



Cobb County...Expect the Best!

INTERNAL AUDIT DEPARTMENT

Report Number 2016-004

***First and Final Follow-up Report: Audit of
Controls over Cable Franchise Fee Revenue***

June 24, 2016

***Latona Thomas, CPA, Director
Andrea Clayton, Staff Auditor I
Megan Pickens, Staff Auditor I***



COBB COUNTY INTERNAL AUDIT

Latona Thomas, CPA

100 Cherokee Street, Suite 250
Marietta, Georgia 30090
phone: (770) 528-2556
latona.thomas@cobbcounty.org

Director

June 24, 2016

MEMORANDUM

TO: David Hankerson, County Manager

FROM: Latona Thomas, CPA, Director

SUBJECT: **First and Final Follow-up Report** - Audit of Controls over Cable Franchise Fee Revenue

We completed our first follow-up review of the original subject report. Our objective was limited to reviewing, as of April 14, 2016, the status of proposed actions by the Communications Department to implement the seven recommendations in Report #2015-019, dated September 10, 2015. 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 County management.

Three recommendations were fully implemented: The cable franchise audits were completed, and both the Communications Department and Georgia Municipal Association determined that an assessment of the County's subscriber base in future audits was deemed to not be beneficial at this time; the franchise fee revenue was re-classified and credited to the Communications Department; and finable offenses were monitored with no egregious violations found, and budgetary constraints on personnel prevent the completion of field violation checks.

Three recommendations are in process: Franchise fee checks are delivered directly to the Office of Finance and Economic Development, and the electronic funds transfer (EFT) process was initiated but completion remains outstanding; the Administrative Supervisor is in the process of obtaining the required bond(s) from Comcast; and a countywide cable equipment audit was initiated in November 2015, with 50% completion to date. We were unable to validate the last two assertions.

The last recommendation to develop written contract management procedures has not been implemented due to staff changes, and a revised completion date is pending. We will not perform any additional follow-up. Communications management should ensure the remaining recommendations are fully implemented and assumes the risk if not.

We appreciate the cooperation extended to us by the Communications Department staff during our follow-up review. Should you wish to discuss any aspect of this report, please contact me at extension 2559 or Megan Pickens, Auditor-in-charge, at 2557.

Distribution:

Sheri Kell, Communications Director

Abbylynn Anderson, Administrative Supervisor, Communications Department

Bill Volckmann, Interim Finance Director/Comptroller

Cobb County Audit Department

Internal Audit Department File