



Cobb County...Expect the Best!

INTERNAL AUDIT DIVISION

Report Number 2012-009

***FINAL-Second Follow-Up Report: Letter Report -
Update of Lease Review Policy***

September 21, 2012

***Latona Thomas, CPA, Manager
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COBB COUNTY INTERNAL AUDIT

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Division Manager

September 21, 2012

TO: MEMORANDUM TO COBB COUNTY MANAGER

FROM: Latona Thomas, CPA, Manager

SUBJECT: **FINAL-Second Follow-up Report:** Letter Report - Update of Lease Review Policy

We have completed our second follow-up review of the original subject report dated April 25, 2011. In the report, we recommended the Finance Director/Comptroller develop an updated Lease Review Policy or similarly termed document to reflect the current procedures that should be followed by all departments and elected officials. The difference between an operating lease and capital lease purchase should be clearly defined, and the updated policy should be distributed to all departments and elected officials. This report should be read in conjunction with the original report and the first follow-up report dated December 29, 2011. 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 County management.

In our first follow-up report, we reported that no actions had been taken to implement the recommendation. However, we determined that as of September 20, 2012, a revised lease review policy statement has been written along with another statement that defines the difference between an operating and capital lease. The statements provide procedures for initiating and approving a lease purchase agreement. Distribution is expected to occur no later than the date of this report, and once distributed we will consider the recommendation of the report to be fully implemented. No additional follow-up is warranted. Should you wish to discuss any aspect of this report, please contact me at extension 2559 or Barry Huff, Auditor-in-charge, at extension 2558.

Distribution:

James Pehrson, CPA, Finance Director/Comptroller
Internal Audit Division File