

**City of Chattanooga  
Internal Audit Division  
Annual Report 2008**

**PERSONNEL:**

The City of Chattanooga's Internal Audit Division had five audit staff positions and one administrative staff position as of December 31, 2008:

Director of Internal Audit  
Stanley L. Sewell, CPA, CGFM

Senior Auditor  
Lisa Culver, CFE

Internal Auditor  
Mike Hicks, CGFM  
Mark Messer, CIA, CFE  
Pamela Swinney, CPA

Administrative Staff  
Nelda Slade

**STANDARDS OF PRACTICE:**

The Division Conducts audits in accordance with standards promulgated by the United States Comptroller known as Generally Accepted Government Auditing Standards (more commonly referred to as Yellow book), as well as the standards of The Institute of Internal Auditors (IIA).

**ACCOMPLISHMENTS:**

The Division issued seventeen (17) audit reports and conducted eleven (11) post audit reviews during the calendar year 2008. All audit reports are available on the Internal Audit Divisions website. In addition, the Division performed twenty-four (24) special projects, excluding litigation support and fraud investigations. The only outstanding audit from the 2008 Audit Schedule was Audit 08-15 Security of Private Health Information. This audit is expected to be issued in March 2009.

The Division updated its policies and procedures manual during 2008 to conform with the lasted revisions to Yellow book made in 2007.

## **COMPARISON TO BENCHMARK:**

Following is a comparison of key factors for the Division to the Association of Local Government Auditors (ALGA) benchmarking survey for 2008 (Group two – 3 to 5 auditors):

<b><u>Factor</u></b>	<b><u>Benchmark</u></b>	<b><u>Chattanooga</u></b>	<b><u>Comparison</u></b>
Average spending per auditor	\$119,922	\$93,588	21% Positive
Average annual spending	\$503,733	\$467,943	7% Positive
Average # of performance audits	6.54	17	259% Positive
Average # of other projects (Includes post audit reviews)	16.16	35	216% Positive

## **OTHER**

The Internal Audit Division has its first peer review scheduled for March 2009. The peer review report will be posted on the Division's website upon completion.