



•Mulcahy Accounting & Risk Consulting•

William J. Mulcahy, CIA

Mayor and City Council, City of Dunwoody and
City of Dunwoody Audit Committee
Monday November 18, 2019

Internal Audit work in this quarter –

- a. Continuous Monitoring of Quarterly Financial Report.
- b. Accounts payable and purchasing Procedures.
- c. Internal Audit Plan by quarter for 2019
- d. Proposed Internal Audit Plan for 2020

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 September 30, 2019.

Scope –

- a. Reviewed for reasonableness the Financial Report through September 30, 2019, noting reasonableness.
- b. Read Director of Finance’s Council memo on the Financial Report for September 30, 2019, noting reasonable and understandable explanations.

Audit Summary - In connection with the scope of my work described above, of the Financial Report through September 30, 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.

Accounts Payable and Purchasing Procedures – As part of the 3rd Quarter 2019 Internal Audit Plan, I performed the procedures listed below in the scope section on the City of Dunwoody’s Accounts Payable and Purchasing 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.

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- 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 certain dollar amount it also requires City Manager approval.
- d. I selected disbursements of \$1.3 million in the month of June 2019 for review. I read the description of the disbursements noting no unusual items. Then selected seven disbursements for more detail testing.
- e. On the seven selected for more 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 advertising, refund of deposit, Georgia Power, and Tyler Computer system. Items of note included but none are exceptions,
 - a. A vendor, who ended up being paid late, went outside the normal process and sent their invoice to a Department Head but used the former City Hall address. The City's Concur system should be used for submitting invoices. The City reminded Department Heads to instruct vendors to use the electronic Concur system.
 - b. Advertising usually has as documentation a copy of the advertisement itself, but the one I reviewed was prepaid and the copy was not yet available.
 - c. Georgia Power bill looked high but after review was found reasonable when considering City Hall, other City owned property, including the ball fields. Analysis of the power bill is performed by the City each month.

Audit Summary - In connection with the scope of my work described above, of the City of Dunwoody's accounts payable and purchasing procedures, 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 2rd 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. **Completed**

3rd Quarter 2019 - Accounts payable and Purchasing Procedures. **Completed**

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.

Internal Audit plans for 2020 by quarter – recommended by Internal Auditor after discussions with City Manager, Finance Director and Assistant City Manager

1st Quarter 2020 - Complete Ball Field internal audit

1st Quarter 2020 - Hotel Excise Tax – analytical review of collections

1st Quarter 2020 - Follow up on implementation of 2019 Cash Recommendation

2nd Quarter 2020 - Theater

2nd Quarter 2020 - Read / Review 12/31/19 CAFR before filing

3rd Quarter 2020 - Accounts payable, disbursements and purchasing procedures

4th Quarter 2020 - 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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