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INTERNAL AUDIT DEPARTMENT

Report Number 2016-005

***First and Final Follow-up Report: Review of
Superior Court Clerk Processing of
Intangible Tax Revenue***

June 24, 2016

***Latona Thomas, CPA, Director
Andrea Clayton, Staff Auditor I
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COBB COUNTY INTERNAL AUDIT

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Director

June 24, 2016

MEMORANDUM

TO: David Hankerson, County Manager

FROM: Latona Thomas, CPA, Director 

SUBJECT: **First and Final Follow-up Report** - Review of Superior Court Clerk Processing of Intangible Tax Revenue

We completed our first follow-up review of the original subject report. Our objective was limited to reviewing, as of April 29, 2016, the status of proposed actions by the Superior Court Clerk (SCC) to implement the five recommendations in Report #2015-023, dated October 15, 2015. SCC management disagreed with Recommendation #4 as it believed using the Parcel ID number to identify the tax district or incorporating it with the current system would not improve the procedures for collecting, computing or distributing the intangible tax. 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 Accounting Division Manager and Administrative Assistant work together to monitor the Georgia law applicable to the proper commission rate and ensure its timely application in the distribution calculation; intangible tax recipients are provided a monthly report of how their tax is calculated; and misclassified revenue was corrected and posted to the correct revenue account.

One recommendation is in process: The new systems and applications that will impact the redesign and security of the distribution spreadsheets has been initiated with the anticipated completion date pending. We will not perform any additional follow-up. The SCC management should continue its efforts to implement this corrective action and assumes the risk if not.

We appreciate the cooperation extended to us by the Superior Court Clerk staff during our follow-up review. Should you wish to discuss any aspect of this report, please contact me at extension 2559 or Andrea Clayton, Auditor-in-charge, at 2558.

Distribution:

Rebecca Keaton, Clerk, Cobb Superior Court

Bill Volckmann, Interim Director/Comptroller, Office of Finance and Economic Development

Cobb County Audit Department

Internal Audit Department File