



•Mulcahy Accounting & Risk Consulting•

William J. Mulcahy, CIA

Mayor and City Council
City of Dunwoody Audit Committee
Monday December 10, 2018

Internal Audit work in this quarter –

- a. Continuous Monitoring of Quarterly Financial Report.
- b. Police Department – including evidence inventory, purchase / lease of Police cars including disposal, and reconciliation of tickets from issue to final adjudication / payment.
- c. Internal Audit Plan by quarter for 2018, and recommendation for 2019 plan.

Continuous Monitoring of Quarterly Financial Report – As part of the 2018 Internal Audit Plan, I performed the procedures listed in the scope section below on the Financial Report through September 30, 2018.

Scope –

- a. Reviewed for reasonableness the Financial Report through September 30, 2018, noting reasonableness.
- b. Read Chris Pike's Council memo on the Financial Report for September 30, 2018, noting reasonable and understandable explanations.

Audit Summary - In connection with the scope of my work described above, of the Financial Report through September 30, 2018, 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.

3rd Quarter - Police Department – including evidence inventory, purchase / lease of Police cars including disposal, and reconciliation of tickets from issue to final adjudication / payment.

Scope –

- a. Met with Major David Barnes, and Katharine Tate and Vanessa Ollee of the Police Department, and toured the evidence room. I found the room set up logically, cameras appropriate, as well as tight controls over sign in and key access. High risk items were appropriately retained in a separate more secure area within the evidence room, my testing noted no exceptions.

- b. Met with John Gates and had him explain the process and procedures followed for the purchase and disposal of police vehicles. Typically done through state contracts. Then I tested the process to ensure it was followed, noting no exceptions.
- c. Performed a ride along with Officer Chris Forman. Purpose was to see how digital tickets are written, paper version signed, and how the fine is controlled. At a traffic stop I saw a ticket written for texting and driving. I saw the ticket recorded. Further I inquired about if the Officer could write off the ticket later. I found that once recorded the police cannot write off a ticket. But if an adjustment should need to be made, then the officer can state the reason get it approved, send into Municipal Court and the Solicitor for consideration, my testing noted no exceptions.

Audit Summary - In connection with the scope of my work described above, of the City of Dunwoody's, Police Department, I identified no city expenditures or other financial matters that I as 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 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 2018 by quarter -

- 1st Quarter 2018 - Purchase and renovation costs for City Hall – **Status Completed**
- 2nd Quarter 2018 – Parks and recreation, specifically new ball field – **Status Completed**
- 3rd Quarter 2018 – Police Department – including evidence inventory, purchase / lease of Police cars including disposal, and reconciliation of tickets from issue to final adjudication / payment. **Status Completed**
- 4th Quarter 2018 - 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. **Status in Progress**

Recommendation for Quarterly 2019 internal audits and consideration for future internal audits - Risks mentioned in connection with Risk Assessment –

- 1st Quarter - Disbursements.
- 2nd Quarter - Cash Handling and bank reconciliations, including Municipal Court and Police.
- 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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