state that revenues should be recognized in the period they are earned and measurable, and receivables recorded only when there is an enforceable claim supported by an issued invoice.

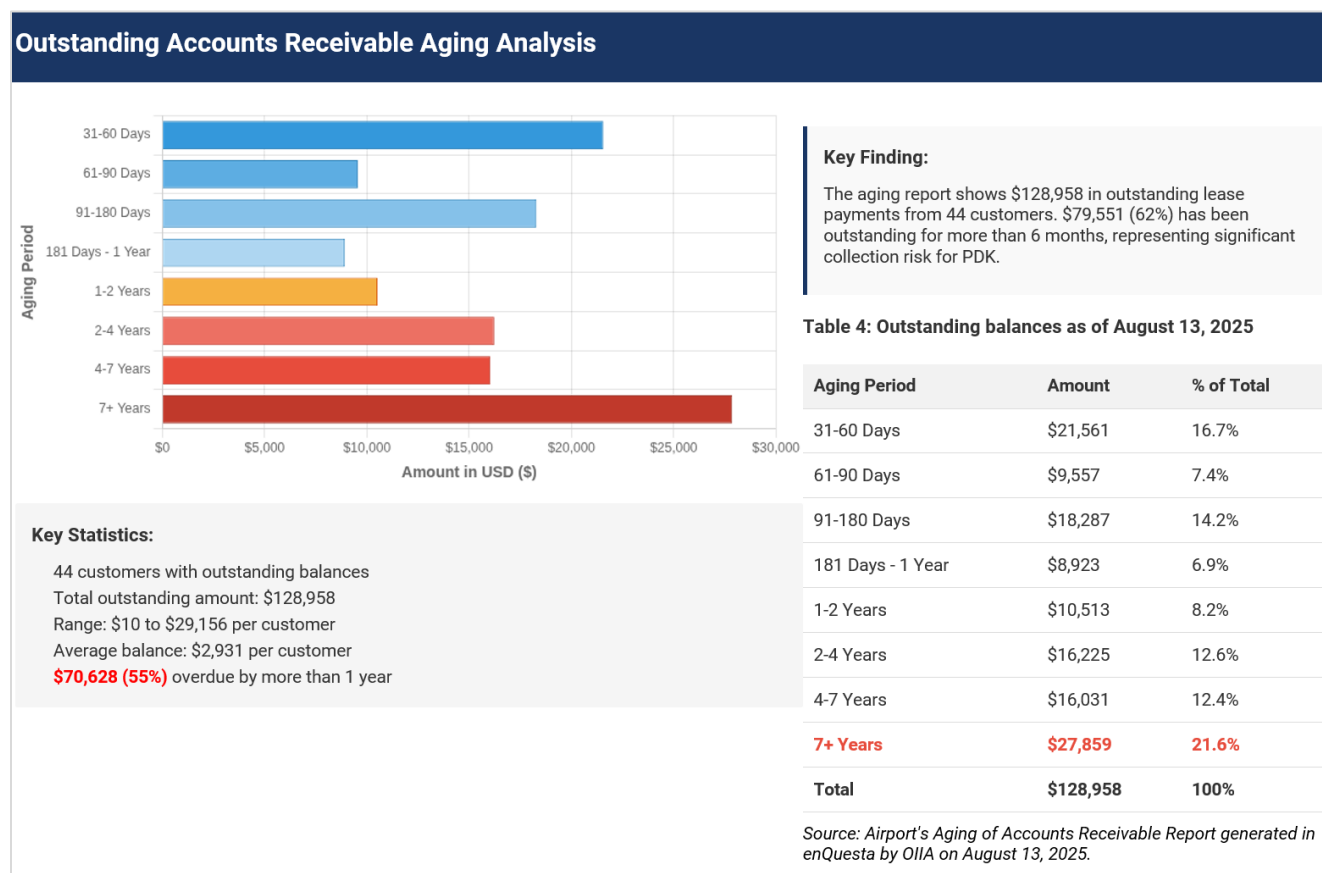


Improperly recording commission revenue obscures the distinction between legitimate customer overpayments and timing differences, with three accounts alone showing negative balances totaling approximately (\$559,190).

- **Significant Delinquent Balances:** 44 customers had balances outstanding for 31 days or more, totaling approximately \$129,000, with no evidence of consistent follow-up or documented collection efforts as required by sound accounts receivable management and internal control principles outlined in the GAO Green Book (Principles 10, 16, and 17) and the GFOA Best Practice: Revenue Collection and Receivables Management.

This unreliable accounting process and the lack of active pursuit of collections increase the risk that the **\$129,000** in aged receivables will become uncollectible, resulting in a direct loss of County revenue. Management stated that they were not aware that enQuesta had the capability to quickly identify delinquent accounts. The following Table # 4 outlines the aging of outstanding amounts as of August 13, 2025.

Table 4: Outstanding balances as of August 13, 2025.



RECOMMENDATIONS:

We recommend management:



1. Reconfigure the Commission Accounting Process

Work with the IT Department or system vendor to ensure that the enQuesta billing module properly records commission-based transactions as revenue upon receipt of payment, rather than crediting customer accounts in the accounts receivable subledger.

This configuration change will ensure that cash receipts for commission revenue are properly classified, eliminate the accumulation of negative A/R balances, and improve the accuracy of the A/R aging report.

If the system cannot directly record such transactions to revenue, management should establish a compensating control that periodically reclassifies these balances from A/R credits to the appropriate revenue accounts.

2. Implement a Formal Collections and Write-Off Policy

- Develop and implement a formal policy for managing accounts receivable. This policy must define:
 - Monthly Reconciliation: A required process for reconciling A/R and investigating discrepancies.
 - Collections Escalation: Clear, escalating steps for pursuing delinquent accounts based on their age (e.g., automated reminders at 30 days, formal demand letters at 60, referral to legal/collections at 90).
 - Write-Off Approval: Specific criteria for when an account is deemed uncollectible and a formal approval process for all write-offs, requiring documented justification.

3. Actively Manage and Resolve Aged Balances

Using the newly implemented policy and reliable aging reports from enQuesta, management must immediately begin collection procedures for all delinquent balances. All collection attempts should be documented to create a clear audit trail.

Management Response:

| Management Agreement with the finding | Description of Management's Action Plan to Address Finding | Estimated Timeline to Implement Action Plan |
|--|--|--|
| <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree | 1. Management will work with IT to create a process within enQuesta that correctly shows commission-based payments as revenue. 2. Management will work with IT to incorporate collection and write-off. 3. Management will review and begin a process for collecting on delinquent accounts. | May 2026 |
| Additional Comments and/or Reason For Disagreement with finding: | | |



FINDING 8: MARKET RENT ANALYSIS RECOMMENDATIONS FOR RESTAURANT LESSEES NEED TO BE IMPLEMENTED.

In 2011, airport management commissioned and paid for a market rent analysis to assess fair market lease terms for a restaurant lessee. The analysis recommended that the airport charge the lessee an 8% gross sales commission, consistent with industry standards for similar lease arrangements. Despite this recommendation, no commission was charged to the lessee, and no justification for this decision was documented.

Management explained that the decision to forgo the commission was made under a previous director, and no contemporaneous records exist to explain the rationale. As a result, the airport may have lost potential revenue and created the appearance of inconsistent lease administration, particularly since another restaurant lessee is paying a gross sales commission. Best practices require that management decisions involving public assets be supported by documented justification. The lack of documentation also reduces transparency and accountability in decision-making.

RECOMMENDATIONS:

We recommend management:

1. Re-evaluate and Renegotiate the Lease

Management should immediately re-evaluate the restaurant lease considering the 2011 market analysis and current market conditions. They should enter negotiations with the lessee to implement a fair market commission rate as soon as contractually possible.

2. Implement a Policy for Documenting Key Decisions

To ensure future accountability, management must establish a formal policy requiring that all significant financial decisions—especially those that deviate from expert recommendations, contractual terms, or established policies—be justified and approved in a written memorandum.

Management Response:

| Management Agreement with the finding | Description of Management's Action Plan to Address Finding | Estimated Timeline to Implement Action Plan |
|---|--|--|
| <input type="checkbox"/> Agree <input checked="" type="checkbox"/> Disagree | <ol style="list-style-type: none"> The airport will commission a new Market Rent Analysis at the end of the current restaurant leases to determine new commission rates. The airport will justify any future deviations in a written memorandum. | In progress |
| Additional Comments and/or Reason For Disagreement with finding: <ol style="list-style-type: none"> Current management was not responsible for the original decision. The lease is binding and cannot be changed immediately. Management commits to commissioning a Market Rent Analysis upon the renewal of the current lease to determine new commission rates. | | |



FINDING 9: INEFFECTIVE USER ACCESS CONTROLS OVER THE ENQUESTA REVENUE SYSTEM.

During our review of user access to enQuesta data and transactions, we noted the following:

A. Inadequate Role-Based Access Controls

Management has not adequately designed user access groups to restrict access to enQuesta functions based on employee job responsibilities. Specifically, we found:

i. Uniform Access Among Airport Employees

All airport employees have the same level of access in enQuesta, regardless of their job responsibilities. According to the National Institute of Standards and Technology (NIST), employees should be granted only the access necessary to perform their duties (principle of least privilege). Excessive access increases the risk of unauthorized activity or misuse of information.

ii. Vendor Administrator Access Conflicts

Several enQuesta vendor administrator accounts have access to both administrative and business functions, creating a segregation of duties conflict. These users can adjust bills, enter cash receipts, change rates, and issue refunds.

IT management stated that continuous access is granted to the vendor because they manage and host the application internally and assist with troubleshooting issues as they arise. As is common with vendor-hosted and vendor-supported software, the vendor maintains a team of personnel in various roles who have access to the system. This access enables them to support department users and provide general application support, including configuration and maintenance.

However, the vendor is not subject to audit. In contrast, DeKalb users are audited to ensure that enQuesta access is appropriately terminated when users are transferred or separated from the organization. enQuesta activity logs are maintained by the vendor and must be requested when needed.

While OIIA understands that elevated access may be necessary for troubleshooting, best practices recommend that such access be **temporary, monitored, and revoked when no longer needed**. Continuous, broad access to both administrative and business functions violate the principle of least privilege and increases the risk of errors or unauthorized activity due to limited County oversight.

B. Inactive User Accounts Not Properly Removed

We identified one former airport employee who transferred to another department whose enQuesta account access had not been revoked. Additionally, three terminated employees remained in user access groups, although their accounts had been disabled.



According to NIST, access rights must be revoked immediately upon termination or transfer, and management must ensure all access is fully removed. Non-compliance with this requirement increases the risk of unauthorized access and inappropriate activity within enQuesta.

RECOMMENDATIONS:

We recommend that airport and IT management strengthen user access controls in enQuesta to align with the principle of least privilege and reduce the risk of unauthorized or inappropriate activity. Specifically:

A. Implement Role-Based Access Controls (RBAC)

- i. Review and redesign user access groups to ensure that access to enQuesta functions is based on job responsibilities. Employees should only be granted the minimum level of access necessary to perform their duties.
- ii. Limit vendor administrator access to only what is necessary for support and troubleshooting. Elevated access should be:
 - Granted temporarily,
 - Closely monitored,
 - Logged in detail (including configuration changes), and
 - Revoked once the support activity is complete.

III. Periodic reviews of vendor access and activity should be documented and retained.

B. Establish a Formal User Deactivation Process

Immediately revoke access for airport employees who are terminated or transferred, including removing them from all user access groups. In addition, perform periodic reviews of all enQuesta user accounts to ensure access remains appropriate and aligned with current job responsibilities. Document and retain evidence of these reviews.

Airport Management Response:

| Management Agreement with the finding | Description of Management's Action Plan to Address Finding | Estimated Timeline to Implement Action Plan |
|--|---|--|
| <input checked="" type="checkbox"/> Agree <input type="checkbox"/> Disagree | <p>A.i. The airport will ensure that appropriate personnel have appropriate access to enQuesta.</p> <p>It is our intent to do the following:</p> <ul style="list-style-type: none"> • Work with IT to identify the different access tiers within the enQuesta system. • Verify what access those tiers have. • Create a form (if one is not already provided) that will request the level of access as defined by the IT team. | In progress |



| | | |
|---|--|--|
| | B. Management has removed access for former employees and will create a process for documentation of future reviews. | |
| Additional Comments and/or Reason For Disagreement with finding: | | |

Department of Innovation & Technology Management (DoIT) Management Response:

| Management Agreement with the finding | Description of Management's Action Plan to Address Finding | Estimated Timeline to Implement Action Plan |
|--|--|--|
| <input type="checkbox"/> Agree <input checked="" type="checkbox"/> Disagree | <p>A.ii & iii. We partially agree. Administrative rights are required for the enQuesta vendor to properly support, maintain, and operate the application within "its" hosted environment. Because enQuesta is a vendor-managed system, core functions such as system configuration, patching, troubleshooting, workflow adjustments, and performance monitoring can only be performed by vendor administrators with elevated access. Limiting their rights would impede their ability to meet contractual service-level agreements (SLAs), respond to incidents, or ensure system stability and accuracy.</p> <p>DoIT Management acknowledges the inherent risk associated with granting vendors administrative access to their hosted application; however, such access is required to support business operations. To reduce this risk, the Department will limit administrative access to a Just-In-Time (JIT) basis when transactional updates are necessary for rate table updates, or updates to customer accounts. These updates should only be performed when a ticket has been opened, and signed off by DoIT.</p> | January 2026 |
| Additional Comments and/or Reason For Disagreement with finding: | | |



APPENDICES

Appendix I – Objective, Scope, and Methodology

Objective

The objectives of this audit were to:

1. Determine whether the processes for collecting, recording, and safeguarding airport-generated revenue comply with applicable regulations and recognized industry standards; and
2. Assess whether internal controls are adequately designed and operating effectively to provide reasonable assurance that airport-generated revenues are complete, accurate, timely deposited, properly safeguarded, and routinely reconciled.

Scope

The scope of our audit included, but was not limited to, the review of operational revenue collections during calendar year 2024. The scope of our audit included, but was not limited to, a review of operational revenue collections during calendar year 2024. The audit focused on **operating revenues** from leases, aircraft tie-downs, hangars, and commission-based sources such as fuel flowage, car rental companies, billboards, and restaurants, as well as other income sources. The scope of this audit excluded an examination of non-operating revenue.

Methodology:

We reviewed airport revenue procedures, interviewed the Airport Director, Operations Manager, and Finance Department officials, and documented how revenues are collected, recorded, and deposited.

We assessed internal controls by interviewing staff, performing walkthroughs of collection and reconciliation processes, and conducting site visits—including one unannounced—to observe how funds are handled and safeguarded.

We reviewed the enQuesta system through demonstrations with airport and IT staff and examined user access listings to evaluate segregation of duties and least-privilege controls.

For rental revenues, we judgmentally tested 50 agreements (of 242 total); for commission revenues, we tested 16 agreements with commission provisions. We recalculated expected amounts and compared results to enQuesta records and remittance worksheets. The sampling methodology is risk-based to focus on higher risk transactions; as such, results cannot be projected across the full population.

We traced revenues recorded in enQuesta to County bank deposits for February, July, and December 2024, and reviewed an accounts receivable aging report as of August 13, 2025.

While samples were non-statistical, the results and related audit procedures provided a reasonable basis to evaluate whether PDK Airport properly collected, recorded, and reconciled revenues.



Appendix II – Management Response

DeKalb County



DeKalb Peachtree Airport

(770) 936-5440
FAX: (770) 936-5446

212 Administration Building
2000 Airport Road, Atlanta, Georgia 30341

24 November 2025

Lavois Campbell
Chief Audit Executive
Office of Independent Internal Audit
1300 Commerce Drive, Suite 300
Decatur, Georgia 30030

RE: **Management Response to “Audit of Internal Controls Over DeKalb-Peachtree Airport’s Operational Revenue Collection and Handling”**

Dear Mr. Campbell:

In accordance with DeKalb County, Georgia – Code of Ordinances / Organizational Act Section 10A-Independent Internal Audit, this is our response to the audit named above provided in this document. As required by the ordinance, our response includes 1) a statement regarding our agreement or disagreement along with reasons for any disagreement, 2) our plans for implementing solutions to issues identified, and 3) the timetable to complete such plans.

If you have any questions about this response, please contact me.

Sincerely,

Hunter Hines

Hunter Hines
Airport Director



**Interim Chief
Information Officer
Scott Shelton**

Chief Executive Officer
Lorraine Cochran-Johnson

Board of Commissioners

District 1
Robert Patrick

District 2
Michell Long Spears

District 3
Nicole Massiah

District 4
Chakira Johnson

District 5
Mereda Davis Johnson

District 6
Edward "Ted" Terry

District 7
LaDena Bolton

12/4/2025

Lavois Campbell
Chief Audit Executive
Office of Independent Internal Audit
1300 Commerce Drive, Suite 300
Decatur, Georgia 30030

RE: Management Response to "Audit of Internal Controls Over DeKalb-Peachtree Airport's
Operational Revenue Collection and Handling"

Dear Mr. Campbell:

In accordance with DeKalb County, Georgia – Code of Ordinances / Organizational Act Section 10A-Independent Internal Audit, this is our response to the audit named above provided in this document. As required by the ordinance, our response includes 1) a statement regarding our agreement or disagreement along with reasons for any disagreement, 2) our plans for implementing solutions to issues identified, and 3) the timetable to complete such plans.

If you have any questions about this response, please contact me.

Sincerely,

Scott Shelton

Scott Shelton
Interim Chief Information Officer

3630 Camp Circle | Decatur, GA 30032 | phone: 404-371-2847 |
www.dekalbcountyga.gov



DISTRIBUTION

Action Official Distribution:

Hunter Hines, Director, DeKalb-Peachtree Airport (PDK)

Scott Shelton, Interim Chief Information Officer, Department of Innovation & Technology Management (DoIT)

Statutory Distribution:

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 Super District 6

LaDena Bolton, Board of Commissioners Super District 7

Tanja Christine Boyd-Witherspoon, Chairperson, Audit Oversight Committee

Adrienne T. McMillion, Vice-Chairperson, Audit Oversight Committee

Lisa Earls, Audit Oversight Committee

Michael Lopata, Audit Oversight Committee

Petrina Bloodworth, Audit Oversight Committee

Information Distribution:

Zachary L. Williams, Chief Operating Officer/ Executive Assistant

Leah Davis, CEO's Chief of Staff

Barbara H. Sanders, BOC Chief of Staff

William "Bill" Linkous, County Attorney



PROJECT TEAM

This report was submitted by:

Andre Miller

December 18, 2025

André Miller, CPA, CIA, CFE, CISA

Date

Internal Auditor, Senior

Office of Independent Internal Audit

This report was reviewed by:

Len Ohnstad

December 18, 2025

Len Ohnstad, CPA, CIA, MBA

Date

Internal Audit Manager

Office of Independent Internal Audit

The report was approved by:

Lavois Campbell

December 18, 2025

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

Date

Chief Audit Executive

Office of Independent Internal Audit



STATEMENT OF ACCORDANCE

Statement of Accordance

The mission of the Office of Independent Internal Audit is to provide 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 performance audit was prepared pursuant to DeKalb County, Georgia – Code Ordinances/Organizational Act Section 10A- Independent Internal Audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Please address inquiries regarding this report to the Office of Independent Internal Audit at lmcampbell@dekalbcountyga.gov.