

ANNUAL UPDATES

2022 GEORGIA FISCAL
MANAGEMENT COUNCIL
ANNUAL CONFERENCE



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Today's Discussion Topics

- Organizational Overview
- Updates on Engagements
- Future Landscape



Year in Review



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Key Client Survey Results

- 103 responses between Sept 1, 2021, and Aug 31, 2022
- **Audit Management**
 - Overall **rating remained the same**
- **Audit Communications**
 - Overall **rating remained the same**
 - Decreases for the following questions
 - Opportunity and amount of time given to respond to deficiencies and other items identified
 - Slightly down on adequate communication of scope and purpose
- **Audit Timeliness**
 - Overall **decrease** in rating
 - Significant decreases for following question:
 - Timely release of reports and other communications



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Celebrating our
100th year of
existence in
2023...

Where do we go
from here?



July 13, 2022 – Annual Department-wide Meeting



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Start With “Why”

Simon Sinek

Great leaders state out loud what they intend to do and in doing so, they get things done.



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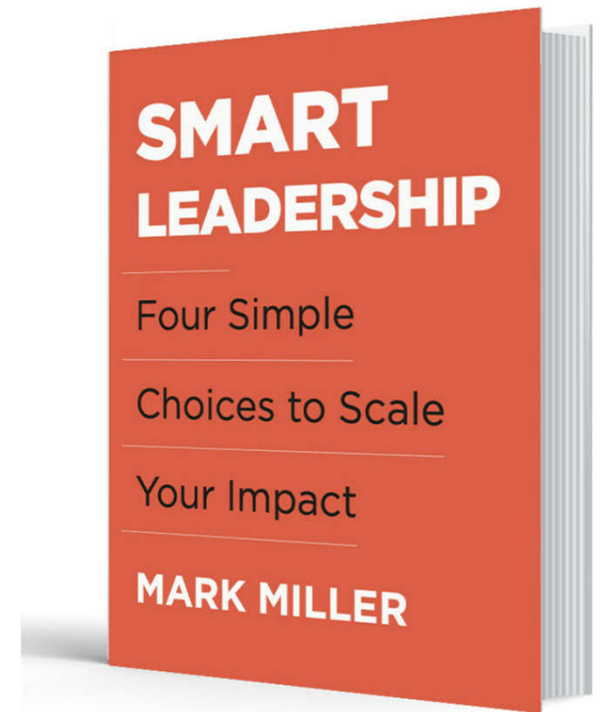
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CULTURE MATTERS

The culture of any organization is nothing more than the consistent behaviors of its members.

~Mark Miller

Vice President of High-Performance Leadership,
Chick-fil-a Inc. & Best-selling Author



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**Culture is how employees'
hearts and stomachs feel about
Monday morning on Sunday night.**

- Bill Marklein

CULTURE MATTERS

9 SIGNS YOU ARE IN A HEALTHY CULTURE

1. **Good communication**
2. **People feel valued**
3. **Inspired, motivated employees**
4. **People are growing**
5. **There is work-life balance**
6. **Leadership development never stops**
7. **People are trusted**
8. **All employees can be authentic**
9. **Everybody matters**



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**EMPLOY
HUMANITY**
Leadership + Culture



CULTURE MATTERS



Our belief is that if you get the culture right, most of the other stuff, like great customer service, or building a great long-term brand or empowering passionate employees and customers, will happen on its own.

~ Tony Hsieh
Zappos



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DOAA Mission:

To provide independent, unbiased information and impactful recommendations to promote accountability and improve government.

DOAA Vision:

Sharing our insights to make a positive difference for the citizens of Georgia.

DOAA Values:



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DOAA Values



Act with Courage



Deliver



Inspire



Engage



Value People

We support, trust and respect people.

- Invest in teams and relationships.
- Appreciate the diversity of thought, perspective, and experience.
- Recognize achievement and growth.
- Create a balance between work and personal lives.



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STRATEGIC PRIORITIES



- Enhancing our impact and demonstrating value to stakeholders
- Enhancing our culture with focus on human capital
- Improving departmental communications



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Enrich Our Culture



- Develop a workforce plan
- Continue to support our people to operate effectively and flexibly
- Grow our capacity to deliver effective change management and support our people through change



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Integrated Talent Management Program



ELEVATE SELF

Supervisory Training Program

ELEVATE OTHERS

Leadership Development Program

ELEVATE ORGANIZATION

Performance Management



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3,242 followers

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Georgia Department of Audits and Accounts (DOAA) would like to congratulate the first 19 graduates of our Leadership Intensive Program. We value their commitment to growing as leaders and continuing to display our values. [#OneDOAA](#)

Leadership Intensive Program Graduates



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Congratulations!

Enhance our impact



- Improve and build effective relationships with stakeholders
- Review approaches to supporting entity engagement and cooperation
- Enhance our products and services



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Advancement through Accountability

The Department of Audits and Accounts exists to provide decision-makers with credible management information to promote improvements in accountability and stewardship in state and local government.

[More About Us >](#)



New Website Available

Featured Reports

Government Operations

State of Georgia FYE 2021 Single Audit Report Part II

The Single Audit Report for the State of Georgia.

[Read Report](#)



Finance & Taxation, Economic & Community Development & Tourism

Administration of the Georgia Film Tax Credit Follow-Up Review

[View Summary](#) [Read Report](#)



Government Operations, Agriculture, Environment & Natural Resources

Pollution Remediation by State Entities Follow-up Review

[View Summary](#) [Read Report](#)



Industry, Insurance & Labor, Higher Education

TCSG - Technical Education Follow-Up Review

[View Summary](#) [Read Report](#)



Leverage Technology



- Develop consumption-based cloud computing environment
- Continue to enhance DOAA's security environment
- Accelerate RPA deployment and adoption
- Retain and upskill capability required to effectively maintain and support our IT infrastructure
- Make effective and systemic use of audit data analytic solutions to drive audit efficiency



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Meet Billy Bot (our digital worker)

The Bot's Stats:

Letters, Communications, & Reports

- 20 different templates for various letters, communication and report components
- 1750+ individual files produced from the process



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Meet Billy Bot (our digital worker)

The Bot's Stats:

Letters, Communications, & Reports

- 195 individual engagements impacted
- 2-minute processing time replacing a 1+ hour manual process
- 10 edit checks – data entry and grammar
- Additional reduction in Review Time



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Meet Billy Bot (our digital worker)

The Bot's Stats:

Report Upload to Website

- 364 Reports uploaded during the Fiscal Year – less than 5 minutes; includes error checks

Files from Websites for Audits

- 40,000 files retrieved and reviewed every two weeks for updates – previously 5-10 minutes per report



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Meet Billy Bot (our digital worker)

The Bot's Stats:

Compilation of Audit Results

- 45 minutes to consolidate statewide misstatements, deficiencies and component unit info from ~75 excel workbooks and 44 engagement files

Records Retention

- Identification of old, duplicated, and large files for deletion by content managers



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The Road Ahead



Billy's Backlog

- Additional document/data retrieval efforts
- Financial Statement Analytical Review

Workflow Automation

- Use of Microsoft Tools, such as PowerAutomate for workflow automation



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The Road Ahead



Enhanced Data Analytics

- Budgetary Compliance
- Transactional Risk Review

AI document processing

- Retrieve financial information from published reports
- Review contracts/leases for pertinent information



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Fuel Curiosity

- Continue to support organizational culture that embraces innovative solutions and encourages digital proficiency
- Develop a workforce culture accustomed to change and identifying ways to do things better
- Develop our Innovation capability through:
 - ✓ Structures to support and nourish innovation
 - ✓ Empowering people to innovate
 - ✓ Investing for the future and improve in the now



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Engagement Updates

- Prior Year Recap
- Current Year Summary
- Things To Consider



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Prior Year Results

Annual Comprehensive Financial Report (ACFR)

Statewide Audit

Summary of Opinions

<i>Opinion Unit</i>	<i>Type of Opinion</i>
Governmental Activities	Unmodified
Business-Type Activities	Unmodified
Aggregate Discretely Presented Component Units	Unmodified
Governmental - General Fund	Unmodified
Governmental - General Obligation Bond Projects Fund	Unmodified
Enterprise - Higher Education Fund	Unmodified
Enterprise - State Employees' Health Benefit Fund	Unmodified
Enterprise - Unemployment Compensation Fund	Disclaimer
Aggregate Remaining Fund Information	Unmodified



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Prior Year Results

Annual Comprehensive Financial Report (ACFR) Statewide Audit

FY2021 Financial Findings

- 5 – Financial Reporting
- 2 – Capital Assets
- 3 – IT General Controls

Previously Reported Financial Finding Resolution

- 5 – Previously Reported Corrective Action Implemented (Resolved)
- 8 – Partially Resolved
- 1 – Unresolved



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Prior Year Results

Statewide Single Audit – Major Program Compliance

20 Major Programs

Type of auditor's report issued on compliance for major programs:

Unemployment Insurance Program

Adverse

Coronavirus Relief Fund

Qualified

Twenty-First Century Community Learning Centers

Qualified

All other major programs

Unmodified



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Prior Year Results

Statewide Single Audit – Federal Compliance

Fiscal Year 2021 Federal Findings

- 28 Findings

Previously Reported Federal Finding Resolution

- 11 – Previously Reported Corrective Action Implemented (Resolved)
- 16 – Partially Resolved
- 6 – Unresolved
- 1 – Further Action Not Warranted (Requirements Waived)



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FY2022 Audit Plan - ACFR

Standalone Audit Engagements

- Georgia Public Telecommunications Commission
- Savannah Georgia Convention Center Authority
- Georgia World Congress Center
- Local Government Investment Pool (Office of the State Treasurer)
- State Road & Tollway Authority



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FY2022 Audit Plan - ACFR

Significant Components

- Department of Revenue
- Department of Community Health
- Department of Education
- Department of Human Services
- Department of Transportation/Georgia Regional Transportation Authority
- Department of Labor
- Governor's Office
- Department of Early Care and Learning
- University System of Georgia



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FY2022 Audit Plan – ACFR

Other Components

- Georgia Student Finance Commission
- Department of Public Health
- Department of Behavioral Health & Developmental Disabilities
- Capital Asset Work
- Reserve Request Work
- GASB 87 Work
- Global Analytical Work



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Things to Consider

GASB 87 – Significant Risk for ACFR

- Implementation Year
- Auditors are looking for Internal Controls over:
 - Evaluation process
 - Recording/reporting of Lease
- Auditors will consider completeness
 - Keep your documentation related to the assessment – we will ask for it.
 - SPC Leases



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Things to Consider

Remember points from last year's presentation:

1. Stay up to date on changes to standards and compliance requirements
2. Be prepared
 1. Attend training
 2. Ask questions
 3. Identify significant changes
 4. Determine the impact and document analysis performed
 5. Update policies and procedures and internal controls
 6. Maintain documentation throughout the year
3. Learn from Audit Observations

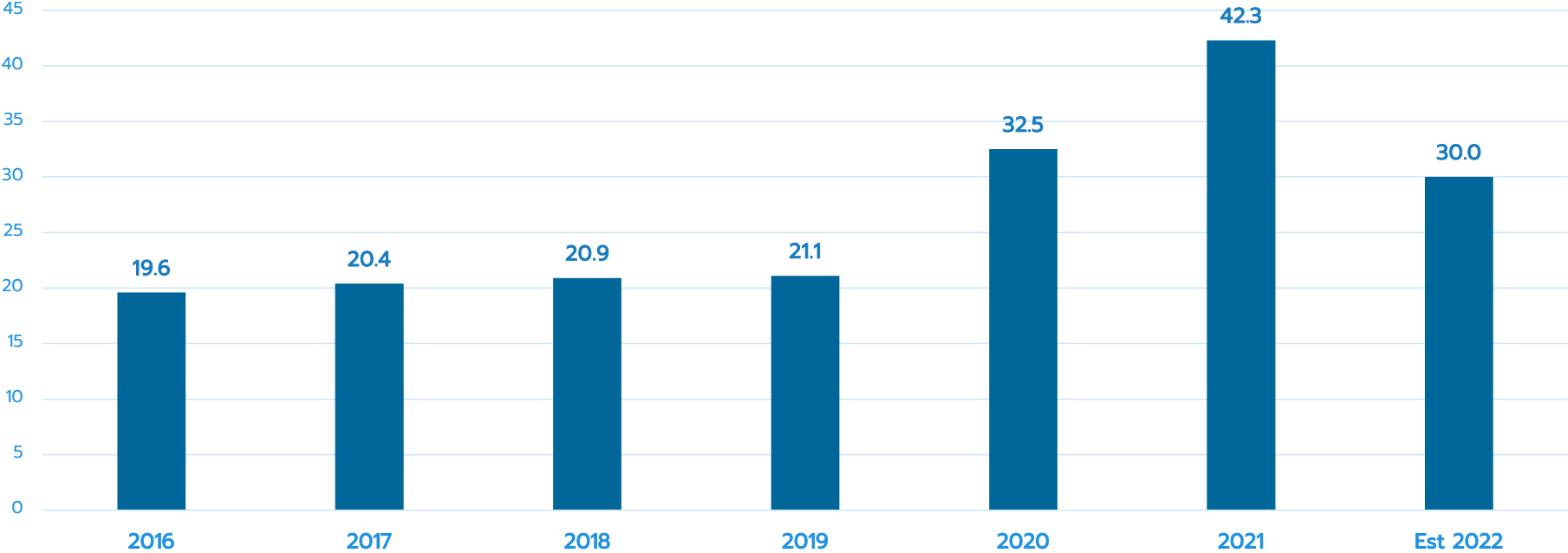


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FY2022 Statewide Single Audit

Federal Expenditures Year over Year



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Estimated Audit Assurance

State's Federal Expenditures

Year	Total Federal Expenditures	Percentage of Coverage	Actual or Estimated
FY2019	\$21,142,702,723	46%	Actual
FY2020	\$32,526,245,439	70%	Actual
FY2021	\$42,349,956,610	85%	Actual
FY2022	\$30,000,000,000	55%	Estimated



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FY2022 Statewide Single Audit

Organizations with Major Programs

- Department of Community Health
- Department of Education
- Department of Human Services
- Department of Transportation/
Georgia Regional Transportation
Authority
- Department of Labor
- Governor's Office
- Department of Early Care and
Learning
- Department of Public Health
- Technical College System of Georgia
- Georgia Vocational Rehabilitation
Agency
- Department of Behavioral Health &
Developmental Disabilities
- Department of Community Affairs



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What's Coming?



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Standards Landscape – GASB and AICPA

Accounting Standards (GASB)

Upcoming Fiscal Year

- Fiscal Year 2023
 - 91 - Conduit Debt
 - 94 - Public Private Partnerships
 - 96 - Subscription Based Information Technology Agreements
 - Implementation Guidance
- Future Fiscal Years
 - 99 - Omnibus Standard
 - 100 - Accounting Changes and Error Correction
 - 101 - Compensated Absences

Auditing Standards (AICPA)

Upcoming Fiscal Year

- Fiscal Year 2023
 - 142 – Audit Evidence
- Future Fiscal Years
 - 143 – Auditing Accounting Estimates and Related Disclosures
 - 144 – Use of Specialists and use of pricing information
 - 145 – Risk Assessment
 - 146 – Quality Management for Engagements
 - 147 – Noncompliance with Laws and Regulations



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Standards Landscape – GAO (Targeted Update 2023-2024)

Generally Accepted Governmental Auditing Standards (Yellowbook)

Quality Control Standards with Quality Management Concepts

- Risk-based approach on quality management
- Revised components of system of quality management
- New risk assessment process
- More robust leadership and governance reporting
- Enhanced monitoring and remediation process
- New requirements for networks and service providers

Key Audit Matters in Reports

- Guidance to focus on key audit matters in government

Green Book Revision

Focus Areas:

- Fraud Prevention
- Program Payments
- Cyber and IT Security



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Contacts & Questions

Kenneth Knight – Director of Financial Audits

Heather Roehl – Deputy Director – ACFR

Jennifer Thomas – Deputy Director – Higher Education

Morgan Williams – Deputy Director – Federal Compliance

Greg Griffin – State Auditor

Kristina Turner – Deputy State Auditor



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