

William J. Mulcahy, CIA

Mayor and City Council, City of Dunwoody and  
City of Dunwoody Audit Committee  
Monday November 9, 2020

**Internal Audit work in this quarter –**

- a. Continuous Monitoring of Quarterly Financial Report.
- b. 3<sup>rd</sup> Quarter 2020 Report.
- c. Update on prior internal audit recommendations.
- d. Internal Audit Plan by quarter for 2020.
- e. Proposed Internal Audit Plan by quarter for 2021.

**Continuous Monitoring of Quarterly Financial Report–** As part of the 2020 Internal Audit Plan, I performed the procedures listed in the scope section below on the Financial Report through September 30, 2020.

**Scope –**

- a. Reviewed for reasonableness the Financial Report through September 30, 2020, noting reasonableness.
- b. Read Linda Nabers' memo to the Mayor and City Council on the Financial Report for September 30, 2020, noting reasonable and understandable explanations, as well as her attestation including understanding that Management is responsible for internal controls.

**Audit Summary -** In connection with the scope of my work described above, of the Financial Report through September 30, 2020, 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.

**SeeClickFix and iWorQ –** As part of the 3rd Quarter 2020 Internal Audit Plan, I performed the procedures listed below in the scope section.

**Scope –**

- a. Reviewed for reasonableness the City of Dunwoody, Policies noting the policies provide for SeeClickFix and iWorQ.
- b. I discussed these programs with the Directors.
- c. I reviewed over 25 entries into the systems.
- d. I submitted a drainage issue via SeeClickFix.

**Audit Summary -** In connection with the scope of my work described above, I found the systems transparent and responsive. Certain residents submit numerous items. Sometimes residents are not satisfied with the answer but do have the ability to so state. In my own case the answer was the issue is on the list to be fixed next changes are made to Chamblee-

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Dunwoody Road. I am satisfied with the communication and transparency between residents including me is satisfactory.

### **Update on prior internal audit recommendations -**

#### **Follow up March 3, 2020, July 2020 and September 2020 on Dunwoody Senior Baseball Internal Audit Report dated 2/10/20.**

To summarize my follow ups the City is on the right track to remediate the material weaknesses of (a) no contract and (b) no documentation of bank reconciliations or segregation of duties. Plus, I recommended the City of Dunwoody set aside money for the future major repairs of the baseball field, as disclosed in the DSB Internal Audit report dated 2/10/20. DSB, Parks staff and Jay Vinicki have begun discussion on a contract rewrite, however the pandemic slowed down progress. Further, it is a best practice that the Mayor identified two Council members to serve on an oversight subcommittee to implement the recommendations which is a positive indicator of the seriousness with which the City is accepting and implementing the recommendations. I attended via Zoom the City Council meeting of September 29, 2020 where the “proposed Athletic Association Manual” was discussed. The City is on the right track to resolve these issues and more.

### **Hot line / whistleblower line - Recommendation**

The Certified Fraud Examiners bi-annual report to the nation, again in 2020 reported the #1 way to identify fraud is by tips usually via a Hot line – Whistleblower line. Audit Committee Chair Barbara Jesup called me, and suggested Dunwoody should implement such an internal control. The remediation of this prior recommendation is in progress.

### **Internal Audit plans for 2020 by quarter – as approved by Mayor and City Council.**

1st Quarter 2020 - Complete Ball Field internal audit – **Completed.**

1st Quarter 2020 - Hotel Excise Tax – analytical review of collections **Deferred due to City shutdown with Finance Office working on higher priority items including Occupational Tax while working remotely.**

1st Quarter 2020 - Follow up on implementation of 2019 Cash Recommendation – **Implemented in 2nd Quarter.**

2nd Quarter 2020 - Theater deferred and changed to a 3rd Quarter process and procedures internal audit of the Public Works program, SeeClickFix and iWorQ in the 3rd quarter.

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

2nd Quarter 2020 - Procurement Card: This report provides comments on the pcard policy, oversight of the policy and compliance with the policy, and includes fuel card purchases, primarily used for police cars. - **Completed**

3rd Quarter 2020 – SeeClickFix and iWorQ programs - **Completed.**

4th Quarter 2020 – Reviewed RFP related to external auditors. – **Completed.**

4th Quarter 2020 - Accounts payable, disbursements and purchasing procedures. **In progress.**

**Internal Audit plans for 2021 by quarter – for consideration of Mayor and City Council.**

- 1<sup>st</sup> Quarter – Fraud Risk Assessment
- 2<sup>nd</sup> Quarter – Review CAFR
- 3<sup>rd</sup> Quarter - Dunwoody Not for Profits
- 4<sup>th</sup> Quarter – P-cards and fuel cards

Other considerations

Cyber Security

Other – input from Dunwoody staff and Mayor and City Council, welcome and encouraged.

Respectfully submitted,  
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City Internal Auditor  
City of Dunwoody

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