



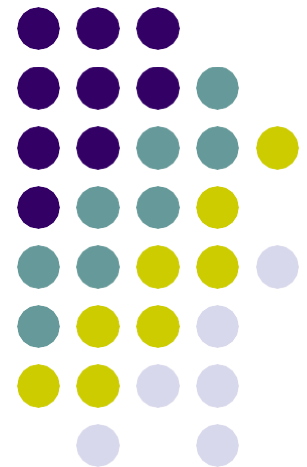
Overview of the Office of Independent Internal Audit

DeKalb County Charter Review Commission

Meeting on Thursday June 08, 2023

6:00 PM – Maloof Auditorium

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



DeKalb County
GEORGIA

BACKGROUND



The Office of Independent Internal Audit

The Office of Independent Internal Audit (OIIA) was established in accordance with House Bill 599 (2015 Ga. Laws 3826), enacted by the Georgia General Assembly, and signed into law on May 12, 2015.

It is also codified in the DeKalb County, Georgia – Code Ordinances/Organizational Act **Section 10A-** Independent Internal Audit.

The **OIIA** is completely independent.

1. Structurally Independent – the CAE is not subject to the control, direction or supervision of County administration the Chief Executive Officer, the Commission, or any other official, employee, department, or agency of the DeKalb County government. The position of the CAE is nonpartisan.
2. Each employee/CAE is required to complete an annual independence attestation to identify any conflicts of interest, or real or perceived impairment of independence.
3. Again, before staff are assigned to an audit or non-audit review, their independence is evaluated, and the auditor/CAE is required to declare in writing any real or potential conflicts or impairments related that project.
4. The independence of the OIIA members and the objectivity of audit results is further assessed by an external independent reviewer from the Association of Local Government Auditors (**ALGA**).

BACKGROUND

Mission Statement (why we exist and what we do)

Our purpose (why we exist) 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.

Our promise (what we do) is to accomplish this through performance audits, inquires, investigations and reviews.

Vision Statement (where we are going)

Excellence in our products and services as we promote positive change throughout DeKalb County with an inspired team that strives for continuous improvement.



BACKGROUND



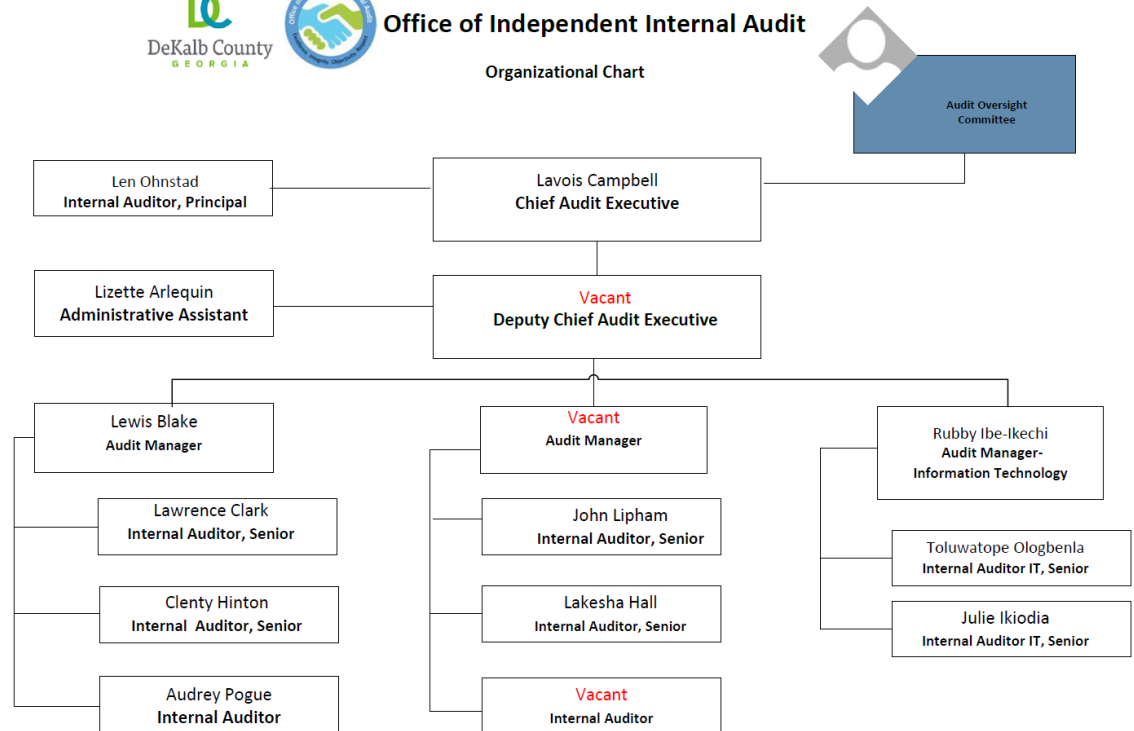
Organizational Structure

The OIIA consists of the Chief Audit Executive (CAE) and those assistants, employees, and personnel as deemed necessary by the CAE for the efficient and effective administration of the affairs of the office, and over whom the CAE has the sole authority to appoint, employ, and remove.



Office of Independent Internal Audit

Organizational Chart



BACKGROUND



Audit Oversight Committee

An Audit Oversight Committee (AOC) was established per House Bill 599 (2015 Ga. Laws 3826) incorporated into DeKalb County, Georgia – Code of Ordinances / Organizational Act Section 10A- Independent Internal Audit. The AOC consists of five voting members:

Members	Appointing Authority	Term	Start Date *	End Date
Lisa Earls, Chairperson	Chief Executive Officer, DeKalb County	5 Years	August 1, 2019	December 31, 2023
Gloria Gray, Vice Chairperson	Board of Commissioners, DeKalb County	5 Years	July 26, 2022	December 31, 2026
Tanja Christine Boyd-Witherspoon, Chairperson pro-tem	Chairman of the DeKalb Delegation to the State Senate	5 Years	August 11, 2021	December 31, 2025
Adrienne McMillon [^]	Chairman of the DeKalb Delegation to the State Senate	5 Years	June 4, 2018	December 31, 2022
Harold Smith	Board of Commissioners, DeKalb County	5 Years	April 1, 2020	December 31, 2024

* note: Start dates after January 1, denote actual start date after term period started.

[^] will be on committee until a replacement is appointed.

KEY ACCOMPLISHMENTS

AUDITS FROM 2017- Q1 2023

A total of **30** audit reports have been issued since 2017 with **162 audit findings**. The audits have covered over **21** departments/agencies or elected offices. These included but not limited to the following:

- Finance Department
- Watershed Management
- Purchasing and Contracting
- Roads and Drainage
- Sanitation Division
- Facilities Management
- Fire Rescue
- Fleet Management Division
- Innovation and Technology
- Recreation Parks and Cultural Affairs
- DeKalb WorkSource
- Human Resources & Merit System
- Public Safety
- Planning and Sustainability
- Probate Court
- Juvenile Court
- State Court
- Code Compliance
- Animal Services
- Geographic Information Systems (GIS)
- Public Defender

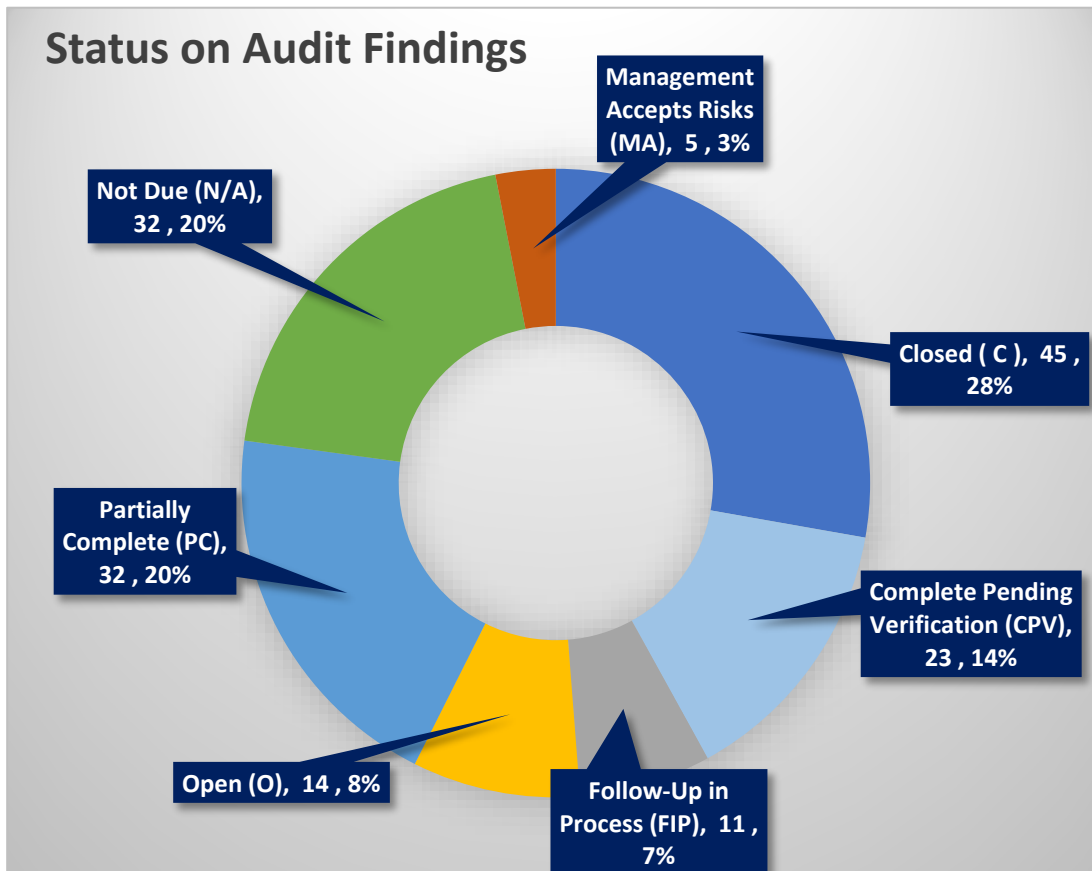
AUDIT COVERAGE

Examples of Processes Audited

- ✓ Accounts Payable Process
- ✓ Treasury Processes
- ✓ Payroll Process
- ✓ Purchasing Card Management
- ✓ Purchasing and Contracting Processes
- ✓ Contract Performance Audits
- ✓ Local Small Business Enterprise
- ✓ Alcohol Licenses Processes
- ✓ Termination and Transfer of Employees
Process – Modifying Access to key applications and
County-Wide Network
- ✓ Water Billing Process – (performed by
KPMG)
- ✓ Vehicle Fuel Administration
- ✓ Data Center Physical Security
- ✓ General IT Controls for *Oracle* and *Hansen*
applications
- ✓ Protection of Personal Identifiable
Information
- ✓ Code Compliance Processes
- ✓ Animal Services
- ✓ DeKalb Work Source
- ✓ Cash Handling Procedures
- ✓ Temporary Services Contracts
- ✓ Employee File Management – HR
- ✓ Safety Sensitive Employees Process (CDL)
- ✓ SPLOST funds to Purchase Public Safety
Vehicles
- ✓ Management of Personally Identifiable
Information

STATUS OF MANAGEMENT ACTION PLANS

Since 2017 OIA issued 30 audits with **162 audit findings**, with associated management action plans to address issues and timelines for implementation.



42% or 68 of findings have been either Closed or Completed pending OIA verification.

20% or 32 - Partially complete

8% or 14 or Considered "Open" / In progress.

3% or 5 Management has accepted the risks.

7% or 11 – Follow up in progress

20% or 32 - Not yet due for follow-up

NON-AUDITS CONTRACT REVIEWS

Since October 2018 through December 2022 , the OIA has conducted non-audit reviews of **146** procurement related BOC agenda items prior to award. The initial/pre-award value of the contracts totaled approximately **\$ 1,633,691,054 !**

OIA reviews have resulted in a reduction in the initial value of the procurement activities by approximately:

 **\$99,264,178**
or 6% less than the initial value!

Interesting FACTS

- ❖ The total reduction/savings for the County is approximately **15 times** the operating budget of the OIA over that period!
- ❖ \$42,292,936 or 43% of the total reductions were identified in 2022 alone. That was an 75% increase over the previous years (2018-2021) combined.

ALGA PEER REVIEW ACCREDITATION



External Association of Local Government Auditors (ALGA) Peer Review.

- October 2022 the OIIA completed its first **independent** external peer review. The OIIA received the highest rating possible, **a pass**, with no exceptions, or comments.
- “The external peer reviewer certification recognizes that the organization’s internal quality control system was suitably designed and operating effectively to provide reasonable assurance of compliance with Government Auditing Standards for audit and attestation engagements during the period.”

SUGGESTED REVISION

Timeline for Management to Provide Their Action Plans to Address Audit Findings.

Current

As per **Org Act. Section 10A. (J) (4)**, **County management** shall respond to final draft of the audit reports in writing, specifying the agreement with audit findings and recommendations or reasons for disagreement with findings and recommendations, plans for implementing solutions to issues identified, and a timetable to complete such activities. The response shall be forwarded to the auditor **within sixty (60) days**.

Please note, user departments are not required to “address/remedy” the audit findings in 60 days. They are required to respond with their plans and timelines to complete such corrective actions.

Recommendation

I recommend a reduction from 60 to **30 days** for management to respond to draft audit findings. The 30-day timeline would encourage earlier development and implementation of corrective action plans to address audit issues, including high risk and urgent issues.

The revised timeline would also allow the final audit report (which includes both issues and action plans) to be communicated earlier to the public. Demonstrating the proactiveness and willingness of the County management to respond to audit issues.

Contact

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Chief Audit Executive

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QUESTIONS & COMMENTS