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## William J. Mulcahy, CIA

Mayor and City Council, City of Dunwoody and  
City of Dunwoody Audit Committee  
Monday February 11, 2019

### 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 by quarter for 2019.

**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 2018 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 City Manager, CFO and other employees, and at the same time noting a proper segregation of duties between Program Administration, Accountant, Purchaser and Auditor responsibilities.
- d. Selected one monthly statement for detailed review.
- e. Read both the commercial account summary statement and the detail support of the transactions, noting reasonableness and no unusual items.
- f. City procedures include verification that p-card receipts are not also used in reimbursements via accounts payable.
- g. Review Police Department procedures over review and analytics related to gas credit card to make Police car gas purchases and enforcement of the 25 mile take home Police car limit.

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

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 2019 by quarter** – as approved by Mayor and City Council at 12/18/18 meeting.

1<sup>st</sup> Quarter 2019 - Cash Handling and bank reconciliations, including Municipal Court and Police.

2<sup>nd</sup> Quarter 2019 - Disbursements.

3<sup>rd</sup> Quarter 2019 - Accounts payable and Purchasing Procedures.

4<sup>th</sup> 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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