Office of Independent Internal Audit
LAVOIS CAMPBELL, CHIEF AUDIT EXECUT IV E

August 24, 2026

Dianne McNabb, Chief Financial Officer
Finance Department
1300 Commerce Dr, Decatur, GA

RE: Follow-up Report County Debt and Investments Process Audit Report No. IA-2022-082-FN.

Dear CFO McNabb,

As required by DeKalb County, Georgia – Code of Ordinances/Organizational Act Section 10A - Independent Internal Audit (l), 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 the documentation provided, management's responses, and OIIA's verification procedures, Debt Management has implemented corrective actions that adequately address the recommendations associated with all four findings. Accordingly, one finding is considered **Closed**, and follow-up work is recommended for the remaining three items. See Figure 1 below:

Figure 1 - Status of Management Action Plans

Finding No.	Report Finding	Status of Management Action Plans – August 2026
1	County Capital Planning Alignment with GFOA Standards Could be Improved	Open
2	Duplicate Recordings of Loan Obligations Resulted in A $6.5 Million Overstatement of Liabilities in the 2022 Annual Comprehensive Financial Report (ACFR)	Closed
3	Identified Gaps in The County's Documented Continuing Disclosure Policy and Procedures	Open
4	The County's Debt Management Policy Should Be Strengthened to Include Additional Guidelines for Entering Debt Other Than Bonds	Open

Please contact me if you require additional information.

Regards,

Lavois Campbell

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

Chief Audit Executive

Attachment: Audit Findings Status Update Form

cc. 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, District 6

LaDena Bolton, Board of Commissioners, District 7

Tanja Christine Boyd Witherspoon Chairperson, Audit Oversight Committee

Michael Lopata, Vice Chairperson, Audit Oversight Committee

Adrienne McMillion, Member of Audit Oversight Committee

Petrina Bloodworth- Member of Audit Oversight Committee

Lisa Earls, Member of Audit Oversight Committee

Leah Davis, CEO's Chief of Staff, Board of Commissioners

Zachary L. Williams, Chief Operating Officer/Executive Assistant

Antwyn Brown, Deputy Chief Operating Officer

Office of Independent Internal Audit

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Dekalb County Government

Office of Independent Internal Audit

Date: August 24, 2026 **Prepared by:** Clenty Hinton

Audit Findings Status Update Form

Report Date	Report #	Report Title	
12/16/24	IA-2022-082-FN	**Follow Up to County Debt and Investments Process Audit**	
Contact Person	**Title**	**Phone No.**	**Email Address**
Dianne McNabb	Chief Financial Officer	404-371-2745	dmcnabb@dekalbcountyga.gov
Activity	**Accountability**	**Schedule**	
	Responsible Area	**Repeat Finding**	**Anticipated Completion Date**
1st Follow-up	Finance Department	No	**12/31/26**

Finding		Finding Detail
No.	1	
Date	**12/16/24**	

County Capital Planning Alignment with GFOA Standards Could be Improved

Recommendations

We recommend that OMB, in collaboration with Finance and other relevant stakeholders, implement the following to help resolve the findings noted above.

* **Implement policies and procedures to require the development of a comprehensive Countywide multi-year capital plan** for all capital projects and investments, as recommended by the Government Finance Officers Association (GFOA). The comprehensive multi-year capital plan should require the identification of funding sources, including long-term debt. It should also define the role and responsibilities of user departments, Finance, and OMB in developing the plan.

* **Reactivate the Capital Improvement Program Committee**
The Chief Operating Officer (COO) should reactivate the Capital Improvement Program Committee as the county code requires and establish processes and criteria for prioritizing capital projects. The committee should use its list of prioritized projects and identified funding to develop a comprehensive county-wide 5-year capital plan using the process and including the elements recommended by GFOA best practices.

* **Review and Update the Capital Plan Regularly**
The OMB should require regular review and update of the capital plan to reflect changing priorities, funding availability, and strategic shifts. Monitor progress, evaluate outcomes, and adjust as needed to optimize capital allocation and

Management Response

The Capital Improvements Program (CIP) Committee was appointed by the Chief Operating Officer in August 2024 and is actively meeting. The CIP Committee was charged with reviewing and scoring capital project requests from county departments to forward a 5-year CIP plan recommendation to the CEO for consideration during the FY2025 budget process. Additionally, the CIP Committee is reviewing GFOA standards to better align the county's capital planning policies and practices to best practices.

Estimated Timeline to Implement Action Plan: In progress

1st Status Update - 08/24/2026	
X	Open
	Management/Agency Assumes Risk
	Partially Complete
	Complete Pending Verification by OIIA
	Closed

Management Status Update and OIIA Comments

The action plan is in progress. Budget has initiated development of a five-year CIP plan incorporating GFOA best practices and established a documented project evaluation process with criteria and a scoring matrix. Evidence was also provided that the CIP Committee convened in November 2025 and forwarded a limited number of projects for consideration.

The Committee was unable to finalize the five-year CIP recommendation due to membership changes and shifting budgetary priorities. OMB is working with executive leadership to reconstitute the Committee and resume development of the five-year plan, with a recommendation expected for CEO consideration in 2026. Budget also plans to collaborate with Carl Vinson on a comprehensive policy and long-range capital planning framework.

Overall assessment: The action plan remains in progress pending completion of the five-year CIP, reconstitution of the Committee, development of the long-range framework, and submission of the recommendation to the CEO.

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Dekalb County Government				
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Dianne McNabb	Chief Financial Officer	404-371-2745	dmcnabb@dekalbcountyga.gov	
Activity	**Accountability**	**Schedule**		
1st Follow-up	**Responsible Area**	**Repeat Finding**	**Anticipated Completion Date**	
	Finance Department	No	**N/A**	
Finding No. 2, Date **12/16/24**	**Finding Detail**			
Duplicate Recordings of Loan Obligations Resulted in A $6.5 Million Overstatement of Liabilities in the 2022 Annual Comprehensive Financial Report (ACFR)				
Recommendations	We recommend that Finance Management take the following action in response to the findings mentioned above. * Conduct a review of all purchase agreements to ensure they were reported as lease obligations where required by GASB Statement No. 87. * Establish procedures to help ensure that financed equipment purchases are recorded and disclosed properly under GASB Statement No. 87			
Management Response	The Controller's Division will implement processes to eliminate duplicate entries related to Leases and Financed Purchases. The process will include recurring interim entries, such as soft close entries. They will be reviewed and approved by Management before final adjustment period entries are completed. Further, the accompanying footnotes prepared by the external auditors will be reviewed before the final financial reports are issued. **Estimated Timeline to Implement Action Plan:** The correction will be implemented in 2024 ACFR.			

	1st Status Update - 08/24/2026	Management Status Update and OIIA Comments
	Open	The DeKalb County Controller's Division has implemented procedures and controls to prevent duplicate entries and ensure the accurate accounting and reporting of leases and financed purchases. The County has utilized LeaseQuery since 2021 to maintain lease agreements, supporting documentation, accounting records, and required reporting and disclosures in accordance with GASB Statement No. 87. The Controller's Division reviews applicable lease and purchase agreements and performs senior-level review and approval to verify their authenticity, accuracy, classification, and eligibility for recognition as lease obligations. Applicable purchase agreements have also been reviewed to confirm proper classification and reporting. In addition, OIIA staff verified the existence of the Leasequery software and appropriate approvals. As part of the FY 2025 audit, the County's auditors reviewed the information maintained in LeaseQuery and related supporting documentation. The review confirmed that the records were complete, accurate, and current. Current assessment: The action plan is complete/implemented. Procedures and controls have been established, LeaseQuery is being used consistently to support lease accounting, and the FY 2025 audit provided additional confirmation that the related records are complete, accurate, and up to date.
	Management/Agency Assumes Risk	
	Partially Complete	
	Complete Pending Verification by OIIA	
X	Closed	

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Dianne McNabb	Chief Financial Officer	404-371-2745	dmcnabb@dekalbcountyga.gov
Activity	**Accountability**	**Schedule**	
1st Follow-up	**Responsible Area**	**Repeat Finding**	**Anticipated Completion Date**
	Finance Department	No	**12/31/26**
Finding No. 3, Date 12/16/24	**Finding Detail**		
Identified Gaps in The County's Documented Continuing Disclosure Policy and Procedures			
Recommendations	We recommend that the Finance Management update the Continuing Disclosure Policy and Procedures to identify all the key roles and responsibilities, whether assigned to county employees, vendors, and/or counsel, in complying with continuing disclosure requirements. The missing elements previously listed, which the GFOA recommended as best practices, should also be incorporated into the policy. In addition, revisions to the Continuing Disclosure Policy and Procedures should be approved by the governing authority (BOC).		
Management Response	The current policy, with proposed changes, will be sent to Bond Counsel & Disclosure Counsel for their review and recommendations. GFOA best practices will be incorporated where appropriate. Any change to the current policy must be approved by the CEO and the BOC, which together constitute the governing authority. **Estimated Timeline to Implement Action Plan:** Sent to BOC by June 2025.		
1st Status Update - 08/24/2026	**Management Status Update and OIIA Comments**		
X Open Management/Agency Assumes Risk Partially Complete Complete Pending Verification by OIIA Closed	The Continuing Disclosure Policy remains in draft form and has not yet received Board of Commissioners approval. Revisions have been incorporated to address previously identified gaps and strengthen compliance requirements. Key updates include: Addition of a Major Participants/Contributors section. Revision of Line 10c to identify the County Attorney rather than the Chief Legal Officer. Correction of the page numbering in the table of contents. Addition of key roles and responsibilities related to compliance with continuing disclosure requirements. Incorporation of recommended GFOA best-practice elements that were previously missing. The revised policy is expected to be reviewed by Bond Counsel and Disclosure Counsel in September 2026. Following that review, the policy will require the appropriate approval, including Board of Commissioners approval, before it can be considered finalized and implemented.		

Dekalb County Government

Office of Independent Internal Audit

Date: August 24, 2026 **Prepared by:** Clenty Hinton

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Dianne McNabb	Chief Financial Officer	404-371-2745	dmcnabb@dekalbcountyga.gov

Activity	Accountability	Schedule	
	Responsible Area	Repeat Finding	Anticipated Completion Date
1st Follow-up	Finance Department	No	**12/31/26**

Finding		Finding Detail
No.	4	
Date	12/16/24	

The County's Debt Management Policy Should Be Strengthened to Include Additional Guidelines for Entering Debt Other Than Bonds

Recommendations	We recommend that Finance management make the following revisions to the debt management policy regarding debt other than bonds. * Set guidelines for debt obligations besides Bonds, including debt limits, authorities, and required approval process. * Define the criteria or limitations for entering other types of debt obligations, such as capital leases, loans, and other forms of credit. * Require documentation on the use of conduit debt funds, including the proposed project's feasibility and the borrower's creditworthiness if there is a potential impact on the county's general revenues. * Require justification for ST debt, including documentation, description of specific purposes and circumstances, and prescribe any limitations on the size of borrowing. * Require that user departments collaborate with the Treasury division to identify potential debt funding sources for capital projects before commitments are made.
Management Response	All debt obligations must be approved by the CEO and the BOC. Per the attached documentation you received from the County Attorney dated August 30, 2024, other elected officials and constitutionals are not required to abide by our policy. Each debt request is unique. There is no amount limit. The merits and financial implications are always discussed with Sr. Management (Department Directors, CFO, COO, County Attorney & CEO) as well Bond Counsel and our Municipal Advisor prior to presenting to the CEO and the BOC. We also include Disclosure Counsel and the Engineering Consultant when required. Any amendments to the debt policy will have to comply with applicable law; thus, some of your recommendations may not be able to be implemented. **Estimated Timeline to Implement Action Plan:** In progress

1st Status Update - 08/24/2026		Management Status Update and OIIA Comments
X	Open	The revised Debt Management Policy remains in draft form and has not yet been approved by the Board of Commissioners (BOC). Planned revisions are intended to strengthen the policy and provide additional guidance in key areas, including Section L – Debt Capacity and Limitations and Section J – Conduit Debt. The policy currently addresses debt authorization requirements on page 19, including the requirement for an agenda item, appropriate BOC committee review, and BOC approval for all debt and loan transactions. The County also anticipates closing its first conduit debt transaction since the current administration began in late August 2026, prompting the addition of further guidance regarding conduit debt. The proposed timeline is to incorporate revisions by September 15, 2026, followed by review by the CFO, Legal Department, Municipal Advisor, and Bond Counsel. After incorporating applicable recommendations, the revised policy is expected to be presented to the BOC for consideration and approval. Current assessment: The action plan is in progress. Although revisions are being developed, they have not yet been evaluated for compliance with applicable laws or assessed for feasibility of implementation, and the policy remains subject to legal/professional review and formal BOC approval.
	Management/Agency Assumes Risk	
	Partially Complete	
	Complete Pending Verification by OIIA	
	Closed	