



•Mulcahy Accounting & Risk Consulting•

William J. Mulcahy, CIA

Mayor and City Council, City of Dunwoody and
City of Dunwoody Audit Committee
Monday August 10, 2015

Internal Audit work in this quarter -

- a. Continuous Monitoring of Quarterly Financial Report.
- b. Permit fees 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 June 30, 2015.

Scope -

- a. Reviewed for reasonableness the Financial Report through June 30, 2015, noting reasonableness.
- b. Read Chris Pike's Council memo of August 10, 2015 on 2nd Quarter 2015 Financial Statements for June 30, 2015, noting reasonable and understandable explanations.
- c. Questioned CFO Chris Pike on large or unusual variations from budget and prior year. In particular discussed variances in permit fees revenue and expenses related to State Farm. I received a satisfactory explanations on all my inquiries.

Audit Summary - In connection with the scope of my work described above, of the 2nd Quarter Financial Statements through June 30, 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.

Permit fees including Process and internal controls related to permit fees and inspection fines including collections of these fees and fines.

Scope -

- a. Requested and received current contract with Clark Patterson Lee for permit inspection services noting its due to expire on December 31, 2015. Agreed and recomputed two invoices for services between the contract terms and computation of the invoice amount due Clark Patterson Lee.
- b. Observed the chief permits inspector on four inspections in July, 2015 noting all inspections handled properly with professionalism. Inspections included, soil, walls, electrical and a beam's weight bearing load capacity. Two of four inspections failed and will need to be retested after being fixed.

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- c. Tied in on a scope basis to cash receipts with no exception, four selected larger payments plus observed selected payments made on the afternoon of July 16, 2015 with no exceptions noted.

Audit Summary - In connection with the scope of my work described above, of permit fees, 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 follow up on prior audit suggestions -

- a. The City has updated the Municipal Court contact which was on a month to month basis and incorporated provisions related to House Bill 310 "State-wide Probation Act"
- b. The police department received accreditation.

Internal Audit plans for remainder of 2015 by quarter -

- a. 3rd Quarter 2015 - internal controls over IT access and security surrounding Personal Identifiable Information (PII) maintained by City of Dunwoody.
- b. Additional 3rd Quarter 2015 internal audit an assessment of the grant management process for pass-through grants performed at the PCID.
- 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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