



•Mulcahy Accounting & Risk Consulting•

## William J. Mulcahy, CIA

Mayor and City Council, City of Dunwoody and  
City of Dunwoody Audit Committee  
Monday February 8, 2016

### Internal Audit work in this quarter -

- a. Continuous Monitoring of Quarterly Financial Report.
- b. Purchasing Card process and procedures, with testing of transactions in one month.
- c. Internal Audit Plan for next quarters.

**Continuous Monitoring of Quarterly Financial Report** - This audit is deferred, as is normal for the fiscal year end, as it takes longer to close the books at year end.

**Purchasing Card Process and Procedures Report** - As part of the 4<sup>th</sup> Quarter 2015 Internal Audit Plan, I performed the procedures listed below in the scope section on the City of Dunwoody's Purchasing Card program, including gasoline cards for purchase of gas for police cars.

### Scope -

- a. Reviewed for reasonableness the City of Dunwoody, Finance and Administration Department, Purchasing Card Policies noting the policies provide for segregation of duties between purchasing and approval and the policies had provisions for: Program Administration, Roles and Responsibilities, Use of the Card, Program Compliance and Legal Issues.
- b. Reviewed and found reasonable the form that card holders are responsible to review and sign that they know, understand and will comply with the policies.
- c. Reviewed the list of card holders, noting recognizable names for Mayor, City Council, City Manager, CFO and at the same time noting a proper segregation of duties between Program Administration, Accountant, Purchaser and Auditor responsibilities. Note subsequent event, Mayor and City Council turned in their purchasing cards.
- d. Selected one monthly statement for detailed review.
- e. Read both the commercial account summary statement and over 250 pages of detail support of the transactions, noting reasonableness.
- f. City procedures include verification that p-card receipts are not also used in reimbursements via accounts payable.

**Audit Summary** - In connection with the scope of my work described above, of the City of Dunwoody's monthly commercial account statement, 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

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c. applicable ordinances, resolutions, or other actions duly adopted under the provisions of the charter.

The controls and procedures supporting the Purchasing Card 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 2016 by quarter -**

- a. 1<sup>st</sup> Quarter 2016 - Risk Assessment current events review to identify key areas of risk and to develop methods to assess the risk to Dunwoody. The suggestions to date are included in the internal audit work below.
- b. 2<sup>nd</sup> Quarter 2016 - Municipal Court Internal Audit following up on prior audits, including quarterly reconciliations of bond liability account and outstanding fees imposed by Municipal Court of over \$1 million and 2,000 cases which should have standard monthly reports developed to track balance, aging of accounts and collections. Assess or validate reasons why revenues are down such as less tickets being written? Or possibly turn over? Evaluate process and internal controls related to recording revenue, from ticket, to judge's decision, to cashier, to probation collection and or write off. Ensure Dunwoody has implemented provisions of 2015 HB 310.
- c. 3<sup>rd</sup> Quarter 2016 - Cash handling process, procedures and evaluation of internal controls over cash.
- d. 4<sup>th</sup> Quarter 2016 - 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. In addition, the audit to include review of reimbursements to Mayor, City Council, and employees.

Respectfully submitted,  
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City Internal Auditor  
City of Dunwoody

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