Cobb County...Expect the Best!

INTERNAL AUDIT DEPARTMENT
Report Number: 2022-009

FINAL SURVEY REPORT – Survey of County Point-Of-Sale (POS) Systems and Collection Practices

October 13, 2022

Latona Thomas, CPA, CIA, Director
Erica Brooks Peters, CPA, Senior Auditor

Table of Contents

COBB COUNTY INTERNAL AUDIT

Latona Thomas, CPA, CIA

Director

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

October 13, 2022

MEMORANDUM

TO: Dr. Jackie McMorris, County Manager

FROM: Latona Thomas, CPA, CIA, Director

SUBJECT: **FINAL SURVEY REPORT** – Survey of County Point-Of-Sale (POS) Systems and Collection Practices

Attached for your review and comments is the subject final survey report. The overall objective was to survey the various methods for collecting credit card payments, including in-person, online, and telephone to evaluate the use of credit card payment systems and processors throughout Cobb County (the County) agencies/departments[1] for consistencies, best practices and to determine if efficiencies can be gained.

Impact on the Governance of Cobb County

The three recommendations when implemented, will strengthen the controls over credit card processing at the County, thereby improving the County's status towards achieving external compliance requirements, and potentially reducing the associated fees. In addition, County leadership and stakeholders can be assured that there is adequate oversight and monitoring over credit card processing.

Executive Summary

In 2015, the County had a Payment Card Industry Data Security Standard (PCI DSS) compliance gap assessment. As part of this assessment, a list of the County's agencies, departments, and elected official offices that accept credit card payments and the respective credit card processors used was compiled. We determined that the list was not maintained and updated in a countywide comprehensive list. We also observed that there is no centralized function with an oversight and monitoring role of credit card processors. Though we observed some consistencies, best practices, and efficiencies, due to the volume of credit card processors; their rates and fees; as well as the lack of an updated list of payment channels and processors; we determined that improvements are needed to strengthen the internal controls over the oversight and monitoring of credit card processing across the County.

---

[1] For the purposes of this report, County agencies/departments includes Elected Official offices.

Recommendations

We made three recommendations to improve the internal controls on the oversight and monitoring of credit card processing at the County. For the specific recommendations, see the 'Results of Survey' section of the report, beginning on Page 5.

Responses

The County Manager provided a response to our draft report and concurred with each of the three recommendations. The complete responses to the draft report are included in Appendix IV. We will perform a follow-up on corrective action in one year from the date of this report. A copy of this report will be distributed to those affected by the report recommendations, as reflected below. Please contact me at (770) 528-2559 or Erica Brooks Peters at (770) 528-2558 if you have questions.

CC: Jimmy Gisi, Deputy County Manager
        Kimberly Lemley, Chief Information Services Officer
        Bill Volckmann, Chief Financial Officer
        Buddy Tesar, Assistant Comptroller
        Cobb County Audit Committee
        Internal Audit Department File

Background

Cobb County (the County) accepts credit cards for the payment of various fees, services, assessments, and fines. Credit card processing fees are assessed each time the County accepts a payment by credit card. Processing fees are paid either directly by the County or citizen, depending on the type of transaction and credit card structure of the respective agency, department, or elected official office.

Overview of the Credit Card Process[1]

Cardholders (citizens) initiate a credit card transaction when the credit card is swiped, inserted, tapped, or entered into a payment portal. The merchant (the County) accepts the credit card as payment and collects the transaction information. The merchant bank (County bank) sends the card and transaction information to the payment processor (merchant bank or third party) for authorization. The payment processor sends the authorization request to the issuing bank (cardholder bank) and processes credit card transactions on behalf of the merchant (County). Once the issuing bank (cardholder bank) approves (or denies) the authorization request, the approval (or denial) is sent by the processor back to the merchant (County) for completion (or cancellation). The card network or association (i.e. Visa, Mastercard, Discover, American Express) acts as a liaison between the merchant (County) and issuing (cardholder) banks. They send information back and forth and sets any fees or guidelines.

For instances where the merchant (County)'s bank does not act as the processor, the services may be outsourced to a third-party Independent sales organization (ISO) or a Membership service provider (MSP) to process payments and manage daily transactions. County agencies, departments, and elected official offices currently use both merchant bank processors and third-party processors, depending on their organizational structures.

> **County agencies, departments, and elected official offices currently use both merchant bank processors and third-party processors, depending on their organizational structures.**

Summary of Credit Card Processing Fees

According to the referenced articles[2], there are several types of fees which can vary depending on the type of credit card accepted, with the average processing fee ranging between 1.5 to 3.5 percent. Credit card processing fees are fees that the merchant (County) must pay each time a credit card is accepted as a form of payment. These fees may include interchange fees, assessment fees, and/or payment processor fees. Interchange fees are paid directly to the card issuer (cardholder bank) and vary by the type of card, amount of the transaction, and industry. Per Forbes[2], some cardholder banks may charge higher interchange fees for online purchases since fraud is a bigger problem with these types of transactions.

---

[1] Based on the following source articles: [Crail, C. (2022, April 29). *Credit Card Processing: How It Works.* https://www.forbes.com/advisor/credit-cards/credit-card-processing-how-it-works/] and [https://paymentdepot.com/blog/how-credit-card-processing-works/]

[2] Leonard, K. & Bottorff, C. (2022, June 7). *Credit Card Processing Fees: 2022 Guide.* https://www.forbes.com/advisor/business/credit-card-processing-fees/; Johnson, Holly (2022, April 21). *Average Cost of Credit Card Processing Fees.* https://www.bankrate.com/finance/credit-cards/merchants-guide-to-credit-card-processing-fees/

Assessment fees are paid based on monthly sales or revenue collected *(not per transaction)* and are charged by the card network or association, so the merchant (County) can accept the credit card. Payment processing fees are charged by the credit card processor to facilitate credit card transactions and may include per-transaction, monthly, annual, equipment lease, and/or statement fees. Payment processing fees may also vary by pricing models. Below are some pricing model scenarios[2]:

- **Interchange Plus pricing** – Merchant (the County) pays the interchange fee per transaction plus an assessment fee (i.e. a percentage or small fee per transaction).

- **Flat Rate pricing** – Merchant (the County) pays a fixed percentage for each transaction, and the processor may also add a fee per transaction on top of the fixed rate.

- **Tiered pricing** - Merchant (the County) pays different rates based on the type of transaction or tiers, such as card present or card not present[3].

Five-Year Analysis of Credit Card Expenditures

The County paid approximately $10.4 million[4] between fiscal years (FY) 2017 and 2021 in credit card processing fees which calculates to an average of approximately $2 million per year. See Table 1 below. There was an increase in credit card fees paid each year from FY2017 with the largest increase of approximately $950,000 between FY2020 and FY2021, likely due to the increase of credit card use during the Coronavirus pandemic. Note: The analysis below captures the credit card fees paid by the department or office listed and excludes credit card fees that are offset against revenue amounts prior to recording in the County's financial system. Prior to FY2021, the credit card processing fees for the Tax Commissioner's office were offset against revenue, and the amount below represents fees for credit card processors that billed the County directly beginning in FY2021. As such, the five-year total and average do not represent all fees paid by the Tax Commissioner during the five-year period. In addition, except for Juvenile Court, the other Courts and Court services that pay credit card fees are not recorded in the County's financial system in the credit card fees expenditure object code, nor does this analysis include credit card fees paid directly by the citizen to the processor.

Five-Year Analysis of Credit Card Fee Expenditures

Agency, Department, Elected Official Office	FY2017	FY2018	FY2019	FY2020	FY2021	Five-Year Total	Five-Year Average
Community Development	$ 62,880.69	$ 75,062.08	$ 100,415.88	$ 205,125.17	$ 274,384.34	$ 717,868.16	$ 143,573.63
DOT	$ 23,156.61	$ 17,138.61	$ 16,738.95	$ 14,561.39	$ 14,534.65	$ 86,130.21	$ 17,226.04
Library	$ 9.63	$ 3,587.40	$ 6,890.10	$ 4,168.29	$ 1,726.07	$ 16,381.49	$ 3,276.30
Parks	$ 121,587.20	$ 100,730.07	$ 107,837.88	$ 110,075.50	$ 123,528.82	$ 563,759.47	$ 112,751.89
Parking Decks	$ 7,365.33	$ 19,675.73	$ 29,055.71	$ 18,635.69	$ 15,711.86	$ 90,444.32	$ 18,088.86
Government Service Center		$ 179.48	$ 200.42	$ 69.95	$ -	$ 449.85	$ 112.46
Police/Animal Safety and Fire	$ 9,719.31	$ 10,288.28	$ 12,461.45	$ 11,166.62	$ 24,946.96	$ 68,582.62	$ 13,716.52
Juvenile Court	$ 926.21	$ 776.19	$ 1,036.28	$ 729.50	$ 675.45	$ 4,143.63	$ 828.73
Tax Commissioner					$ 112,688.60	*	*
Senior Services	$ 10,413.17	$ 10,423.24	$ 8,179.80	$ 3,171.11	$ 2,381.46	$ 34,568.78	$ 6,913.76
Water	$ 1,360,507.18	$ 1,566,788.94	$ 1,640,282.24	$ 1,701,631.45	$ 2,445,276.55	$ 8,714,486.36	$ 1,742,897.27
Grand Total	**$ 1,596,565.33**	**$ 1,804,650.02**	**$ 1,923,098.71**	**$ 2,069,334.67**	**$ 3,015,854.76**	**$ 10,296,814.89**	**$ 2,059,362.98**

Table 1 - Source: Advantage Financial System/Expenditure Object Code 6570, 'Credit Card Fees'. Note: * indicates that Tax Commissioner was excluded from the five-year total and five-year average as only 2021 is included in object code 6570.

---

[3] See Appendix II, 'Abbreviations and Glossary' for definitions of key terms.

[4] Source: FY2017 - FY2021 Financial Advantage Expenditure Summary Reports.

Summary of County Credit Card Processors

At the time of this survey, we observed that 16 different credit card processors are used in County agencies, departments, and elected official offices. In addition to the use of point-of-sale machines and the County's web portal, some agencies, departments, and elected official offices require the implementation of systems or applications to process credit cards. We observed 12 different applications or systems.

Credit Card Fee Payment Methodologies

Table 2 below provides the number of County agencies, departments, and elected official offices that accept credit cards in the columns labeled as such; however, each may have multiple payment channels (i.e. in person, online, etc.). In some instances, the payment channels have different credit card processors within the same agency, department, or office; therefore, the structure around the payment of fees may vary with each processor and payment channel. The additional columns detail whether fees are paid by the County, the citizen or both for each arrangement observed.

Summary of County Credit Card Fee Payment Methodologies

	County Departments and Offices that Accept Credit Cards	County Pays Credit Card Fees[5]	Patron/Citizen Pay Credit Card Fees[5]	Both County and Patron/Citizen Pay Fees
Departments	12	18[6]	1	0
Elected Officials	9	6	8	2

Table 2 – Source: Combined survey results, Information Services list of payment channels and credit card processors and discussions with agencies, departments, and elected official offices.

The remainder of this page was left blank intentionally.

---

[5] This count excludes the Government Service Center which accepts credit cards on behalf of the Tax Commissioner. In addition, the phrase *credit card fees* is used here as a general term to represent all fees paid to credit card processors by the County and by the patron/citizen such as the convenience fees, which are charges passed on to customers.

[6] Because some agencies, departments, or offices have multiple channels, there may be different credit card processors for each channel. See narrative above and in the 'Results of Survey' section beginning on Page 5.

County Credit Card Collection Methods[3]

We surveyed all County agencies, departments, and elected officials, excluding third party contract agreements[7], to identify where credit cards are accepted for payment as of February 2022. Table 3 details the agencies, departments, and elected official offices that were determined to accept credit card payments or were set up to accept credit card payments based upon survey results and/or additional procedures performed.

Summary of Credit Card Collection Methods by County Agency, Department, or Elected Official Office

Fee Methods	Cashier/POS	Kiosk or Other Machine	Telephone - POS/Cashier	Online	IVR
Animal Services	✓			✓	
Cobb Police	✓			✓	
Community Development	✓			✓	
DOT	✓		✓	✓	
Fire Marshall	✓		✓	✓	
GIS				✓	
HR (Employees Only)		✓		✓	
Library		✓		✓	
Parks	✓		✓	✓	
Senior Services	✓			✓	
Water	✓			✓	✓
Government Service Center (Tax Commissioner Payments Only)	✓				
Juvenile Court	✓				
ADR				✓	
Magistrate Court	✓			✓	
Superior Court Clerk	✓			✓	
State Court Clerk	✓			✓	✓
Superior Court Drug Lab	✓				
Superior Court Law Library	✓	✓			
Probate Court	✓			✓	
Tax Commissioner	✓	✓		✓	

Table 3 – Source: Combined survey results, Information Services list of payment channels and credit card processors and discussions with agencies, departments, and elected official offices.

---

[7] The County has contractual agreements for Sustainability, Waste and Beautification; Cobblestone Golf Course (Parks); and the Parking garages.

Results of Survey

The overall objective was to survey the various methods for collecting credit card payments, including in-person, online and telephone to evaluate the use of credit card payment systems and processors throughout Cobb County (the County) agencies/departments[1] for consistencies, best practices, and to determine if efficiencies can be gained. We determined during our preliminary survey that, in 2015[8], the County secured the services of a third-party vendor to perform a gap assessment of compliance with the Payment Card Industry (PCI) Data Security Standards (DSS). This assessment captured the payment channel[3], applications, and processors used across the County and provided a roadmap to compliance; however, the list of payment channels was not maintained and updated in a countywide comprehensive list. Our procedures involved surveying the agencies, departments, and elected official offices and compiled an updated list of payment channels. We then compared the survey results to a list of applications and processors maintained by the Information Services (IS) Department. We also reviewed contracts, agreements and accounting documentation such as account inquiry reports[9], journal vouchers, and vendor invoices to identify credit card payment processors. We performed various analyses to evaluate the practicality of the applications and processors used for credit card transactions and the credit card fees paid; and determined the roles of IS, Finance Department/Treasury Division, and Purchasing Department in the acquisition of new applications and credit card processors. The accompanying pages include the results of our survey procedures and corresponding recommendations, as applicable.

Additional Oversight and Monitoring Controls over Credit Card Processing are Needed

Several discrepancies were observed between the survey results, list of credit card processors and payment channels provided by IS, and other documents; therefore, we were unable to rely on such documentation for data reliability purposes. Therefore, we compiled the survey results and the list of applications and processors maintained by IS; conducted follow-up discussions with respective agencies, departments, and elected official office personnel to clarify discrepancies; and performed various analyses, where needed. Based on those procedures, we observed that credit cards are accepted in person at Point-Of-Sale (POS) terminals, kiosks or other machines, online, by phone and IVR[3].Table 3 on Page 4 is a list of payment channels for each County agency, department, or elected official office that accepts credit card payments.

> **The County collects credit card payments via in person, POS terminals, kiosks or other machines, online, phone, and/or IVR.**

We found that additional oversight and monitoring controls are needed to ensure that the County's credit card processes are consistent with established goals and objectives, conducted in accordance with industry best practices, and performed in an efficient manner. Specifically, a centralized countywide function is needed and countywide coordination during the acquisition and implementation of credit card processes should be deployed.

---

[8] Merchants of any size must be in compliance with PCI DSS. A gap assessment report *(based on version 3.1)* detailing the County's status and providing a roadmap to compliance was prepared by a third-party vendor dated September 4, 2015.

[9] Account inquiry reports provide a list of transactions for selected object codes.

There is no countywide comprehensive repository of credit card payment channels, processors, and fee structure for agencies, departments, and elected official offices that accept credit cards. Previously, there was a role assigned to the oversight of PCI compliance for the County; however, this role was not reassigned following a change in personnel. Considering the data reliability issues we observed while compiling the list, a centralized function is needed to ensure the County has an accurate and updated list. Having a centralized function to maintain, oversee, and monitor the County's credit card processes would also ensure:

- The goals, objectives, and strategies of credit card processes are met;

- Reasonable assurance is provided that control activities are designed to mitigate or eliminate the risks identified; and

- Compliance with PCI DSS standards is met and maintained.

The lack of a centralized function and current inventory of credit card processes could impede progress toward PCI DSS compliance and overall consistencies and efficiencies.

Recommendation

The County Manager should:

Recommendation 1: Identify a position or team responsible for the oversight and monitoring of the County's credit card payment channels. This role should be responsible for maintaining and updating the County's comprehensive list of credit card payment channels; monitoring and evaluation of credit card processors used; and ensuring overall compliance with the most recent PCI DSS standards.

Auditee Response: I concur. Per conversation with the Director of Internal Audit and staff, we have identified a team of appropriate employees who will work to address this recommendation. This team will begin to draft a plan of action within the next 60 days. The Deputy County Manager will ensure that our Office is engaged in this process.

The remainder of this page was left blank intentionally.

Additional Coordination is Needed Throughout the County

As explained on Page 3, the County currently has sixteen (16)[10] different vendors as credit card processors. Several processors are used in multiple agencies, departments, and elected official offices. Therefore, there are seven (7) credit card processors for County agencies and departments and sixteen (16) credit card processors for the elected officials. In addition, the rates and fee structures vary by agencies, departments, or elected official office. See Table 4 to the right for more information. This table does not capture monthly fees which may be in addition to the fees per transaction. Industry best practices include comparing rates among processors, utilizing existing arrangements with payment processors, and/or negotiating with payment processors based on the County's overall volume and dollar value of transactions. We

Summary of County Fee Structures

	Fee Structure	Total Count	Flat % & % plus a fee per transaction	Flat rate (per Qualified Transactions)	Rate based on Interchange Rates & Fees	Dual Fee - Transaction and %
Agency or Department	**Department Processors with fees**	7	4	1	2	N/A
	Range by Type		2.65% plus .10 to 10%	$1.59	Varies by type of transaction	N/A
Elected Official Offices	**Elected Officials Processers with fees**	16	8	4	2	2
	Range by Type		1.67% to 5.95%	$1.59 to $4	Varies by type of transaction	$1 and 2.3% to $3.95 and 2.2%

Table 4 - Source: Combined survey results, list of applications and processors provided by IS, vendor contracts/agreements for credit card processors and financial accounting reports and supporting documents.

also noted, through discussions and interviews, that the County's Court system has initiated the implementation of a Unified Court Case Management (UCCM) System which is expected to integrate with one credit card payment processor, potentially lowering the number of credit card processors used by elected officials within the court system.

During our research, we found that understanding credit card system functionality, rates, and fee structures is extremely complex. In general, individuals without a technical or financial background would have very limited expertise in this area. Therefore, involving County employees with the technical and financial expertise in the acquisition and negotiations with credit card processors would be beneficial to County agencies, departments, and elected official offices.

We also determined through inquiry, that software applications with a credit card processing component typically have a preferred credit card processor. Therefore, coordination with Finance and Information Services department is not consistently considered or utilized. The Finance department is uniquely positioned to understand the rates and fee structures and likewise, Information Services department regarding system functionality and network requirements. As such, both departments should have visibility when new credit card processors or modifications to existing processors are considered.

---

[10] Excludes areas managed by third-party administrators and the Mable House Amphitheater.

In addition, negotiating rates independently by County functions increases the risk that the County could be paying higher credit card rates than necessary. The County may be able to further utilize existing arrangements by including Finance and Information Services departments, potentially reducing credit card fee expenses and other operational costs, leveraging existing technology, and improving the customer experience.

Recommendations

The County Manager should:

Recommendation 2: Require agencies and departments to include both Finance and Information Services departments in discussions during the Requests for Proposals (RFP) process when selecting a new system/application that has a credit card processing component and that the Purchasing department include a question on the RFP as to whether the software company would be willing to work with the County's credit card processor. Elected Officials are encouraged to follow the same process.

Auditee Response: I concur. I will work w/Finance and IS to ensure that this recommendation is added to the department head agenda and to further explain the new processes and to make sure both departments are integrally involved in the RFP process relevant to credit card software.

Recommendation 3: Identify a position or team responsible for evaluating the current cost of credit card processing and the potential reduction of payment processing fees. The evaluation should include, at minimum, whether to consolidate credit card processers, third-party service providers and leveraging the County's total transactions and dollar amount to lower interchange and transaction fees.

Auditee Response: I concur. The aforementioned team will also work to address this particular recommendation.

Detailed Objectives, Scope, and Methodology

We conducted this survey in conformance with The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing. Our overall objective was to survey the various methods for collecting credit card payments, including in-person, online and telephone to evaluate the use of credit card payment systems and processors throughout the County for consistencies, best practices, and to determine if efficiencies can be gained. Our scope period included Departments, Courts and Elected Official offices that accepted credit card transactions as of February 2022.

To accomplish our objective, we performed the following steps:

I. Evaluated the use of credit card systems and processors across the County for consistency, identified best practices and determined if efficiencies can be gained.

   A. Surveyed the Departments, Agencies and Elected Officials offices to compile a list of credit card systems and processors.

      1. Reviewed the contracts and other documentation (invoices, financial system reports, interviews, etc.) where available to identify the fees.

      2. Obtained an updated list of credit card systems and processors from IS and compared the results to the list generated in procedure step I.A. above.

      3. Reconciled any differences, summarized the results, and made recommendations to improve the current control activity.

   B. Reviewed and analyzed the list of systems and processors to determine if the number of systems used to collect credit card payments and processors is limited where practical and the systems interface with the financial system.

      1. Performed an analysis to identify the number of different systems and processors and inconsistencies in vendors, rates, and methods for assessing credit card fees.

      2. Performed research to determine average costs in credit card fees for other local governments and identified best practices.

   C. Inquired of IS, Finance/Treasury, and Purchasing regarding their roles in the Request for Proposal process for credit card services and any current control activities to ensure that these types of contracts are reviewed and received input from IS and Finance/Treasury.

      1. Summarized the results and made recommendations to improve the current control activity.

Abbreviations and Glossary

Acquiring Bank[1]	Also known as the merchant bank. This bank sends the card and transaction information to the card network. May also provide the equipment to accept credit cards and act as a credit card processor.
Card Issuer[1]	Bank that issued the credit card to the cardholder.
Card Network[1]	Acts as a liaison between the acquiring and issuing banks. Four major networks include Visa, Mastercard, American Express and Discover.
Card Not Present[2]	A credit card transaction where the card is not physically presented to the merchant at the time of the transaction.
Card Present	In-person credit card transaction.
IVR	Interactive Voice Response.
Merchant Services Provider/Payment Processor	Processes the credit card payment in place of and in the same manner as the acquiring bank.
Payment Channel	Methods which payments are accepted (i.e. online, telephone, etc.).
PCI DSS	Payment Card Industry Data Security Standard

---

[1] Crail, C. (2022, April 29). *Credit Card Processing: How It Works.* https://www.forbes.com/advisor/credit-cards/credit-card-processing-how-it-works/.

[2] Worldpay Editorial Team (2019, July 10). *10 Best Practices for Card Not Present Transactions.* FIS Global. https://www.fisglobal.com/en/insights/merchant-solutions-worldpay/article/10-best-practices-for-card-not-present-transactions.

Outcome Measures

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on County governance. These benefits will be incorporated into our annual report to the Board of Commissioners, Audit Committee, and County Manager.

Type and Value of Outcome Measure:

- Reliability of Information– Actual; Recommendation, when implemented, will provide assurance on overall data reliability, completeness and accuracy of the County's list of payment channels and credit card processors (See Pages 5 - 8).

- Compliance with external requirements – Actual; Recommendation, when implemented, will improve the County's status towards achieving PCI DSS compliance (See Pages 5 - 6).

- Reduced credit card fee expenses – Potential; Recommendation, when implemented could result in lower credit card processing fee expenditures paid (See Pages 7 - 8).

- Consistencies and efficiencies gained – Actual; Recommendations, when implemented will improve overall processes around the procurement of credit card processors and the monitoring of credit card processing fees (See Pages 5 - 8).

Methodology Used to Measure the Reported Benefit:

This is based upon the known inherent risks related to data reliability, requirements for PCI DSS and benefits obtained through inter-departmental coordination.

Auditee Response to the Draft Report

COBB COUNTY MANAGER'S OFFICE

Jackie R. McMorris, EdD
County Manager

100 Cherokee Street, Suite 300
Marietta, GA 30090-7000
Phone: (770) 528-2600 Fax: (770) 528-2606
jackie.mcmorris@cobbcounty.org

DATE: October 12, 2022

TO: Latona Thomas, CPA, CIA, Internal Audit Director

FROM: Dr. Jackie McMorris, County Manager

SUBJECT: Audit Response - Survey of County Point-of-Sale Systems and Collection Practices

Several recommendations were made and my response to those recommendations are below.

Recommendations

The County Manager should:

Recommendation 1: Identify a position or team responsible for the oversight and monitoring of the County's credit card payment channels. This role should be responsible for maintaining and updating the County's comprehensive list of credit card payment channels; monitoring and evaluation of credit card processors used; and ensuring overall compliance with the most recent PCI DSS standards.

Response:

I concur. Per conversation with the Director of Internal Audit and staff, we have identified a team of appropriate employees who will work to address this recommendation. This team will begin to draft a plan of action within the next 60 days. The Deputy County Manager will ensure that our Office is engaged in this process.

Recommendation 2: Require agencies and departments to include both Finance and Information Services departments in discussions during the Requests for Proposals (RFP) process when selecting a new system/application that has a credit card processing component and that the Purchasing department include a question on the RFP as to whether the software company would be willing to work with the County's credit card processor. Elected Officials are encouraged to follow the same process.

Response:

I concur. I will work w/Finance and IS to ensure that this recommendation is added to the department head agenda and to further explain the new processes and to make sure both departments are integrally involved in the RFP process relevant to credit card software.

Equal Opportunity Employer

Cobb County...Expect the Best!
www.cobbcounty.org

Recommendation 3: Identify a position or team responsible for evaluating the current cost of credit card processing and the potential reduction of payment processing fees. The evaluation should include, at minimum, whether to consolidate credit card processers, third-party service providers and leveraging the County's total transactions and dollar amount to lower interchange and transaction fees.

Response:

I concur. The aforementioned team will also work to address this particular recommendation.