



•Mulcahy Accounting & Risk Consulting•

William J. Mulcahy, CIA

Mayor and City Council
City of Dunwoody
Monday May 21, 2018

Internal Audit work in this quarter –

- a. Continuous Monitoring of Quarterly Financial Report.
- b. Purchase and renovation costs for City Hall
- c. Internal Audit Plan by quarter for 2018.

Continuous Monitoring of Quarterly Financial Report – As part of the 2018 Internal Audit Plan, I performed the procedures listed in the scope section below on the Financial Report through March 31, 2018.

Scope –

- a. Reviewed for reasonableness the Financial Report through March 31, 2018, noting reasonableness.
- b. Read Chris Pike's Council memo on the Financial Report for March 31, 2018, noting reasonable and understandable explanations.

Audit Summary - In connection with the scope of my work described above, of the Financial Report through March 31, 2018, I identified no city expenditures or other financial matters that 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.

Purchase and renovation costs for City Hall – As part of the 1st Quarter 2018 Internal Audit Plan, I performed the procedures listed below in the scope section on the City of Dunwoody's purchase and renovation costs for City Hall.

Scope –

- a. Met with the City Manager and had him explain the process followed for the purchase and renovation of City Hall. Then I tested the process to ensure it was followed.
- b. Reviewed for reasonableness the City of Dunwoody, process and procedure related to establishing the market value of City Hall. Two separate expert firms in real estate appraisal were engaged and separately developed the appraised value. The purchase was made for less than the lowest appraisal value.

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- c. Reviewed that the City of Dunwoody followed its procedure in posting Request for Qualifications (RFQ 16-09) to have the renovation build out. A selection committee was formed and the contractor rated the best qualified was selected. The renovations costs incurred were in line with the budget.
- d. Selected 14 invoices covering most of the renovation costs for audit testing. All were found to be appropriate.

Audit Summary - In connection with the scope of my work described above, of the City of Dunwoody's, purchase and renovation costs of City Hall, I identified no city expenditures or other financial matters that I as 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.

The controls and procedures supporting the purchase and renovation costs of City Hall were deemed adequate. In addition the policies which provide internal controls for the segregation of duties were being followed in all cases selected in the detailed test.

Internal Audit plans for 2018 by quarter -

1st Quarter 2018 - Purchase and renovation costs for City Hall

2nd Quarter 2018 – Parks and recreation, specifically new ball field

3rd Quarter 2018 – Police Department – including evidence inventory, purchase / lease of Police cars including disposal, and reconciliation of tickets from issue to final adjudication / payment.

4th Quarter 2018 - Procurement Card: This report will provide comments on the pcard policy, oversight of the policy and compliance with the policy, and includes fuel card purchases, primarily used for police cars.

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

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