



William J. Mulcahy, CIA

Mayor and City Council
City of Dunwoody Audit Committee
Monday August 13, 2018

Internal Audit work in this quarter –

- a. Continuous Monitoring of Quarterly Financial Report.
- b. Parks and recreation, specifically new ball field
- c. Internal Audit Plan by quarter for 2018.

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 June 30, 2018.

Scope –

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

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

2nd Quarter - Parks and recreation, specifically new ball field was reviewed as planned as part of the 2018 Internal Audit Plan. I performed the procedures listed below in the scope section -

Scope –

- a. Met with Amy King, Accounting Manager, and obtained contracts on construction, land swaps, and change orders related to the new ball fields. I reviewed and found the material reasonable.
 - a. On request, I reviewed "change orders" for the ones related to tree removal and the building of a retaining wall. Turns out, early designs and concepts had less tree removal and a retaining wall but the contact City Council approved was for the design that was built so no change orders were needed for these items.

- b. Met with Brent Walker and Todd Meadows at the ball park and had them explain the process followed for gaining access to the land and to employing the contractor. Then I tested the process to ensure it was followed, noting no exceptions.
- c. Reviewed for reasonableness the City of Dunwoody, process and procedure related to establishing the market value of properties in the land swap. Two expert firms in real estate appraisal were engaged and separately developed the appraised value.
- d. Reviewed that the City of Dunwoody followed its procedure in posting intention to contract for construction of the ball fields. A selection committee was formed and the contractors were rated. The first bids were all rejected. Dunwoody then went to the allowable method of selection via the state contract method through an Inter Government Agreement (IGA). The costs incurred were in line with the budget and the contract.
- e. Reviewed expenditures on the construction of the ball fields. All were found to be appropriate and the total of expenditures were under budget.

Audit Summary - In connection with the scope of my work described above, of the City of Dunwoody's, land swap and construction of new ball field, 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 supporting the land swap and constructing the new ball field 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

2nd Quarter 2018 – Parks and recreation, specifically new ball field

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.

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.

Respectfully submitted,
William J. Mulcahy, CIA
City Internal Auditor
City of Dunwoody

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