06- C -2150

CITY OF ATLANTA

LESLIE WARD
City Auditor
lward1@atlantaga.gov

CITY AUDITOR'S OFFICE
68 MITCHELL STREET SW, SUITE 12100
ATLANTA, GEORGIA 30303-0312
(404) 330-6452
FAX: (404) 658-6077

AUDIT COMMITTEE
W. Wayne Woody, CPA, Chair
Fred Williams, CPA
Donald T. Penovi, CPA
Cecelia Corbin Hunter
Council President Lisa Borders

September 27, 2006

President Lisa Borders and
Members of Atlanta City Council
City Hall, Suite 2900 South
55 Trinity Avenue, SW
Atlanta, Georgia 30303

Dear President Borders and Council Members:

As Chairman of the City of Atlanta Audit Committee, I am pleased to report that the committee has appointed Ms. Leslie Ward to serve as the City Internal Auditor for a second five-year term, effective upon council confirmation.

Since her appointment in 2001, Ms. Ward has established a professional and independent audit function. Under her leadership, the city auditor's office has provided objective information to assist the city council in its oversight role, suggested improvements in controls and efficiency to the executive branch, and increased accountability to city residents and taxpayers. A summary of the accomplishments of the office and Ms. Ward's biographical information are attached.

The Audit Committee appreciates the city council's support for the work of the auditor and the committee during the last five years. We look forward to continuing a positive relationship with the council and the executive branch as we work together to improve city government. We believe Ms. Ward will continue to foster the success of the audit function, to the benefit of the citizens of Atlanta. We respectfully request your confirmation of her appointment.

Sincerely,

W. Wayne Woody

W. Wayne Woody, CPA
Audit Committee Chair

Attachments (2)

Cc: Mayor Shirley Franklin
Audit Committee members

Leslie E. Ward

Leslie Ward has served as City Auditor for the City of Atlanta since October 2001. She is Atlanta's first independent city auditor, reporting to an audit committee that includes 3 citizen members, as well as representatives of the Mayor and the City Council. She and her staff are charged with auditing the performance and finances of city programs, activities, and contractors.

Ms. Ward serves on the Government Relations Committee of the Institute of Internal Auditors, the executive committee of the Southeastern Intergovernmental Audit Forum, and the US Comptroller General's domestic working group. She was president of the National Association of Local Government Auditors in 1996-97 and served on the Advisory Council on Government Auditing Standards from 1999 through 2001.

Ms. Ward was Deputy City Auditor for Kansas City, Missouri from 1991 to 2001. She joined the office in 1988 and had a primary role in expansion of the office's performance audit capabilities. She also has worked as a performance auditor for the Tennessee Division of State Audit and as a research analyst for the Vanderbilt Institute of Public Policy Studies.

Ms. Ward attended the University of Maryland and received bachelor's and master's degrees in political science from Tennessee State University and Vanderbilt University, respectively. In 1999 she received an MBA from the University of Missouri-Kansas City. She is a Certified Internal Auditor and a Certified Government Audit Professional (CGAP). She received the 2004 CGAP Highest Achievement Award from the Institute of Internal Auditors.

CITY OF ATLANTA
City Auditor's Office
Leslie Ward, City Auditor
404.330.6452

September 2006

City Auditor's Office

Accomplishments, 2002 - 2006

Highlights

Collection Efforts on Water and Sewer Bills
We reported $23.7 million in revenue that should have been collected by the city's contractor for water system operations. Our findings contributed to the city's settlement when the contract was dissolved. After the city resumed control of operations, we recommended a more aggressive and effective process to increase collections, which the Department of Watershed Management is adopting.

Payroll Systems and Controls
We found $2.1 million in payments to deceased pensioners and $1.8 million in payroll errors. We recommended better processes for identifying deaths and stopping payments promptly, system controls for error prevention, and limits on system access to reduce opportunities for fraud. In our audit work on the city's new ERP system, we are checking for adoption of these recommendations and other controls.

Procurement and Contracting Processes
We concluded that the city follows accepted practices for competitive procurements, but additional procedures and safeguards would assure that requests for proposals are clear and accurate, evaluators are qualified to review proposals, and evaluation methods are valid and reliable. Our suggestions should reduce delays, cancelled procurements, and protests from unsuccessful bidders.

Staff Professional Development
We are a team of 11 audit professionals and 2 support staff. Our backgrounds include public administration, business administration, accounting, social work, and social sciences. Auditors have advanced degrees and/or professional certifications: Certified Internal Auditor, Certified Information System Auditor, or Certified Public Accountant. Auditors receive at least 40 hours per year of specialized training as required by government audit standards.

Work in Progress
Audits in progress include General Services contract monitoring, Hartsfield-Jackson Development Program, ERP system implementation, and the New Century Economic Development Plan. We also monitor and conduct investigations of complaints from the city's Integrity Line.

Our Mission

The City Auditor's Office strives to promote honesty, efficiency, effectiveness and accountability in city government. We accomplish our mission by conducting audits under authority of the city charter, to determine whether city activities and programs comply with applicable laws, achieve intended results and benefits, use resources economically and efficiently, and operate with adequate systems of internal control.

Our Reports

We provide objective information and recommendations through performance audits, interim reports and memoranda, and reviews of proposed legislation. We select audit topics through management requests, city council requests, and an annual audit plan based on assessment of risks and approved by the Audit Committee.

Since 2002, we have released 32 reports: 14 performance audits, 14 memoranda and interim reports, and 4 reviews of proposed legislation

We have made 223 recommendations and obtained management agreement with 99% of those requiring response. About 36% have been implemented, and 14% are no longer relevant or have been replaced. The remaining 50% are in progress.

Our recommendations address safeguarding assets, streamlining processes, monitoring and reporting, compliance, revenue collection, and contract management. Many open recommendations require system upgrades that are underway.