



•Mulcahy Accounting & Risk Consulting•

William J. Mulcahy, CIA

Mayor and City Council, City of Dunwoody and
City of Dunwoody Audit Committee
Monday May 11, 2015

Internal Audit work in this quarter -

- a. Continuous Monitoring of Quarterly Financial Report.
- b. Municipal Court, follow up on prior internal audit.
- c. Internal Audit Plan for next quarters.

Continuous Monitoring of Quarterly Financial Report - As part of the 2015 Internal Audit Plan, I performed the procedures listed in the scope section below on the Financial Report through March 31, 2015.

Scope -

- a. Reviewed for reasonableness the Financial Report through March 31, 2015, noting reasonableness.
- b. Read Chris Pike email of April 28, 2015 1st Quarter 2015 Financial Statements for March 31, 2015, noting reasonable and understandable explanations.
- c. Questioned CFO Chris Pike on large or unusual variations from budget and prior year. In particular discussed positive variances in permit fees related to State Farm and positive results in hotel motel tax collections. I received satisfactory explanations on all my inquiries.

Audit Summary - In connection with the scope of my work described above, of the 1st Quarter Financial Statements through March 31, 2015, I identified no city expenditures or other financial matters that I as the internal auditor determined to be not in compliance with (a) the provisions of the charter, (b) the applicable city budget, and (c) applicable ordinances, resolutions, or other actions duly adopted under the provisions of the charter.

Municipal Court, follow up on prior internal audit including monthly and quarterly reconciliations of Municipal Court accounts and collections.

Scope -

- a. Requested current contract with Sentinel Offender Services for probation services and was told the contract expired in February 2015. Staff is currently working to get an extension in front of City Council. Meanwhile, the City continues to operate under a month to month basis pending contract approval.
- b. Reviewed bond liability account and outstanding fees imposed reports for reasonableness, and noted reasonableness
- c. Reviewed select fines to recording as an amount due to the City, and for those placed on probation, traced to the records of the probation agency, with no exceptions noted.

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- d. Tied in on a scope basis select payments made to cash receipts with no exceptions noted.

Audit Summary - In connection with the scope of my work described above, of Municipal Court, I identified no city expenditures or other financial matters that I as the internal auditor determined to be not in compliance with (a) the provisions of the charter, (b) the applicable city budget, and (c) applicable ordinances, resolutions, or other actions duly adopted under the provisions of the charter.

As to the probation services contract noted above, I recommend -

- a. The City in obtaining probation services should review the (68 page) Misdemeanor Probation Operations report in April 2014 by the Georgia Department of Audits and Accounts, to consider anything that should be in the next contract for probation services
- b. The City should consider 2015 House Bill 310 with provisions about "State-wide Probation Act" to determine provisions, if any the City would want to include in the next contract for probation services.

Internal Audit plans for remainder of 2015 by quarter -

- a. 2nd Quarter 2015 - Process and internal controls related to permit fees and inspection fines including collections of these fees and fines.
- b. 3rd Quarter 2015 - internal controls over IT access and security surrounding Personal Identifiable Information (PII) maintained by City of Dunwoody.
- c. 4th Quarter 2015 - Procurement Card: This report will provide comments on the pcard policy, oversight of the policy and compliance with the policy, same as the prior years plus in 2015, the scope will be increased to include fuel card purchases, primarily used for police cars.

Respectfully submitted,
William J. Mulcahy, CIA
City Internal Auditor
City of Dunwoody

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