



•Mulcahy Accounting & Risk Consulting•

William J. Mulcahy, CIA

Mayor and City Council, City of Dunwoody and
City of Dunwoody Audit Committee
Monday May 6, 2019

Internal Audit work in this quarter –

- a. Continuous Monitoring of Quarterly Financial Report.
- b. Disbursement process and procedures, with testing of transactions in one month.
- c. Internal Audit Plan by quarter for 2019.

Continuous Monitoring of Quarterly Financial Report – As part of the 2019 Internal Audit Plan, I performed the procedures listed in the scope section below on the Financial Report through March 31, 2019.

Scope –

- a. Reviewed for reasonableness the Financial Report through March 31, 2019, noting reasonableness.
- b. Read Chris Pike's Council memo on the Financial Report for March 31, 2019, noting reasonable and understandable explanations.

Audit Summary - In connection with the scope of my work described above, of the Financial Report through March 31, 2019, 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.

Disbursements – As part of the 1st Quarter 2019 Internal Audit Plan, I performed the procedures listed below in the scope section on the City of Dunwoody's Disbursements process and procedures,

Scope –

- a. Reviewed for reasonableness the City of Dunwoody, Finance and Administration Department, Disbursements Policies noting the policies provide for segregation of duties between purchasing and approval, including appropriate dollar limits on approval.
- b. Reviewed and found reasonable that the Department Head approves invoices.

- c. Reviewed and found reasonable the Finance Department three part review of invoices including final Finance Department sign off is by the City's Finance Director. If invoice is over \$25,000 it also requires City Manager approval.
- d. I selected disbursements for the month of January 2019 for review. I read the description of the disbursements noting no unusual items. Then selected five disbursements for detail testing.
- e. On the five selected for detail testing, I noted proper procedures were followed and each disbursement was supported with an approved invoice and the description was a reasonable explanation, such as simulator for the Police Department, and Computer services paid to Interdev, the City's computer services provider.

Audit Summary - In connection with the scope of my work described above, of the City of Dunwoody's disbursements, 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.

The controls and procedures supporting the disbursements process and procedures 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 2019 by quarter – as approved by Mayor and City Council at 12/18/18 meeting, and later revised to switch timing of 1st and 2nd Quarter work plan to accommodate revisions that were in progress related to Cash Handling.

1st Quarter 2019 - Disbursements. **COMPLETED**

2nd Quarter 2019 - Cash Handling and bank reconciliations, including Municipal Court and Police. **In Progress**

3rd Quarter 2019 - Accounts payable and Purchasing Procedures.

4th Quarter 2019 - 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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