

# Mulcahy Consulting

William J. Mulcahy, CIA

October 20, 2020

Advisory Audit Committee  
City of Brookhaven

This report of the Brookhaven City Internal Auditor updates you on my recent activities.

## **2<sup>nd</sup> and 3<sup>rd</sup> Quarter 2020 – Interim Report Performance Audit - Spending on Bond proceeds**

**Performance Audit** - Spending on Bond proceeds - Operational area – Compliance; Risk area – Regulatory. While a performance audit is not required as the City Council waived the requirement in the bond documents, one is planned to provide oversight of the area. Per the State of Georgia Department of Audits and Accounts (DOAA) a performance audit attempts to answer these type questions,

- Is this program accomplishing its goals and objectives?
- How well does the program do what is intended to do?
- Is this program complying with all applicable laws and regulations?

The focus area this quarter was the program compliance with O.C.G.A. 36-82-4.2 (2010).

1. Expenditures of bond funds for the purposes other than stated in public bond notice.
2. Spending within budget
3. Projected spending to be within budget
4. Projections of spending result in completion of each project

Scope included

1. Review “Brookhaven Park Bonds Citizen Oversight Committee” meeting minutes
2. Review of schedule of budget, and expenditures.
3. Discussion with Lee Croy, Park Bond Contractor with a top-level summary being the program is accomplishing its goals and objectives.

**Status – Completed with no exceptions to date. Updates to continue quarterly throughout 2020 and beyond.**

**Supervise False Alarm analysis** at request of Steve Chapman and Police Chief Gary Yandura. Internal Audit detail work being performed by Carr, Riggs & Ingram, CPAs and Advisors.

**Supervise Cyber Security testing** by Frazier & Deeter CPAs and Advisors.

**Internal audit plan by Quarter for 2020**

**Note** – Additional internal audits planned to be performed under the supervision of the Internal Auditor on a strategic sourcing basis mainly as a succession plan for the Internal Audit Function,

but also to gain additional internal audit coverage. The two firms performing the detail work are Carr, Riggs, and Ingram CPAs and Advisors, and Frazier & Deeter CPAs and Advisors

1st Quarter 2020 - Hotel Excise Tax – analytical review of collections - **Completed**

1st Quarter 2020 – Interim Report Performance Audit - Spending on Bond proceeds - **Completed**

2nd Quarter 2020 - ~~Follow up on implementation of 2019 Cash Recommendation~~

2nd Quarter 2020 - Read / Review 12/31/19 CAFR before filing – **Completed and CAFR filed on time, despite the pandemic**

2nd Quarter 2020 – Interim Report on Performance Audit - Spending on Bond proceeds- **Completed**

2nd Quarter 2020 - Supervise False Alarm analysis at request of Steve Chapman and Police Chief Gary Yandura. Internal Audit detail work to be performed by Carr, Riggs & Ingram, CPAs and Advisors, and **work is in progress**.

3rd Quarter 2020 - ~~Accounts payable and purchasing procedures~~

3rd Quarter 2020 – Interim Report on Performance Audit - Spending on Bond proceeds - **Completed**

3rd Quarter 2020 – Report on False Alarm analysis – **near completion, update from Doug Mims, partner at Carr, Riggs & Ingram, CPAs**

3rd Quarter 2020 - Supervise Cyber Security testing by Frazier & Deeter CPAs and Advisors, and **work is in progress**

4th Quarter 2020 – Interim Report on Performance Audit - Spending on Bond proceeds

4th Quarter 2020 - ~~Procurement Card: This report will provide comments on the pcard Policy, oversight of the policy as well as detail tests on compliance with the policy.~~

4th Quarter 2020 – Report on Cyber Security testing

Any questions let me know.

Sincerely,

***William J. Mulcahy***

William J. Mulcahy, CIA

City Auditor

City of Brookhaven

NOTICE: Mulcahy Consulting (MC) is a consulting and internal audit firm composed of an expert specializing in risk and advisory services. MC is not licensed or registered as a public accounting firm and does not issue opinions on financial statements or offer attestation services.