



Cobb County...Expect the Best!

INTERNAL AUDIT DEPARTMENT

Report Number: 2023-001

***FINAL REPORT – Summary of CY2021-22 Follow-up
Status Reviews***

April 13, 2023

***Latona Thomas, CPA, CIA, Director
Erica Brooks Peters, CPA, Internal Audit Division Manager
Margarite Benevento, Senior Internal Auditor***

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COBB COUNTY INTERNAL AUDIT

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Director

April 13, 2023

MEMORANDUM

TO: Dr. Jackie McMorris, County Manager

FROM: Latona Thomas, CPA, CIA, Director 

SUBJECT: FINAL REPORT – Summary of CY2021-22 Follow-up Status Reviews

Attached for your review and comments is the subject final report. We completed our follow-up of the referenced recommendations and related corrective actions. Our objective was limited to obtaining the auditee statuses of proposed actions¹ to implement the recommendations included in the respective final reports. This follow-up should be read in conjunction with the original report and does not represent a complete reexamination of the activities. The auditor's role in follow-up reviews is to compile corrective actions taken by the auditee, assess whether those actions are adequate to correct the reported deficiencies, and relay those results to Cobb County (County) management.

Summary of Follow-up Statuses

Our follow-up procedures were initially postponed and subsequently restricted due to the impact of the COVID-19 Pandemic on County and department operations; social distancing requirements; significant turnover in Internal Audit department staffing levels; the availability of resources within auditee organizations; other priorities; and the time elapsed since the original reports. In addition, our work efforts briefly shifted to primarily consulting and department administrative projects during the initial phases of the pandemic.

The statuses of corrective actions represent attestations made by the respective auditee management with limited validation by Internal Audit Department staff. For instances where limited validation was not prudent, we assessed the status of auditee responses for reasonableness. The results included in the 'Summary Status of CY2021-22 Recommendations' table on Page 1 are presented as of December 15, 2021, as some statuses may have changed. Where applicable, additional information is provided for contextual purposes.

We will not perform any additional follow-ups on these recommendations, but the status of the corrective actions will be included in our risk assessment discussions and in future audits within the respective areas. Auditee management should continue its efforts to implement the remaining recommendations and corrective actions as agreed upon but assumes the risk if not fully implemented.

¹ Auditee statuses of proposed actions as of December 15, 2021.

Distribution

A copy of this report will be distributed to the auditee management affected by the follow-up statuses and other County stakeholders, as reflected below. Please contact me at (770) 528-2559, if you have any questions.

CC: Auditee Management (various)
Jimmy Gisi, Deputy County Manager
Cobb County Audit Committee
Internal Audit Department File

Summary Status of CY2021-22 Recommendations

Audit Report Number	Audit Report Date	Audit Report Name	Total from Original or Previous Report	Status of Recommendations		
				Implemented	Partially Implemented (In Process)	No Action or Other (see Details)
2018-002	4/10/2018	1 st Follow-up Report: Survey - Assessment of the Business License Division System Data Reliability for Cash Handling Practices	7		7 ^a	
2018-003	09/20/2018	FINAL CONSULTING REPORT - Survey of Magistrate Court Accounting Division Cash Handling Practices	65	55	8 ^b	2 ^b
2018-004	10/8/2018	FINAL REPORT - Review of Cobb County's Internally Administered Grants	10		10 ^c	
2018-005	11/16/2018	FINAL REPORT - Audit of the Controls over the Request for Proposals Involving On-Site Vendors	9	7	1 ^d	1 ^d
2019-002	03/6/2019	FINAL Letter Report – Evaluation of the Record Retention Methodology of Cashier Register Tape Rolls at the Senior Services Neighborhood Centers	3	1	2 ^e	
2019-003	06/21/2019	FINAL REPORT – Review of the Control Activities over Funds Expended under the Workers’ Compensation Plan	5	5		
2019-004	06/21/2019	FINAL Supplemental Letter Report - Control Weakness Noted in the Cobb County Electronic Funds Transfer Payment Process	3	3		
2019-005	07/12/2019	FINAL REPORT - Review of the Effectiveness of the Year-End Encumbrances Process	10	3	6 ^f	1 ^f
2019-006	07/24/2019	FINAL REPORT - Review of System Override Activities within the CGI Advantage Financial System	4	3	1 ^g	
2019-007	10/01/2019	FINAL REPORT - Review of the Effectiveness and Efficiency of the Vendor Self Service System	6		2 ^h	4 ^h
2020-001	10/22/2020	Final Report - Analysis of Electronic Funds Transfer (EFT) Payments to Unregistered Vendors & Related Control Activities	10	7	2 ⁱ	1 ⁱ
2020-002	10/22/2020	Final Consulting Survey Report - Review of Department Compliance with the Cobb County Accountable Equipment Policy	2	2		
2021-001	02/18/2021	FINAL REPORT – Network Security Audit (Performed by RSM US, LLP)	7	4	3 ^j	
2021-002	06/30/2021	FINAL REPORT – Construction Audit (Performed by RSM US, LLP)	4	1	2 ^k	1 ^k
		Totals/Recap:	<u>145</u>	<u>91</u>	<u>44</u>	<u>10</u>

Table 1 – Source: Attestations made by the respective auditee management (as of December 15, 2021), with limited validation by Internal Audit Department staff.

Additional Information on Statuses

Although not fully implemented, no additional follow-up will be performed on these items due to the length of time outstanding or other issues with implementation. Specific details for each of the follow-up reports referenced are located at the Internal Audit Department website: <http://cobbcounty.org/audit/>.

^a Report Number 2018-002

The 1st Follow-up Report - Assessment of the Business License Division System Data Reliability for Cash Handling Practices was completed and issued April 10, 2018. Since that time, the Community Development and Business License Division has experienced significant turnover in its leadership team, to include a change in the Business License Division Manager position. The remaining seven (7) recommendations had been partially implemented with additional corrective actions continued during transitions.

^b Report Number 2018-003

For the eight (8) partially implemented recommendations, compensating controls, finalized work orders, and alternative corrective actions are in process. Additional functionality was also being considered with the new Unified Court Case Management system. For the remaining two (2) recommendations, various compensating controls were identified with one impacted due to the physical structure within the Division.

^c Report Number 2018-004

For each of partially implemented recommendations, the Grant Specialist position was transferred, consultant requested, new Division established, and corresponding positions advertised several times. The Finance Department has subsequently filled the Division Manager position, with the other in process.

^d Report Number 2018-005

One recommendation was in process in connection with the Purchasing Modernization Initiative regarding contract documents, and another was evaluated with no additional action deemed necessary.

^e Report Number 2019-002

A new point-of-sale (POS) system has been implemented and additional functionality and customization was in process, to include the corresponding storage capacity.

^fReport Number 2019-005

For the six (6) partially implemented recommendations, corrective actions include coordination with other Finance Division and Solutions Analyst regarding written procedures for validation and reconciliation. For the remaining recommendation, additional training to consider encumbrance training will be in coordination with Purchasing.

^gReport Number 2019-006

Initial corrective actions include changes completed to reduce specific security profiles, to include ongoing additional efforts.

^hReport Number 2019-007

A financial system upgrade included modifications to the Vendor Self Service (VSS) system, but the VSS system was subsequently taken down until identified cybersecurity issues are researched and resolved. As such, the remaining recommendations will be addressed at that time.

ⁱReport Number 2020-001

Initial corrective actions were implemented, with additional actions in process or was pending action. Those actions include the standardization of the Funds Transfer Form (FTR) and coordination with the General Accounting Division regarding the methodology, process, and frequency of recording transactions in the financial system.

^jReport Number 2021-001

Various initiatives were underway to finalize the implementation of corrective actions for the remaining three recommendations re: Data Loss Prevention (DLP), Policy Enhancements, and the Security Information and Event Management (SIEM).

^kReport Number 2021-002

The initial corrective actions for one recommendation were completed, with additional quarterly reports and document controls in process. Coordination with the Department of Transportation was tentative pending schedules.
