



*Cobb County...Expect the Best!*

***INTERNAL AUDIT DEPARTMENT***

***Report Number 2013-012***

***First Follow-Up Report: Review of the Controls  
Over the Revenue Recognition of the Breeze Card  
Program***

***November 7, 2013***

***Latona Thomas, CPA, Director  
Steven Harper, Staff Auditor I  
Barry Huff, Staff Auditor I***



## COBB COUNTY INTERNAL AUDIT

Latona Thomas, CPA

100 Cherokee Street, Suite 250  
Marietta, Georgia 30090  
phone: (770) 528-2559 • fax: (770) 528-2642  
latona.thomas@cobbcounty.org

Director

November 7, 2013

### MEMORANDUM

TO: David Hankerson, County Manager

FROM: Latona Thomas, CPA, Director

SUBJECT: **First Follow-Up Report** – Review of the Controls Over the Revenue Recognition of the Breeze Card Program

We have completed our first follow-up review of the subject report. Our review was limited to reviewing, as of September 13, 2013, actions to implement the recommendations in our original report dated June 5, 2013. This follow-up report 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 County management.

We verified that two of the recommendations have been fully implemented, which involves the deference of the Breeze Card expansion and the monitoring of the monthly ridership reports. The remaining eight recommendations are in process. Five require the ongoing coordination of efforts with both MARTA<sup>1</sup> and ARC,<sup>2</sup> including the implementation of a Breeze Card reconciliation process, determining which reports are relevant for operations, executing an updated participation agreement with MARTA, establishing guidelines and methodologies for dormant value distribution, and coordinating with regional partners to conduct an independent audit of clearinghouse functions. In the interim, a revised participation agreement, Letter of Understanding, was agreed upon by Cobb County and MARTA.

The remaining three recommendations involve internal Transit processes, all of which have been initiated pending finalization and/or implementation. Contract administration procedures are being revised in connection with the countywide contract management initiative, additional physical security measures are awaiting installation, and revised portable key procedures are being implemented. Anticipated completion date for remaining recommendations is June 30, 2014. Internal Audit will perform a follow-up on the pending recommendations in July 2014; however, quarterly progress updates to the County Manager and Internal Audit Department should continue to be provided.

<sup>1</sup> Metropolitan Atlanta Rapid Transit Authority

<sup>2</sup> Atlanta Regional Commission

We appreciate the cooperation by the Transit Division staff during our follow-up review. Should you wish to discuss any aspect of this report, please contact me at extension 2559 or Steven Harper, Auditor-in-Charge, at extension 2557.

**Distribution:**

Faye DiMassimo, Transportation Director  
Gail Franklin, Transit Division Manager  
Vicki Gardener, Transportation Administrative Division Manager  
Jim Pehrson, CPA, Finance Director/Comptroller  
Cobb County Audit Committee  
Internal Audit Department File