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William J. Mulcahy, CIA

Mayor and City Council, City of Dunwoody and
City of Dunwoody Audit Committee
Monday August 12, 2019

Internal Audit work in this quarter –

- a. Continuous Monitoring of Quarterly Financial Report.
- b. Cash handling process.
- c. Internal Audit Plan by quarter for 2019

Continuous Monitoring of Quarterly Financial Report – This audit is deferred, until the 6/30/19 Quarterly Financial Report is finalized.

Cash Handling – As part of the 2nd Quarter 2019 Internal Audit Plan, I performed the procedures listed below in the scope section on the City of Dunwoody's Cash handling process and procedures,

Scope –

- a. Reviewed for reasonableness new updated City of Dunwoody, Finance and Administration Department, Policies on Cash handling for Municipal Court, Business Office and Police Department noting accountability for each cashier is built into the procedures so as to know who is accountable for the cash. New procedures put into effect following the physical move to new City Hall.
- b. Reviewed and observed the cashiers deposit into the bank machine, and the pickup by the Brinks truck.
- c. Reviewed the daily cash deposit and noted agreement with cashier intake for the same day.

Recommendation – While the detail daily cash reports are good, the City would benefit from summary daily report so a reviewer could visualize the whole month at one time. The report should be prepared automatically. I have shown the City such a report and the City agreed with the benefit and is willing to develop such a report.

Audit Summary - In connection with the scope of my work described above, of the City of Dunwoody's cash handling, I identified no 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.

The controls and procedures supporting the cash handling 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 2019 by quarter – as approved by Mayor and City Council at 12/18/18 meeting, and later revised to switch timing of 1st and 2rd Quarter work plan to accommodate revisions that were in progress related to Cash Handling.

1st Quarter 2019 - Disbursements. **COMPLETED**

2nd Quarter 2019 - Cash Handling and bank reconciliations, including Municipal Court and Police. **Completed**

3rd Quarter 2019 - Accounts payable and Purchasing Procedures. **In Process**

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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