As we continue to look for ways to increase the efficiency and effectiveness of Cobb County Government operations, I am proud to highlight our Internal Audit Division. Internal Audit is charged with supporting the Board of Commissioners, Elected Officials, and County Manager’s office in the realization of business goals and objectives.

We have a qualified, well-trained group of professionals on the Internal Audit Division team. The team has demonstrated an improvement in the quality of its performance, reporting, and follow-up processes. Evidence of this can be found in the corrective actions taken by various County departments and elected officials as a result of recommendations made by Internal Audit.

I believe Internal Audit has always been and continues to be an important key to our success in providing quality services to the residents of Cobb. Our support of the Internal Audit function is just another testament of our commitment to continually raise our standards.

Welcome to the inaugural issue of our new e-newsletter, The Auditor. The Auditor, a publication of the Internal Audit Division of Cobb County Government, is designed to provide an insight into the world of internal auditing and to highlight internal control related topics to aid you in performing your responsibilities.

As a function of the County Manager’s Office, Internal Audit’s mission is to provide independent, objective assurance and consulting services designed to add value and improve County operations. We believe The Auditor will assist us in providing these services.

This issue of The Auditor includes some historical information on internal auditing, provides a brief overview of our audit process, and introduces our division staff members. Future issues will offer specific suggestions on ways you can improve the control activities within your operation.

If you have any questions or require our services, please don’t hesitate to call. I hope you enjoy The Auditor.
What is Internal Auditing?

Since this is our inaugural newsletter, we thought it would be appropriate to answer the frequently asked question – What is Internal Auditing? There are several formal answers to this question, but put quite simply, Internal Auditing is a systematic way of evaluating an entity’s operations to determine if it is operating effectively and efficiently and to ensure there are controls in place to guard against waste, fraud and abuse. Internal Auditing is a control feature of management to help evaluate how well other controls are working to ensure the mission, goals and objectives are achieved.

Although the general principles of Internal Auditing have been around quite a while, modern Internal Auditing has evolved into a well-respected, value-added profession. The Institute of Internal Auditors (IIA) created in 1941 has projected a better image and understanding of the profession of Internal Auditing. They created a code of ethics, and work standards that formalize the discipline of internal auditing and hold its members to a high standard of professionalism and ethical behavior. The Institute’s efforts have been recognized by other professional organizations including the American Institute of Certified Public Accountants.

Cobb County’s Internal Audit Department was established in 1983 by County Manager Jim Miller, and Virgil Moon was the first Director. Dan Lemay became the next Director in 1995 until he was succeeded by Brad Bowers in 2000. The Internal Audit Department was merged with the Office of Management and Budget, headed by Patti Lee, in 2001 and the new department’s name was changed to Budget and Internal Audit. Carla Craddock was appointed as Director in 2002 and served for six years, until Jim Pehrson was appointed Interim Director in March 2008. In July 2008, Internal Audit was reorganized as a separate division reporting directly to the County Manager. Jim Pehrson was succeeded, in November of 2008 by the current Division Manager, Latona Thomas. The current staff strives to provide a value-added service to management and ultimately the citizens of Cobb County.

Audit Process

Although the objective of each audit is different, the audit process is similar and generally consists of five phases: Planning, Testing, Documentation, Reporting, and Follow-up. Following is a simple description of the work involved in each phase.

During the planning phase, research and a preliminary survey is performed to become familiar with the audit area and its control activities. A risk analysis, a technique used to identify factors that may jeopardize the success of the audit area, is also performed. In addition, an entrance meeting is held with the respective department or office to discuss and finalize the audit objectives and scope. Using the information gained during planning, a formal audit plan, which includes a detailed audit program, is prepared to be used as a guide in completing the audit.

The testing and documentation phases usually work together. During the testing phases, the auditor performs the procedures noted in the audit program using audit techniques such as, but not limited to flowcharting, walkthroughs, interviewing, sampling, conducting confirmation programs, and data analysis. Documentation gathered from performing these techniques is compiled and maintained to support any conclusion reached on the stated objectives.

During the reporting phase, a draft audit report is written for auditee management to review. A standard format is used including an executive summary, scope of audit work, significant results, and proposed recommendations. Auditee management is then requested to prepare responses to the proposed recommendations by providing a corrective action plan and estimated timeline for resolution. At this point, a final report is prepared; a briefing is held with the County Manager; and the report is distributed. The audit process does not end here.

1 An audit scope is a determination of the range of the activities and the period (months or years) of records that are to be subjected to an audit examination.
Introduction of Staff

**Latona Thomas** - Latona was promoted to Internal Audit Division Manager in November 2008 after serving two and half years as a staff member. She came to Cobb County Government in 2006 with 13 years of accounting, audit, tax, and financial management experience. Latona graduated with a B.S. in Accounting from Louisiana State University in Baton Rouge and is a licensed CPA in both the States of Georgia and Louisiana. She enjoys being married with two elementary aged children. She currently serves on the program committee for the YWCA of Northwest Georgia and is an Associate Pastor at her church in Atlanta, Georgia.

**Miranda Wang** - Miranda has been a member of the staff for seven years. She graduated from the University of Illinois with a Master's degree in Accounting. Before joining Cobb County Internal Audit Division, Miranda was the Director of Accounting with Intercontinental Exchange, an internet-based company. Prior to that, Miranda held various positions with many Fortune 500 companies. Miranda is a licensed CPA in the State of Georgia. Miranda is married with two children, a son-in-law, and a granddaughter.

**Barry Huff** - Barry joined the staff after a 30 year career on the staff of the Department of Treasury, Inspector General for Tax Administration where he performed audits of the Internal Revenue Service. Barry graduated from Tennessee State University with a B.S. in Accounting. He is a member of World Changers Church International, where he is the Director of the Personal Financial Support Ministry - a ministry designed to assist individuals to be better stewards of their money. He is married with three children, two in college and one 14 year old at home.

**Kay Ogle** - Kay has served as the Administrative Specialist/Department Representative in the Internal Audit Division for 10 years. Prior to joining the Internal Audit Division, she held a similar position in the County Manager's Office from 1995 through 1999. Kay has traveled to various places as a military dependent, with the last move from California to Georgia. She has worked extensively in the administrative capacity for local government and hospitals in California and Georgia. Kay is married with two sons. Besides traveling to Hawaii with her family, Kay enjoys spending time to support veteran awareness programs.

Professional Memberships

Individually or collectively, the Internal Audit division staff are members of the Institute of Internal Auditors, the Association of Local Government Auditors, and the Association of Government Accountants.

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