METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

METROPOLITAN NASHVILLE AUDIT COMMITTEE

WORKBOOK

April 13, 2021

"On matters of style, swim with the current;
on matters of principle, stand like a rock."
– Thomas Jefferson –

METROPOLITAN NASHVILLE
METROPOLITAN AUDIT COMMITTEE MEETING AGENDA
April 13, 2021, 4:00 p.m.

This meeting will take place via WebEx and will be broadcast live through the Metro Nashville Network, (MNN). The broadcast may be streamed live at: http://stream.nashville.gov.

I. Call Meeting to Order (Brackney Reed – Committee Chairman)

II. Approval of Minutes (Brackney Reed – Committee Chairman)

- Approval of Minutes for February 9, 2021, meeting

III. Annual election of Metropolitan Audit Committee Chairman and Vice Chairman (Brackney Reed – Committee Chairman)

IV. New Business

- Ethics Training for Boards, Commissions, and Authorities. (Theresa Costonis – Legal)

- Presentation of the Metropolitan Nashville Government Fiscal Year 2020 Schedule of Expenditures of Federal and State Awards and Reports Required by the Single Audit Act as Amended and the Uniform Guidance. (Crosslin)

- Presentation of the Metropolitan Nashville Government Fiscal Year 2020 Letter of Recommendations to Management. (Crosslin)

- Discussion on the Audit of Metropolitan Water Services Water and Sewer Billing Process issued March 2, 2021. (Lauren Riley – Metropolitan Auditor)

- Discussion on the Audit of the Juvenile Court Clerk Collections and Victims' Trust Account Management issued March 17, 2021. (Bill Walker – Principal Auditor)

- Discussion on the Audit Recommendations Follow-up – Audit of Nashville General Hospital Pharmacy Operations issued March 23, 2021. (Lauren Riley – Metropolitan Auditor)

- Discussion on the Audit of the Department of Emergency Communications issued March 30, 2021. (Bill Walker – Principal Auditor)

- Tentative Discussion on the Audit Recommendations Follow-up – Audit of Nashville General Hospital Procurement to Pay (Lauren Riley – Metropolitan Auditor)

- Tentative Discussion on the Audit Recommendations Follow-up – Nashville Municipal Auditorium (Lauren Riley – Metropolitan Auditor)

- Metropolitan Auditor's annual performance review. (Brackney Reed – Committee Chairman)

V. Unfinished Business

- Criminal Justice Information Services (CJIS) clearance for Metropolitan Audit Committee Members

VI. Internal Audit Project Status (Lauren Riley – Metropolitan Auditor)

- On Going Projects

- Recommendation implementation follow-up status

VII.   Other Administrative Matters (Lauren Riley – Metropolitan Auditor)

- FY2021 Budget Status

- Office of Internal Audit Staffing

VIII. Consideration of Items for Future Meetings (Brackney Reed – Committee Chairman)

IX.   Adjournment of Public Meeting – Next Regular Meeting Tuesday, June 22, 2021.

X.   Call for a motion to enter executive session (Brackney Reed – Committee Chairman)

XI.   Executive Session Agenda – (Brackney Reed – Committee Chairman)

- If needed, discussion of pending or ongoing audits or investigations. (Lauren Riley – Metropolitan Auditor)

Note: Upon a majority vote of committee members in attendance for the public portion of the meeting, the Metropolitan Nashville Audit Committee may hold confidential, nonpublic executive sessions to discuss the following items (T.C.A. § 9-3-405[1]):

- Items deemed not subject to public inspection under T.C.A. §§ 10-7-503[2] and 10-7-504[3] and all other matters designated as confidential or privileged under this code;

- Current or pending litigation and pending legal controversies;

- Pending or ongoing audits or audit related investigations;

- Information protected by federal law; and

- Matters involving information under T.C.A. § 9-3-406[4] where the informant has requested anonymity.

   To request an accommodation, please contact Lauren Riley at (615) 862-6111.

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[1] T.C.A.§ 9-3-405(d). Establishment of audit committee, Notice requirements, Open meetings, Confidential, nonpublic executive session.

[2] T.C.A. § 10-7-503. Records open to public inspection, Schedule of reasonable charges, Costs.

[3] T.C.A § 10-7-504. Confidential records.

[4] T.C.A. § 9-3-406. Establishment of process for confidential reporting of suspected illegal, improper, wasteful or fraudulent activity, Retaliatory activities prohibited.

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
AUDIT COMMITTEE MEETING MINUTES
February 9, 2021

On Tuesday, February 9, 2021, at 4:00 p.m., the Metropolitan Nashville Audit Committee met via a WebEx video meeting due to the COVID-19 pandemic. The following people attended the meeting:

Committee Members
Brackney Reed, Chamber of Commerce
Charles Frasier, Tennessee Society of CPAs
Zulfat Suara, Council Member
Thom Druffel, Council Member
Kevin Crumbo, Director of Finance

Others
Lauren Riley, Metropolitan Auditor
Theresa Costonis, Department of Law
Eugene Hampton, Metropolitan Trustee
Seth Hatfield, Office of Internal Audit
Bill Walker, Office of Internal Audit

Committee Member Absent
Jim Shulman, Vice-Mayor

Quorum present? Yes

CALL MEETING TO ORDER

Mr. Reed called the meeting to order. A **roll call** was conducted by Ms. Riley. The following members were in attendance:

- Brackney Reed
- Charles Frasier
- Zulfat Suara
- Thom Druffel
- Kevin Crumbo

A **motion** to conduct the meeting using a WebEx video format because it was necessary to protect the safety and welfare of Tennesseans due to the COVID-19 pandemic and to conform to Governor Bill Lee's Executive Order Number 60 was made, seconded and carried. Specifically, a roll call was conducted with the following votes:

- Brackney Reed – Yes
- Charles Frasier – Yes
- Zulfat Suara - Yes
- Kevin Crumbo - Yes
- Thom Druffel – Yes

APPROVAL OF MINUTES

Mr. Reed inquired about acceptance or changes to the draft for the January 11, 2021, Audit Committee meeting minutes. A **motion** to approve the presented January 11, 2021, Metropolitan Nashville Audit Committee meeting minutes was made and seconded. A roll call was conducted with the following votes:

- Brackney Reed – Yes
- Charles Frasier – Yes

- Zulfat Suara - Yes
- Kevin Crumbo - Yes
- Thom Druffel – Yes

The motion carried.

NEW BUSINESS

Discussion on the Audit of the Metropolitan Trustee, issued January 12, 2021

Ms. Riley summarized the objectives, observations, and recommendations for the audit. Mr. Crumbo complimented the Metropolitan Trustee's Office for the work they have done in the environment that has been present over the past year.

Councilmember Suara inquired that, given some of the observations, were steps taken to ensure collections were processed properly. Ms. Riley advised additional audit steps were taken to ensure the risks associated with the observation were not realized. Mr. Hampton gave a summary of controls pertaining to the voucher process.

Discussion on the Office of Internal Audit Recommended 2021 Annual Work Plan

Ms. Riley gave an overview of the methodology and process the Office of Internal Audit goes through in generating an annual audit plan. A discussion ensued about the various projects on the audit plan and the methodology.

A **motion** to accept the Office of Internal Audit Plan for the upcoming year was made, seconded, and carried. A roll call was conducted with the following votes:

- Brackney Reed – Yes
- Charles Frasier – Yes
- Zulfat Suara - Yes
- Kevin Crumbo - Yes
- Thom Druffel – Yes

Discussion on the Office of Internal Audit Follow Up and Policy and Procedures

Ms. Riley gave an overview of the formal policies the Office of Internal Audit will execute in the context of how follow up audits are to be conducted. The consensus of the audit committee members was they were pleased to see a more robust process.

OTHER ADMINISTRATIVE MATTERS

Ms. Riley went over the current status of recommendation implementation follow up, audit projects currently being worked on, and the budget. Ms. Riley provided an electronic copy of the 2020 Office of Internal Audit Annual Report.

Ms. Riley went over the need to have members of the audit committee obtain CJIS clearance in order to review certain reports. Mr. Crumbo advised he had obtained his but encouraged the need to have at least one other member obtain the clearance. A discussion ensued.

Action Item: Mr. Reed requested that information on how to obtain CJIS clearance be sent to audit committee members. Specifics on who will obtain the clearance will be discussed at the next meeting.

<u>Recognition of Charles Frasier's service to the Metropolitan Audit Committee and discussion on new TSCPA appointee</u>

Ms. Riley advised Charles Frasier's term as a representative of the Tennessee Society of Certified Public Accountants on the Metropolitan Audit Committee would be ending in March 2021. Mr. Frasier would not be seeking another term on the committee. Mr. Frasier was recognized for his service and thanked by various members of the committee. Ms. Riley advised the Tennessee Society of Certified Public Accountants was in the process of appointing another member.

The next regularly scheduled meeting is April 13, 2021, at 4:00 p.m.
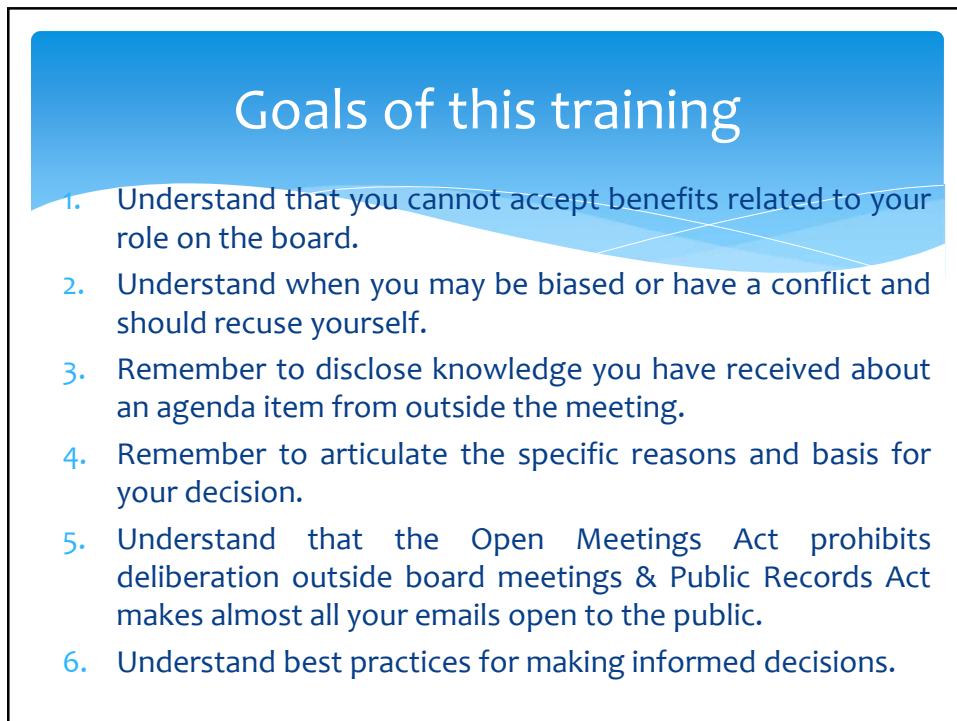
The public meeting adjourned after approximately 1 hour and 3 minutes.

* *

The minutes for the February 9, 2021, Metropolitan Nashville Audit Committee meeting are respectfully submitted.

Lauren Riley, Metropolitan Auditor
Secretary, Metropolitan Nashville Audit Committee

Ethics Presentation

Department of Law 2021

1

Goals of this training

1. Understand that you cannot accept benefits related to your role on the board.
2. Understand when you may be biased or have a conflict and should recuse yourself.
3. Remember to disclose knowledge you have received about an agenda item from outside the meeting.
4. Remember to articulate the specific reasons and basis for your decision.
5. Understand that the Open Meetings Act prohibits deliberation outside board meetings & Public Records Act makes almost all your emails open to the public.
6. Understand best practices for making informed decisions.

2

Goal (1): Understand that you cannot accept benefits related to your role on the board.

* **Metro Code Chapter 2.222 is the general ethics ordinance and provides that all Metro employees** (this includes any official, officer, employee or servant, or any member of any board, agency, commission, or authority) **shall not:**

  - Accept or solicit any benefit that might reasonably tend to influence them to act improperly in the discharge of their official duties;

  - Use Metro property, services, or funds for personal purposes;

  - Use non-public Metro information for personal gain, or for the gain of any family member or other employer;

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"shall not" continued

  - Use a Metro position improperly to secure unwarranted privileges or exemptions for themselves, relatives or others;

  - Accept other employment which might impair their independent judgment in the performance of their Metro duty;

  - Accept any benefit which the employee should reasonably believe was intended to influence any action taken in the employee's official capacity.

4

Limited Exceptions

You may accept these types of benefits, if no conflict or appearance of conflict otherwise exists:

- ➢ Awards of trifling value publicly presented in recognition of public service;

- ➢ Gifts unrelated to a person's position as a metro employee;

- ➢ Meals, beverages, food, promotional items, or hand-produced items of a value of up to $25 from a single source in any calendar year;

- ➢ Free or discounted admissions, tickets, access to events or travel expenses from any single source of an aggregate value in any calendar year of up to $100 or tickets of a face value in excess of $100 if the event is generally recognized as an annual fund-raising benefit sponsored by a non-profit organization.

5

Metro Board of Ethical Conduct

- ∗ Metro Code 2.222.040 creates the Board of Conduct to hear complaints and render advisory opinions about the standards of conduct or an executive order which regulates the ethical standards of conduct for employees of the metropolitan government.

- ∗ Any elected official or member of a board or commission can request an advisory opinion from the Board relating to compliance.

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Ethics Complaint Procedures

* Complaints regarding elected officials or members of boards/commissions are made to the Board of Ethical Conduct.
* Department of Law investigates, evaluates, and makes report to Board regarding whether the facts, if proven true, would amount to an ethics violation.
* Board decides whether to hold a hearing.
* If a hearing is held, parties are to be given an opportunity to present their case.

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Penalties for Violations

* Recommend to Council that the person be censured.
* Recommend that the person resign his/her position.
* Refer matter to district attorney general for prosecution.
* Refer matter to Director of Law requesting that civil action be initiated for restitution or other relief.

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Goal (2): Understand when you may be biased or have a conflict and should recuse yourself.

- **You have a duty of independence**. This means you cannot act:
    - Based on your self-interest, or
    - Based on bias against or in favor of people you know personally, or
    - Based on the interests of the director or contractors with whom your board interacts.
- You must be impartial and act based on the law and evidence presented to you.

9

I have a potential conflict. Should I recuse myself?

Yes, if:

* You are biased based on a personal interest (for example, where you will gain or lose $ fairly directly from the decision), or
* You are biased or prejudiced for or against a party either as an individual or as a member of a group, (for example, you are close friends or business partners with someone and cannot be objective), or
* You cannot fairly or impartially weigh the evidence because you have prejudged fact issues.

Source: *Martin v. Sizemore*, 78 S.W.3d 249, 266 (Tenn. Ct. App. 2001)
(involving a decision to suspend an architect's license).

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Should I recuse myself? continued

No, if :

* You will not gain or lose $ fairly directly from the decision, and
* You can be objective and do not believe your participation will create an appearance of impropriety. In that case, disclose potential conflict but state that you believe you can be unbiased and will participate.

If you are uncertain, please consult with staff and/or Metro Legal, because your participation in a decision may be challenged on appeal.

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Goal (3): Remember to disclose knowledge you have received about an agenda item from outside the meeting.

* Disclose knowledge from outside the meeting - or recuse.
* Knowledge can include attempts to lobby you, outside the meeting.
* Knowledge can include your expertise or experience with this type of issue or area of town when making a decision.

Source: Byron Ave. 3501, LLC v. Metro. Historic Zoning Comm'n,
2011 WL 2112774, at *9 (Tenn. Ct. App. 2011)
(involving a decision to demolish Ransom School
in West Nashville).

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Goal(4): Remember to articulate the specific reasons and basis for your decision.

Acceptable reasons:

* Criteria in the relevant guidelines or laws.
* Facts presented at the meeting.
* Past experience with similar issues.
* Studies by experts or specific observations made by the public.

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Specific reasons, continued

Unacceptable reasons:

* Sympathy for the applicant or for people who are opposed to the approval.
* Opposition that is not based on the relevant guidelines or laws ("this project may be noisy and we already have too much traffic").

Source: Demonbreun v. Metro. Bd. of Zoning Appeals, 2011 WL 2416722 (Tenn. Ct. App. 2011) (overturning the BZA's denial of a permit to operate a historic home event site).

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Goal (5): Understand that the Open Meetings Act prohibits deliberation outside board meetings & Public Records Act makes almost all your emails open to the public.

* Board members should <u>absolutely avoid</u> the use of email to discuss board issues or to invite comments from other Members concerning any public business.

* It does not matter whether the email is a Metro email address or private email address.

* Violations of the Open Meetings Act make decisions based upon these deliberations void. A judge may also order court-supervision of a board.

Source :Johnston v. Metro. Gov't of Nashville & Davidson Cty., 320 S.W.3d 299 (Tenn. Ct. App. 2009) (finding an open meetings violation when councilmembers deliberated about whether to adopt the Belmont-Hillsboro historic overlay through emails prior to their meeting).

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What's a "meeting"

- A meeting is when two or more members of a governing body, with the authority to make decisions for or recommendations to a public body, meet and **make a decision or deliberate toward a decision**. T.C.A. § 8-44-102.
- Adequate public notice must be given for all meetings. T.C.A. §8-44-103.

  - Notice informs affected parties of their opportunity to be heard and gives them time to prepare for and anticipate the meeting.

  - Tennessee courts have determined that adequate public notice is sufficient notice under the circumstances that would fairly inform the public of the meeting. *Memphis Publ'g Co. v. City of Memphis*, 513 S.W.2d 511, 513 (Tenn. 1974).

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What's not a "meeting"

The following are not considered meetings, as long as there is no decision made or deliberation toward a decision:

* On-site inspection
* Chance meeting/informal assemblage
* Attorney-Client Meetings
    * Executive sessions with attorneys regarding anticipated or ongoing litigation are exempt from the Tennessee Open Meetings Act, but actual decisions regarding litigation must be made at an open public meeting.

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Electronic Meetings under the Governor's Executive Orders

Electronic meetings have been permitted temporarily during the Covid pandemic, pursuant to Executive Orders issued by the Governor.

Electronic meetings have separate requirements, including:

* Prior to conducting business, the board determines that the proposed agenda constitutes essential business of the body and that "meeting electronically is necessary to protect the health, safety, and welfare of Tennesseans in light of the COVID-19 outbreak."

* Votes are conducted by roll call.

* Meetings shall remain open and accessible to the public by providing real-time, live audio or video access to the public.

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Electronic Meetings under the Governor's Executive Orders, continued

* A recording must be made public within two days of the meeting.

* The public notice must inform the public that the meeting is held electronically and how to watch real-time and participate, if permitted. Boards are "strongly urged" to include the agenda in the notice.

* Meeting participants should identify themselves in a manner reasonably calculated to permit the public to ascertain the identity of the person speaking.

* Public comment should be substantially similar to pre-COVID conditions, but may be accomplished by reading submitted comments into the record during the meeting

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Goal(6): Understand best practices for making informed decisions.

* Best practices for staff:

  * Provide a detailed agenda for each meeting, ideally at least a week ahead of the meeting, so that
    * The public may be informed of issues to be deliberated or decided.
    * The board may review relevant documents or contracts in preparation for the meting.

  * Provide a staff report or recommendation for each agenda item, in written or oral form, with the reasoning behind this recommendation.

  * Start each meeting with a declaration by any board members of conflicts and or recusals on agenda items.

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Best practices, continued

* Best practices for board members:

  • Make sure you understand the work of the department staffing your board – for example, meet the leadership, ask for a tour, review key organizational documents and contracts and understand the board's legal role and some history of past decisions.

  • Before each meeting, review the agenda and copies of the relevant documents or contracts that you will need to make an informed decision. Ask questions about anything you don't understand. Note any conflicts that should be disclosed or warrant recusal.

  • Consider adopting metrics for your board to measure whether you are acting timely or in accordance with your board's duties.

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Questions:

Alex Dickerson &
Lora Barkenbus Fox

Department of Law
(615)862-6341

22

Audit of Metropolitan Water Services Water and Sewer Billing Process

March 2, 2021

Metropolitan
Nashville
Office of
Internal Audit

Audit of the Metropolitan Water Services Water and Sewer Billing Process

Why We Did This Audit

The audit was requested by Mr. Scott Potter, Director of Water Services, due to the increasing number of concerns from customers and Metropolitan Nashville Councilmembers about high water bills.

What We Recommend

- Evaluate Call Center staffing levels along with call volume to ensure customer calls are answered with minimal wait times and abandonment.

- Evaluate the options for call center logging to include detailed metrics to assist in evaluating potential areas of concern. Implement policies and procedures that ensure a consistent level of detail for both internal and external communication about accounts.

BACKGROUND

Metro Water Services provides drinking water, wastewater treatment, and stormwater services to Davidson County and portions of surrounding counties. Water and sewer services are billed based on usage and meter size, and billing rates are set through Metropolitan Nashville Government Ordinances. Metro Water Services implemented a rate increase in January of 2020, the first increase in rates since 2011.

For fiscal years 2019 and 2020, Metro Water Services billed customers for the following:

Fiscal Year	Customers	Billings
2019	2,564,430	$253,595,376
2020	2,379,382	$297,400,670

OBJECTIVES AND SCOPE

The objective of this audit was to determine if Metro Water Services has implemented adequate processes and controls to ensure that monthly water and sewer bills are accurate. Specifically, to determine if:

- Water and sewer bills are being properly calculated and invoiced to customers.
- Controls exist to ensure that meter readings are accurate and properly reflected in the customers' bills.
- Communications to customers were reasonable to ensure understanding of rate increases.
- Processes are in place to ensure customer concerns are communicated, reviewed, and remedied.
- Procedures are being followed to ensure customers are granted proper payment options and that shut-off actions for nonpayment were postponed in accordance with the Metropolitan Nashville Government's pandemic response plan.

The scope of the audit included all water and sewer bills between September 2018 and August 2020. Due to the COVID-19 pandemic and resulting collections process changes, this audit does not include normal cash and customer collections. A future audit will include this process.

WHAT WE FOUND

Processes and controls are in place to ensure accurate calculation of water and sewer charges on residential and commercial customer bills. Recalculations found no errors in billings. Rates were accurately input into the billing system in accordance with approved rate ordinances. Parameters used to evaluate bill abnormalities were reasonable and resulting kick outs were investigated.

Information regarding the rate changes was clearly and appropriately communicated to Metro Water Services customers. However, communication with customers after the fact could be improved.

GOVERNANCE

The Metropolitan Code of Laws, Chapter 15, Division I includes established water and sewer rates as well as billing and collections requirements. Metro Water Services establishes new rates through ordinances. Current water and sewer rates were established through BL2019-045 (as amended), which was approved on December 9, 2019.

Metro Water Services is led by the Director of Water Services. The Customer Service department is responsible for customer billing and collections and is overseen by the Assistant Director, Customer Service.

BACKGROUND

The billing process for water and sewer services begins with the water meters recording usage at applicable locations and ends with an invoice sent to the customer.

Information Technology

Metro Water Services uses Sensus brand meters and the Sensus FlexNet Regional Network Interface (RNI) SaaS system. The Sensus RNI system interfaces with MeterSense Meter Data Management (MDM) SaaS system. The MeterSense system interfaces with the Customer Information System, Systems and Software's enQuesta. Exhibit A shows the dataflow of information between the systems.

Exhibit A: Meter Data Flow
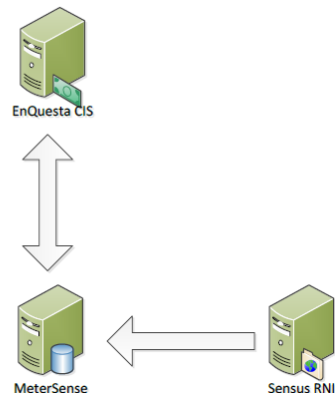
Source: Metro Water Services

Metro Water Services has used Systems and Software's enQuesta Customer Information System since 2012. The enQuesta system houses customer account information, meter reading data, billing and invoices, as well as a workflow for each account consisting of general notes, work orders, account changes, and other details relevant to the account.

Meters

Metro Water Services uses three types of meters: AMR meters, AMI meters, and Neptune meters. Neptune meters are for 1.5-inch meters and larger. Neptune meters are fully compatible with Sensus products and software.

Both AMR and AMI meters are programmed to be digitally read. AMR meters are read by the Sensus system on the computer in the field technician's truck as the truck drives past the address. AMI meters can be read as a drive-by, or they can be read hourly through a nearby tower. The tower automatically

pulls meter data from the AMI meters on an hourly basis and puts the data into a secure server that is accessible by Metro Water Services staff without leaving the office. Currently, there are only nine towers covering a limited portion of the service area. Therefore, the most common method used to read meters is the drive-by method.

Water and Sewer Rates

Water and sewer charges on a Metro Water Services bill are calculated using two primary factors: the size of a meter and the centum cubic feet (CCF) usage during the period. One CCF is equal to 748 gallons.

In late 2019, the Metropolitan Council approved a rate increase for Metro Water Services customers to be effective January 1, 2020. This was the first-rate increase seen by Metro Water Services customers since 2011. The changes in rates were based on a rate study performed by Raftelis Financial Consultants, Inc.

Prior to the rate changes in 2020, one rate was applied for all CCF volume usage above 2 CCF. The 2020 rate change created a tiered system for CCF usage, with lower rates for lower usage. See Exhibit B for the increase in rate for each tier. Sewer rates did not adopt the tiered structure.

Exhibit B: Increase in Residential Water and Sewer Rates by Volume After Rate Change

Residential Volumetric Rate	2019 Water	2020 Water	2019 Sewer	2020 Sewer
0-2 CCF*	$0.00	$0.00	$0.00	$0.00
3-6 CCF	2.33	3.50	4.74	5.85
7-10 CCF	2.33	4.20	4.74	5.85
11+ CCF	2.33	5.25	4.74	5.85

Source: Metro Nashville Code of Laws, Chapter 15.32 – 15.44

Along with usage, a customer is charged a flat fee for each meter every month, based on the size of the meter. See Exhibit C for the increase in flat fees for meter size.

Exhibit C: Increase in Residential Water and Sewer Meter Fees After Rate Change

Meter Size	2019 Water	2020 Water	2019 Sewer	2020 Sewer
5/8-inch	$3.13	$5.09	$7.62	$8.14
3/4-inch	10.62	12.12	21.63	36.00
2q11-inch	12.77	15.28	26.05	46.58
1.5inch	18.77	26.85	38.29	90.67
2-inch	25.29	37.91	51.57	127.38
3-inch	33.38	60.58	68.04	158.59
4-inch	54.41	137.72	110.88	449.98
6-inch	85.42	171.93	174.12	536.44
8 and 10-inch	133.59	223.72	272.29	686.89

Source: Metro Nashville Code of Laws, Chapter 15.32 – 15.44

Water bills vary by customer based on their individual water and sewer needs. The type and size of the property, the amount of time spent at home, and outdoor irrigation will affect the total usage of water each month.

Billing Review

Metro Water Services utilizes billing review functions within enQuesta to determine if individual customer billing data has abnormalities that may be the result of a leak, equipment malfunction, or other issues. Parameters are set to notify Metro Water Services if a customer bill has:

- Negative usage
- Zero usage for five months
- No reading for the month
- Billing average increase of 300%
- Billing average decrease of 50%
- Duplicate readings

Upon notification of a billing abnormality, a Metro Water Services employee will review the notification and determine next steps. Investigations by Field Activities employees may include visiting the residence and checking the meter for damage or visible leaks. Customer Service Center employees may also contact the property owner about the abnormality and recommend steps to determine if internal leaks may be an issue.

Collections

In early 2020 when a tornado struck Nashville, Metro Water Services temporarily halted late fees, water disconnects for non-payment, and collections efforts of water and sewer bills. Shortly after, the COVID-19 pandemic created hardships for many Nashville residents and Metro Water Services customers. In response to both the tornado and the pandemic, late fees, disconnects for non-payment, and collections efforts remained halted until December 2020. Beginning in November 2020 and leading up to when collections efforts would again resume, accounts with outstanding balances were given the opportunity to create a payment plan in order to pay back their balance over time.

The COVID-19 pandemic significantly changed collections processes for Metro Water Services. In order to ensure the safety of customers and employees, certain aspects of the collections process were altered. Due to these changes, the Office of Internal Audit could not perform an audit of collections processes. The Office of Internal Audit will perform a full audit of collections processes in 2021.

Exhibit D: Water and Sewer Billing vs. Collections by Fiscal Year

Fiscal Year	Amount Billed	Amount Collected	% Collected
FY19	$253,595,376	$235,795,513	93%
FY20	$297,400,770	$272,787,459	92%

Source: enQuesta Customer Information System

Audit Methodology

In order to best determine the accuracy of the customer water and sewer bills, one month was selected prior to the rate change, and one month was selected after the rate change for recalculation of water and sewer charges. Exhibit D shows the totals included in the audit per enQuesta.

Exhibit E: Water and Sewer Bill Population Totals by Month

Month	Number of charges	Total amount	Total CCF
October 2019	219,857	$7,029,013	3,388,205
May 2020	220,280	$6,746,265	2,161,452
Total	440,137	$13,775,278	5,549,657

Source: enQuesta customer information system

Review included both water and sewer charges on both residential and commercial customer accounts during the month. Stormwater charges were not part of this audit and were not included in the recalculations.

AUDIT OBJECTIVES AND CONCLUSIONS

1) Has Metro Water Services implemented adequate processes and controls to ensure that monthly water and sewer bills are accurate?

 a) *Are water and sewer bills being properly calculated and invoiced to customers?*

 Yes. Two billing months were judgmentally selected for review. Using the billing algorithm for both residential and commercial accounts during these two months, water and sewer charges from customer bills were recalculated.

 Utilizing Audit Command Language software, the Office of Internal Audit recalculated 219,857 charges totaling water services of $7,029,013 (75 percent) for October 2019. The Office of Internal Audit recalculated 220,280 charges totaling water services of $6,746,265 (91 percent) for May 2020. Any charges that were not recalculated based on the algorithms used were included as a separate population for sampling. A random representative sample of 47 Metro Water Services billings was chosen for further review. No discrepancies or control weaknesses were found in the calculation of bills.

 Additionally, the Office of Internal Audit reviewed the rate change process and controls. The process to update rates included sufficient controls to ensure rates are tested and reviewed prior to releasing to production. System access to alter rates is appropriate and reviewed regularly.

 b) *Do controls exist to ensure that meter readings are accurate and properly reflected in the customers' bills?*

 Yes. Metro Water Services utilizes meters that do not require manual readings. Meter readings are reliant on drive-by reads or tower reads that relay data. Manual readings are performed if there is an error in remote readings. Access to manipulate meter readings is limited to appropriate staff, and access is reviewed regularly.

 The Office of Internal Audit independently confirmed with the meter manufacturer that no recalls or significant meter malfunctions have occurred within the scope of the audit. The Office of Internal Audit researched to determine if the meter models used by Metro Water Services have had reported issues in other public utilities and noted no reports. Software updates are performed as needed, and the servers on which data is maintained are regularly patched and updated by Metropolitan Nashville Government's Information Technology Services department.

 Metro Water Services utilized parameters within enQuesta to determine abnormalities of billing data. The Office of Internal Audit reviewed the criteria and ensured reports with abnormalities were reviewed by Metro Water Services employees. The Office of Internal Audit reviewed a random sample of 69 accounts with abnormalities to ensure review by Metro Water Services was performed. No discrepancies were noted. Additionally, the Office of Internal Audit reviewed 47 randomly selected work orders within enQuesta to determine if appropriate follow up was performed. Work orders included billing inquiries, investigations, high bill complaints, meter exchanges, and other billing related issues. No issues were noted.

 c) *Were rate increases reasonably communicated to customers?*

 Yes. The Office of Internal Audit reviewed Metro Water Services' communications against ten essential communication components as described by the *Journal of American Water Works Association.* Metro Water Services began communicating with the public about the rate increase as early as September 2019. The rate increase went into effect in January 2020. Several methods

of communication were used to reach all customers including social media, local news, bill inserts, community meetings, and open houses. The Metro Water Services website has interactive bill calculators, sample bills, examples of how to read bills, and other tools for customers to be prepared for their bill and how the rate increase would affect them. Metro Water Services updated their website in response to questions and concerns heard as customers felt the effects of the rate increases. The website specifically details the impact of irrigation and how the summer months will generally have higher bills for customers. Metro Water Services satisfied all best practices when it comes to communicating rate increases with the public.

d) *Are there processes in place to ensure that customer concerns are communicated, reviewed, and remedied?*

Generally, yes. Processes are in place to receive, review, and remedy customer concerns. When problems or concerns are received, they are appropriately delegated or dispatched if necessary. However, the high volume of customer calls compared to the number of staff was found to have a negative impact on the timely communication and resolution of these concerns. The number of calls received by Metro Water Services in 2020 increased by 24,608 compared to 2019, but the average number of staff remained the same. The percentage of calls answered went from 91 percent in 2019 to 84 percent in 2020, and the percentage of calls abandoned by customers increased from 9 percent abandoned in 2019 to 16 percent abandoned in 2020.

Call information is documented within the customer's account in enQuesta. The ability to analyze call information overall is limited to variations of quantity, hold time, and abandonment. Additionally, there are not detailed procedures in place for what information should be documented for each customer interaction. Notes on accounts were inconsistent in detail about concerns raised, questions asked, or work completed. (See Observation A).

e) *Are procedures being followed to ensure customers are granted proper payment options, and that shut-off actions for nonpayment was postponed in accordance with the Metropolitan Nashville Government's pandemic response plan?*

Yes. A review of late fees charged to accounts and accounts shut-off for nonpayment during the audit period showed that late fees stopped being charged to accounts and water shut-offs due to nonpayment did not happen beginning on March 2, 2020.

In November 2020, twelve-month payment plans were offered to customers with outstanding balances to assist these customers in paying past due amounts over time. As of February 1, 2021, Metro Water Services had approximately 1,700 customers on varying payment plans. Payment plans were available to customers prior to 2020 but had eligibility requirements. For new payment plans due to the pandemic, eligibility requirements were removed, and any customer with an outstanding balance was eligible to create a plan.

AUDIT OBSERVATIONS

Internal control helps ensure entities achieve important objectives to sustain and improve performance. The Committee of Sponsoring Organizations of the Treadway Commission (COSO), Internal Control – Integrated Framework, enables organizations to effectively and efficiently develop systems of internal control that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision-making and governance of the organization. See **Appendix B** for a description of the observation *Assessed Risk Rating*.

Observation A – Timeliness and Consistency of Customer Communication

Ensuring customer inquiries and concerns are answered is important to helping customers understand Metro Water Services' billings. Unanswered calls or inadequate information can lead to customer frustrations. A review of call center data for the audit period showed a high volume of calls being made to the Metro Water Services call center. Between 2019 and 2020, the calls received by Metro Water Services increased by 24,608, and the number of staff remained the same. The percentage of calls answered went from 91 percent in 2019 to 84 percent in 2020, and the percentage of calls abandoned by customers increased from 9 percent abandoned in 2019 to 16 percent abandoned in 2020. Additionally, the average hold time increased from 1 minute and 44 seconds in 2019 to 6 minutes and 43 seconds in 2020. When call center staff are overwhelmed by the volume of calls the quality of the customer service and the documentation of the issue can decline.

Additionally, the Avaya call logging service used by Metro Water Services only tracks volume metrics at a high level. These metrics include overall volume, abandoned calls, emergency calls, and hold times. Details of calls are maintained within customer accounts and created into work orders if unable to be answered quickly. Customer calls can be important indicators of areas needing attention. For example, customer call locations could be indicative of localized issues. Additionally, subject matter of calls could be indicative of topics to strengthen communication and explanations. A review of enQuesta notes on accounts found an inconsistency in the level of detail documented on customer calls which makes analysis difficult. There are no procedures that define the level of detail required in the documentation of calls. Determining a method to log and document all calls at a reasonable level of detail could better serve customers.

Criteria:
- COSO 12: The organization deploys control activities through polices that establish what is expected and procedures that put policies into action.
- COSO 13: The organization communicates with external parties regarding matters affecting the functioning of internal control.
- COSO 14: The organization internally communicates information, including objectives and responsibilities

Assessed Risk Rating:
    Medium

Recommendations for management of Metro Water Services:

1. Evaluate call volume data and determine optimal Call Center staffing for high volume months. Have documented plans in place to adjust staffing levels if unforeseen call volume increases occur. Regularly review the call metrics to ensure staffing adequately answers calls and results in reasonable hold times and abandoned calls.

2. Explore options to log all calls on a detailed basis. Determine adequate categories and measures for calls and evaluate calls to determine additional needs of customers. Implement policies and procedures that ensure a consistent level of detail for both internal and external communication about accounts.

GOVERNMENT AUDITING STANDARDS COMPLIANCE

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

METHODOLOGY

To achieve the audit objectives, auditors performed the following steps:

- Reviewed Metropolitan Nashville Government Code of Laws and ordinances, and Metro Water Services policies and procedures.
- Interviewed key personnel within Metro Water Services.
- Reviewed prior audits performed by the Metropolitan Nashville Office of Internal Audit and by other jurisdictions.
- Reviewed and analyzed data to determine compliance with best practices.
- Evaluated internal controls currently in place.
- Considered risk of fraud, waste, and abuse and information technology risks.
- Recalculated customer water and sewer charges to ensure accuracy.

AUDIT TEAM

Laura Henry, CFE, In-Charge Auditor

Lauren Riley, CPA, CIA, ACDA, CMFO, Metropolitan Auditor

APPENDIX A – MANAGEMENT RESPONSE AND ACTION PLAN

We believe that operational management is in a unique position to understand best their operations and may be able to identify more innovative and effective approaches, and we encourage them to do so when providing their response to our recommendations.

Risk	Recommendation	Concurrence and Action Plan	Expected Completion Date
Recommendations for management of the Metro Water Services:			
M	**A.1** - Evaluate call volume data and determine optimal Call Center staffing for high volume months. Have documented plans in place to adjust staffing levels if unforeseen call volume increases occur. Regularly review the call metrics to ensure staffing adequately answers calls and results in reasonable hold times and abandoned calls.	**Accept:** MWS will create a documented plan based on past and expected future call volume to assist in adjusting staffing levels. Call metrics will be reviewed daily and analyzed monthly for necessary changes.	April 30, 2021 and ongoing
M	**A.2** - Explore options to log all calls on a detailed basis. Determine adequate categories and measures for calls and evaluate calls to determine additional needs of customers. Implement policies and procedures that ensure a consistent level of detail for both internal and external communication about accounts.	**Accept:** MWS is in the process of developing an RFP for the replacement of the IVR which will assist in categorizing and measuring calls. We recently hired a trainer who is documenting procedures and determining policy needs, ensuring a consistent level of detail concerning the communication of accounts. MWS will consider hiring a CSC Public Information Advocate with the intent that consumers are better informed therefore reducing call volume.	January 2022 due to acquisition and implementation of a new IVR. Policies and Procedures have been implanted and will be ongoing.

APPENDIX B – ASSESSED RISK RANKING

Observations identified during the course of the audit are assigned a risk rating, as outlined in the table below. The risk rating is based on the financial, operational, compliance or reputational impact the issue identified has on the Metropolitan Nashville Government. Items deemed "Low Risk" will be considered "Emerging Issues" in the final report and do not require a management response and corrective action plan.

Rating	Financial	Internal Controls	Compliance	Public
HIGH	Large financial impact >$25,000 Remiss in responsibilities of being a custodian of the public trust	Missing, or inadequate key internal controls	Noncompliance with applicable Federal, state, and local laws, or Metro Nashville Government policies	High probability for negative public trust perception
MEDIUM	Moderate financial impact $25,000 to $10,000	Partial controls Not adequate to identify noncompliance or misappropriation timely	Inconsistent compliance with Federal, state, and local laws, or Metro Nashville Government policies	The potential for negative public trust perception
LOW/ Emerging Issues	Low financial impact <$10,000	Internal controls in place but not consistently efficient or effective Implementing / enhancing controls could prevent future problems	Generally, complies with Federal, state, and local laws, or Metro Nashville Government policies, but some minor discrepancies exist	Low probability for negative public trust perception
Efficiency Opportunity	An efficiency opportunity is where controls are functioning as intended; however, a modification would make the process more efficient			

Audit of the Juvenile Court Clerk Collections and Victims' Trust Account Management

March 17, 2021

Metropolitan
Nashville
Office of
Internal Audit

Audit of the Juvenile Court Clerk Collections and Victims' Trust Account Management

EXECUTIVE SUMMARY
March 17, 2021

Why We Did This Audit
The audit was conducted due to the vulnerable nature of the citizenry served and the length of time elapsed since the last audit.

What We Recommend

- Improve controls over the Juvenile Information Management System.

- Improve internal controls over collections.

- Ensure reconciliations are performed between the Oracle R-12 system and the Juvenile Information Management System.

BACKGROUND

The Juvenile Court Clerk's Office collects fees and fines such as litigation taxes and court fees. Non-revenue receipts owed to outside parties, such as child support payments, are also collected.

The Juvenile Court Clerk's office also oversees the Victims' Compensation Trust Accounts. These accounts are initiated by the Tennessee Department of Treasury's Claims and Risk Management - Criminal Injuries Compensation division. Each account relates to a juvenile who has been the victim of a crime and was awarded compensation from the Criminal Injuries Compensation Fund. Victims' Compensation Trust Accounts are established at local banks. All disbursements on behalf of juvenile victims must be approved by a judge. As of May 14, 2020, $1,418,370 were held in Victims' Compensation Trust Accounts.

OBJECTIVES AND SCOPE

The objectives of this audit are to determine if:

- Victims' Compensation Trust Accounts were accurately accounted for and properly safeguarded.

- Collections received by the Juvenile Court Clerk's Office were complete, properly recorded, monitored, safeguarded, and deposited timely.

The scope of this audit included cash collections and trust management by the Juvenile Court Clerk's Office between July 1, 2018, and March 31, 2020.

WHAT WE FOUND

The Juvenile Court Clerk's Office has generally established controls over collection receipts. Additionally, the office has generally established controls over the stewardship of the Victims' Compensation Trust Accounts.

Opportunities exist to improve controls over segregation of duties in collections, and the Juvenile Information Management System. Reconciliations between the Juvenile Information Management System and the Oracle R-12 system are not being conducted.

GOVERNANCE

The Juvenile Court Clerk's Office was established and is governed by the Metropolitan Government of Nashville and Davidson County Code of Ordinances, Article IV, Section 30, *Welfare of Children*. The administration of the Victims' Compensation Trust Accounts is governed by Tennessee Code Annotated, Title 29, Chapter 13, through the Tennessee Department of Treasury's Claims and Risk Management - Criminal Injuries Compensation division.

The Juvenile Court Clerk is a constitutional office and is elected by the citizenry to serve a four-year term. The current Juvenile Court Clerk, Lonnell Matthews, Jr has served since 2018. The Juvenile Court Clerk's Office administers the Victims' Trust Accounts and other various collections with a staff of one Office Manager, one Finance Officer and three Collection Clerks.

BACKGROUND

Victims' Compensation Trust Accounts

The Juvenile Court's Clerk's Office oversees the Victims' Compensation Trust Accounts. Victims' Compensation Trust Accounts are monies awarded to juveniles by the Tennessee Department of Treasury's Claims and Risk Management - Criminal Injuries Compensation division. The awards are for juveniles, or their parents, who have been the victims of crimes.

The Tennessee Department of Treasury will order an account to be established by the Juvenile Court Clerk's Office for a specific juvenile, their parents, or legal guardians. The Juvenile Court Clerk's Office will create an account in the Juvenile Information Management System. The amount received from the Tennessee Department of Treasury is deposited into a local bank account chosen by the Juvenile Court Clerk's Office. Checks received from the Tennessee Department of Treasury are made payable to the applicable juvenile, parent, or legal guardian, not the Juvenile Court Clerk's Office. All activity related to the life cycle of these accounts is recorded in the Juvenile Information Management System.

All disbursements from an account must be initiated by, and conform to, a court order. Most disbursements relate to when a juvenile becomes 18 years old. Disbursements before a juvenile becomes an adult are rare. An example would be disbursements related to education.

Exhibit A: Victims' Compensation Trust Accounts Under Age 18 as of May 14, 2020

Age Range	Count	Amount
2 - 10 years old	40	$ 372,910
11 - 17 years old	161	1,045,460
Total	**201**	**$ 1,418,370**

Source: Juvenile Information Management Systems

Fines, Fees and Other Receipts

The Juvenile Court Clerk collects payments for fines, fees, child support payments, litigation taxes, and other miscellaneous items on behalf of juveniles. All activity related to fines, fees, and other receipts are recorded and tracked in the Juvenile Information Management System. A summary of amounts collected during the scope period is shown in Exhibit B.

Exhibit B: Total Collections July 1, 2018, through March 31, 2020

Category	Amount
Child Support Payments	$ 434,401
Paternity / Legitimization / Parentage	91,829
Set Child Support	87,327
All Other Petitions	82,824
Litigation Taxes	72,169
Contempt	71,540
Hearing Costs	63,147
Custody	61,898
Garnishment - Pay Out	54,674
Service Fee - Davidson County	46,447
Copy Storage	41,044
Guardian Ad Litem Fees	33,970
Service Fee - Out of County	25,538
Set Visitation	20,604
Other Categories	116,258
Total	**$ 1,303,670**

Source: Juvenile Information Management System

Examples of other categories include overpayments, fees to modify visitation or child support, operating account interest. The largest type of collections is child support payments, which are often disbursed to the state Child Support Disbursement Unit, but some are due to private individuals.

Fines and fees are treated by the Juvenile Court Clerk's Office as revenue. Revenue is recorded in the Metropolitan Nashville Government's Oracle R-12 system and remitted to the Metropolitan Nashville Government's Department of Finance monthly. Other collections are not considered revenue. They are remitted to the Metropolitan Nashville Government's Department of Finance or appropriate parties but, historically, have not been recorded in the Oracle R-12 System.

OBJECTIVES AND CONCLUSIONS

1. *Are collections complete, properly recorded, monitored, safeguarded, and deposited timely?*

    Generally, yes. The Juvenile Court Clerk's Office has generally established controls over its collection processes. Management followed their established daily procedures. Bank deposits were made accurately and timely.

    Control enhancement opportunities exist over the Juvenile Information Management System. A formal review of user access based on job specific responsibilities has not been conducted since 2003. A listing of active staff members and their respective access roles needs to be generated, periodically reviewed, and updated. Terminated employees also had access to the Juvenile Information Management System. (See Observation A.)

    Additionally, controls over segregation of duties, transfer of custody, and reconciliations need improvement. (See Observation B.)

2. *Are* Victims' Compensation T*rust Accounts managed by the Juvenile Court Clerk's Office accurately accounted for and properly safeguarded?*

    Generally, yes. Victims' Compensation Trust Accounts are being properly established, maintained, and safeguarded. Funds were properly disbursed when the juveniles turned 18 years old. All disbursements were supported by adequate documentation such as an applicable court order. However, there are no reconciliations between account listings sent by the Tennessee Department of Treasury to the Juvenile Court Clerk's Office's internal records. Similar reconciliations were also not being conducted regarding juveniles who became adults. (See Observation C.)

    Additionally, as noted above, control enhancement opportunities exist around the Juvenile Information Management System. (See Observation A.)

AUDIT OBSERVATIONS

Internal control helps entities achieve important objectives and sustain and improve performance. The Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control – Integrated Framework (COSO)*, enables organizations to effectively and efficiently develop systems of internal control that adapt to changing business and operating environment, mitigate risks to acceptable levels, and support sound decision making and governance of the organization. The audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

Observation A – Controls over Software Application

General application controls over the Juvenile Information Management System need improvement. Access to the Juvenile Information Management System is controlled by roles which have access to perform specific functions such as to create, update, and delete information and records. The Juvenile Court Clerk's Office does not maintain a listing of each staff member and the roles that each person has. A formal evaluation of what specific roles are needed for each position has not been conducted since 2003. Such evaluations ensure access is limited to the operational functions needed by staff members. Access is granted based on the role of the previous employee who held the position. A list of roles and specific functions for each staff member was compiled with the assistance of Justice Integration Services. Thirty-two staff members with the ability to create, update, and delete information and records were identified.

Terminated employees also had access to the Juvenile Information Management System. Five out of 27 employees (19 percent) with access on September 9, 2020, had not worked for the Metropolitan Nashville Government since 2018.

Access that is not routinely reviewed against the needs of specific job duties increases the risk of inappropriate activity such as theft or fraud occurring without detection. Additionally, compensating controls such as managerial review of exception reports were not being conducted.

Criteria:
- *COSO*, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

- *COSO*, Control Activities—Principle 11—The organization selects and develops general control activities over technology to support the achievement of objectives.

Assessed Risk Rating:
High

Recommendations for management of the Juvenile Court Clerk's Office:

1. Conduct a formal evaluation of the access rights needed to perform each job role. Ensure the Juvenile Information Management System access privileges properly correspond to each job's responsibility and are properly segregated. Conduct this evaluation periodically.

2. Maintain an active listing of all employees, their access privileges within the Juvenile Information Management System, and their specific job responsibilities.

3. Ensure that access to the Juvenile Information Management System is terminated timely when an employee leaves the Juvenile Court Clerk's Office.

Observation B – Internal Controls Over Collections

Controls and processes related to collections need improvement. Specifically:

- *Segregation of duties* – One employee has physical access to the amounts collected, has record keeping responsibilities, performs reconciliations, and has the ability to create, update, and delete information in the Juvenile Information Management System. There are compensating controls such as transfer of custody, reviews, etc. However, the risk of fraud, loss, or error would be reduced if someone outside the cash collection and record keeping process confirms that the amounts actually deposited in the bank agrees to the internal records.

- *Transfer of custody* – Cash is moved from the vault to the cashier windows without being counted and documented.

- *Reconciliations* - Reconciliations between the Juvenile Information Management System and the Oracle R-12 system are not being conducted.

- Exception reports -- Periodic exception reports are not being generated and reviewed.

A random sample of 25 days of deposits totaling $137,509 revealed that all 25 of the amounts deposited in the bank agreed to the cashiers' daily Juvenile Information Management Systems records. All 25 deposits were made timely and in accordance with Metropolitan Nashville Government Treasury Policy Number 9. However, there were not adequate transfer of custody controls for any of these daily collections or deposits. Having strong controls over segregation of duties, transfer of custody, security of assets, and reconciliation reduces the risk of fraud or loss.

Criteria:

- *COSO, Committee of Sponsoring Organizations of the Treadway Commission* Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.

Assessed Risk Rating:
<mark>Medium</mark>

Recommendations for management of the Juvenile Court Clerk's Office:

1. Ensure a person independent of access to collections reconciles the shift reports, daily total reports, and actual daily bank deposits.

2. Ensure proper transfer of assets controls are in place. Specifically, collections should be counted by two parties, documented, and signed anytime a transfer takes place.

3. Ensure reconciliations between the Oracle R-12 system and the Juvenile Information Management System are being routinely conducted.

4. Management should run a periodic report of exceptions, such as voided transactions, to ensure that transactions are necessary and authorized.

Observation C – Controls over Victims' Compensation Trust Accounts

Reconciliations on the Victims' Compensation Trust Accounts are not being performed. Specifically:

- Reconciliations agreeing amounts ordered by the Tennessee Department of Treasury to Juvenile Court Clerk Office internal records are not being conducted.

- Reconciliations to ensure all juveniles that have reached the age of 18 during a given time period are not being conducted.

- Managerial review of accounts being closed out are not being performed.

A sample of 25 Tennessee Department of Treasury warrants for awards, from a population of 54 warrants, were reviewed. Bank records, signature cards, and applicable dates were reviewed. Each of the 25 sample items was properly handled. Accounts were established timely at the bank and were established for correct amounts. Seven juveniles reached the age of maturity during the scope period. All seven accounts were properly closed with adequate supporting documentation such as a motion to encroach and majority letters. Lack of reconciliations and managerial review increases the risk of theft, fraud, or errors.

Criteria:

- *Committee of Sponsoring Organizations of the Treadway Commission – Principle 10 – The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.*

Assessed Risk Rating:
Medium

Recommendation for management of the Juvenile Court Clerk's Office:

An employee independent of the duties over the Victims' Compensation Trust Accounts should reconcile the accounts which should have been established, maintained, or closed to the actual accounts established, maintained, or closed.

GOVERNMENT AUDITING STANDARDS COMPLIANCE

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

METHODOLOGY

To accomplish our audit objectives, we performed the following steps:

- Studied applicable laws, regulations, and Juvenile Court Clerk's Office policies.
- Interviewed key personnel.
- Evaluated internal controls currently in place.
- Reviewed sample selections to determine the effectiveness of internal controls.
- Considered risk of fraud, waste, and abuse.

AUDIT TEAM

Mary Cole, CPA, CISA, CFE, In-Charge Auditor

Bill Walker, CPA, CIA, CFE, Principal Auditor

Lauren Riley, CPA, CIA, ACDA, CMFO, Metropolitan Auditor

We believe that operational management is in a unique position to best understand their operations and may be able to identify more innovative and effective approaches and we encourage them to do so when providing their response to our recommendations.

	Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
Recommendations for the management of the Juvenile Court Clerk's Office to:			
H	A.1. Conduct a formal evaluation of the access rights needed to perform each job role. Ensure the Juvenile Information Management System access privileges properly correspond to each job's responsibility and are properly segregated. Conduct this evaluation periodically.	**Accept:** We plan to provide evaluation of JIMS access rights on an annual basis, beginning with an initial evaluation immediately to be completed by the end of April 2021.	End of April 2021 & Ongoing
H	A.2. Maintain an active listing of all employees, their access privileges within the Juvenile Information Management System, and their specific job responsibilities.	**Accept:** As part of the initial evaluation JIMS access rights will be charted in a format deemed appropriate by our office IT manager.	End of April 2021 & Ongoing
H	A.3. Ensure that access to the Juvenile Information Management System is terminated timely when an employee leaves the Juvenile Court Clerk's Office.	**Accept:** This step will be added to the list of responsibilities of our office manager to confirm when an employee is terminated or transfers from our office.	Immediately
M	B.1. Ensure a person independent of access to collections reconcile the shift reports, daily total reports, and actual daily bank deposits.	**Accept:** Most of this is being done already. We will add an additional step of having the independent reviewer confirm the bank deposit after it is made, daily.	Immediately
M	B.2. Ensure proper transfer of assets controls are in place. Specifically, collections should be counted by two parties, documented, and signed anytime a transfer takes place.	**Accept:** An additional member of admin, outside of bookkeeping will account for any transfer of asset controls.	Immediately
M	B.3. Ensure reconciliations between the Oracle R-12 system and the Juvenile Information Management System are being routinely conducted.	**Accept:** Management will reconcile between R-12 and JIMS at the time of approving monthly JEs.	Immediately
M	B.4 Management should run a periodic report of exceptions, such as voided transactions, to ensure that transactions are necessary and authorized.	**Accept:** Bi-annually management will randomly audit voided transactions by comparing void receipts reports in JIMS, with the daily reconciliation reports.	Immediately

	Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
M	C.1. An employee independent of the duties over the Victims' Compensation Trust Accounts should reconcile the accounts which should have been established, maintained, or closed to the actual accounts established, maintained, or closed.	**Accept:** Management sign off when these accounts are being opened. Management will also conduct random audits monthly of maintained accounts. Someone from records will confirm and verify when these accounts are closed.	Immediately

Observations identified during the course of the audit are assigned a risk rating, as outlined in the table below. The risk rating is based on the financial, operational, compliance or reputational impact the issue identified has on the Metropolitan Nashville Government. Items deemed "Low Risk" will be considered "Emerging Issues" in the final report and do not require a management response and corrective action plan.

Rating	Financial	Internal Controls	Compliance	Public
HIGH	Large financial impact >$25,000 Remiss in responsibilities of being a custodian of the public trust	Missing, or inadequate key internal controls	Noncompliance with applicable Federal, state, and local laws, or Metro Nashville Government policies	High probability for negative public trust perception
MEDIUM	Moderate financial impact $25,000 to $10,000	Partial controls Not adequate to identify noncompliance or misappropriation timely	Inconsistent compliance with Federal, state, and local laws, or Metro Nashville Government policies	Potential for negative public trust perception
LOW/ Emerging Issues	Low financial impact <$10,000	Internal controls in place but not consistently efficient or effective Implementing / enhancing controls could prevent future problems	Generally complies with Federal, state, and local laws, or Metro Nashville Government policies, but some minor discrepancies exist	Low probability for negative public trust perception
Efficiency Opportunity	An efficiency opportunity is where controls are functioning as intended; however, a modification would make the process more efficient			

**A Report to the
Audit Committee**

Mayor
John Cooper

**Nashville General Hospital
Chief Executive Officer**
Dr. Joseph Webb

Audit Committee Members
Kevin Crumbo
Thom Druffel
Charles Frasier
Brackney Reed
Jim Shulman
Zulfat Suara

Audit Recommendations Follow-up – Audit of Nashville General Hospital Pharmacy Operations

March 23, 2021

Metropolitan
Nashville
Office of
Internal Audit

EXECUTIVE SUMMARY

March 23, 2021

Why We Did This Audit

To evaluate management's implementation of previous audit recommendations as of March 1, 2021.

What We Recommend

Management should continue efforts to implement the remaining three recommendations issued.

BACKGROUND

On December 20, 2019, the Metropolitan Nashville Office of Internal Audit issued an audit report on pharmacy operations at Nashville General Hospital between May 1, 2017, and April 30, 2019. The audit report included 17 recommendations, all of which were accepted by management for implementation. Office of Internal Audit guidelines require monitoring and follow-up to ensure that the recommendations assessed as high or medium risk are appropriately considered, effectively implemented, and yield intended results.

OBJECTIVES AND SCOPE

The objectives of this follow-up audit were to determine if the recommended action or an acceptable alternative was implemented.

The scope of the follow-up audit included all 17 accepted recommendations that management reported as implemented.

WHAT WE FOUND

Of the initial 17 recommendations made, Nashville General Hospital has implemented 14 recommendations. The three recommendations not implemented include the reconciliation of cash receipts collected by the Community Pharmacy by an individual outside of the pharmacy to ensure cash receipts are complete and accurate, developing an inventory methodology for the purpose of identifying inventory shrinkage, and monitoring badge access for the pharmacy to ensure only authorized individuals can access the pharmacy areas.

AUDIT FOLLOW-UP RESULTS

The initial audit report encompassed the pharmacy operations of Nashville General Hospital between May 1, 2017, and April 30, 2019. The audit report included 17 recommendations all of which were accepted by management for implementation.

The Office of Internal Audit will close a recommendation only for one of the following reasons:

> • The recommendation was effectively implemented.
> • An alternative action was taken that achieved the intended results.
> • Circumstances have so changed that the recommendation is no longer valid.
> • The recommendation was not implemented despite the use of all feasible strategies or due to lack of resources. When a recommendation is closed for these reasons, a judgment is made on whether the objectives are significant enough to be pursued later in another assignment.

The scope of the follow-up audit included all 17 accepted recommendations that management reported as implemented. Of the 17 accepted recommendations, 7 recommendations were fully implemented, and 3 were not implemented. Implementation actions were evaluated, as well as progress being made on any open recommendations. Details of the implementation status and updated implementation dates can be seen in Appendix A.

METHODOLOGY

To achieve the audit objectives, auditors performed the following steps:
- Reviewed policies and procedures for the 340B Pricing Program, Covered Entity, and Community Pharmacy cash collections.
- Reviewed the meeting minutes for the 340B Oversight Committee and Medical Diversion Prevention Committee.
- Obtained deposit documentation for the Community Pharmacy to ensure controls over cash collections were implemented.
- Obtained and reviewed the cost-benefit analysis for the implementation of an inventory management system for the Nashville General Hospital.
- Verified pharmacy cameras are operational.
- Ensured the Nashville General Formulary was updated after every Pharmaceutical and Therapeutics Meeting.
- Detail-testing of drug invoices to verify procurement verification controls

We conducted this performance audit in accordance with Generally Accepted Government Auditing Standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

AUDIT TEAM

Seth Hatfield, CPA, CIA, CFE, In-Charge Auditor

Lauren Riley, CPA, CIA, ACDA, CMFO, Metropolitan Auditor

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

The following table shows the guidelines followed to determine the status of implementation.

Table 1

Recommendation Implementation Status	
Implemented	The department or agency provided sufficient and appropriate evidence to support the implementation of all elements of the recommendation and the recommendation's implementation caused or significantly influenced the benefits achieved.
Partially Implemented	The department or agency provided some evidence to support implementation progress but not of all elements of the recommendation were implemented.
Not Implemented	The department or agency did not implement a recommendation because: a) of lack of resources; b) an alternative action was taken that achieved the intended results; c) circumstances have so changed that the recommendation is no longer valid.

The following are the audit recommendations made in our original audit report dated December 20, 2019, and the current implementation status of each recommendation based on our review of information and documents provided by Nashville General Hospital.

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
A.1 Develop policies and procedures for the 340B Drug Discount Program within the Nashville General Hospital. **Assessed Risk Level: High**	The Nashville General Hospital developed policies and procedures for the 340B Drug Pricing Program and Covered Entity Program.	None	**Fully Implemented/ Closed**
A.2 Develop an internal compliance program for the 340B Drug Discount Program. The compliance program should include periodically reviewing policies and procedures, reviewing 340B drug transactions for compliance, and maintain auditable records. **Assessed Risk Level: High**	The Nashville General Hospital received an Audit Checkup by Macro Helix, a third party 340B management service, in 2020. Policies and procedures were developed for the 340B program as well as a charter for the 340B Oversight Committee. A review of the 340B Oversight Committee minutes showed that the Nashville General Hospital is actively monitoring and reviewing the 340B program.	None	**Fully Implemented/ Closed**

B.1 Develop policies and procedures for the collection of cash receipts in the Community Pharmacy. **Assessed Risk Level**: High	The Nashville General Hospital developed a policy and procedure for the collection of cash in the Community Pharmacy.	None	**Fully Implemented/ Closed**
B.2 Develop a retention schedule for deposit documentation in the Community Pharmacy and maintain the documentation for the specified time frame. **Assessed Risk Level**: High	The Community Pharmacy Cash Collections Policy and Procedure specifies a retention policy of two years.	None	**Fully Implemented/ Closed**
B.3 Require both the pharmacist and the pharmacy technician to sign off on the accuracy of the Community Pharmacy cash deposit. **Assessed Risk Level:** High	The Nashville General Hospital Community Pharmacy is using two-person integrity when preparing cash deposits. A review of cash deposits in December 2020 was performed to verify the implementation.	None	**Fully Implemented/ Closed**
B.4 Develop a process in which an employee outside of the Community Pharmacy reconciles the Community Pharmacy cash deposits to the WinRx point-of-sale close out reports. **Assessed Risk Level:** High	A reconciliation was not being performed by an individual outside of the community pharmacy. A deposit slip is delivered to the accounting department, but no verification is done to ensure the deposit is complete or accurate.	Management of the Community Pharmacy has communicated that moving forward the WinRx point-of-sale closing report will be emailed to the accounting department daily so a reconciliation can be performed between the deposit slip and the point-of-sale closing report. **Note:** Implementation occurred during the reporting phase of the audit (3/1/2021) and did not have sufficient implementation time for testing.	**Not Implemented/ Open**
B.5 Maintain a log in the Community Pharmacy to document the transfer of cash from the Community Pharmacy to the courier. Require the courier to sign for the deposit before transferring it to the bank. **Assessed Risk Level:** High	A log was developed and being used in the Community Pharmacy to document the transfer of custody between the Community Pharmacy and the courier.	None	**Fully Implemented/ Closed**

|			
B.6 Ensure that cash receipts are deposited in the bank within one business day of collection**.** **Assessed Risk Level**: **High**	The Nashville General Hospital Community Pharmacy is depositing cash collections within one business day of collection. A review of cash collections from December 2020 was performed to verify the implementation.	None	**Fully Implemented/ Closed**
B.7 Develop a methodology for reconciling the third-party reimbursement checks from insurance carriers to claims processed in the WinRx Pharmacy Management Software to ensure accuracy and completeness. **Assessed Risk Level**: **High**	The Nashville General Hospital developed a policy and procedure for reconciling reimbursement checks from insurance carriers.	None	**Fully Implemented/ Closed**
C.1 Perform a cost-benefit analysis for the implementation of a drug inventory management system in the inpatient pharmacy. **Assessed Risk Level:** **High**	Pricing was obtained from three vendors for a drug inventory management system and a cost benefit analysis was performed on 2/24/2020. Due to budget constraints, Nashville General Hospital decided against the implementation of a drug inventory management system.	None	**Fully Implemented/ Closed**
C.2 Establish a physical inventory methodology as part of the inventory management process within the Nashville General Hospital inpatient and Community Pharmacy. Inventory shrinkage over a specified percentage should be investigated. For example, cycle counting could be used for medications with a high cost. **Assessed Risk Level:** **High**	An inventory was conducted in June 2020 for the purpose of an inventory valuation for the Nashville General Hospital financial statements. However, A physical inventory methodology was not developed for the purpose of identifying shrinkage.	Without the use of an inventory management system, periodic cycle counts would be manual making the counts time consuming and cumbersome. However, since no inventory detection controls are in place for the misappropriation on noncontrolled drugs, the Nashville General Hospital should explore ways to perform inventory checks in some capacity. **Revised Date: 12/31/2021**	**Not Implemented/ Open**

D.1 Ensure the pharmacy badge access is removed for terminated employees in a timely manner and employees that do not have pharmacy related duties. The director of pharmaceutical services should be periodically provided with the listing to ensure that only authorized employees can enter the pharmacies. **Assessed Risk Level**: **High**	The Pharmacy Director reviewed a report that showed who accessed the pharmacy areas during the month, but no documentation was retained to show the review was done. Additionally, no periodic review was done for the report that listed which employees had access to the pharmacy areas. An audit procedure was performed to reconcile a listing of individuals who have access to the pharmacy areas to an active employee listing. This found that individuals had access to pharmacy storage areas that were not current hospital employees.	Management of the inpatient pharmacy has stated that moving forward the Director of Pharmaceutical Services will perform a monthly review of the badge access report that shows which employees entered the pharmacy and a report that lists the employees that have access to the pharmacy. Documentation of this review will be maintained. **Note:** Implementation occurred during the reporting phase of the audit (3/15/2021) and did not have sufficient implementation time for testing.	**Not Implemented/ Open**
D.2 Ensure that all cameras in the inpatient pharmacy and the Community Pharmacy are operational and that footage is periodically reviewed. **Assessed Risk Level**: **High**	The cameras were verified to be working on January 29, 2021.	None	**Fully Implemented/ Closed**
E.1 Formally document the process for investigating possible drug diversion events identified in RxAuditor reports and reporting the conclusions of the investigations in a formal policy and procedure. **Assessed Risk Level:** **High**	The Medical Diversion Prevention Committee was formed and met 6 times in 2020. A review of the meeting minutes was performed.	None	**Fully Implemented/ Closed**

F.1 Ensure the Nashville General Hospital Formulary is updated after each Pharmacy and Therapeutics meeting. **Assessed Risk Level: Medium**	The Nashville General Hospital Formulary was updated after every Pharmacy and Therapeutics Meeting in 2020.	None	**Fully Implemented/ Closed**
G.1 Ensure the Tennessee sales tax exemption is communicated to McKesson to prevent sales tax from being paid on over-the-counter medication and medical supplies. **Assessed Risk Level: Medium**	A review of invoices found that sales tax is not being charged on over-the-counter medication and medical supplies.	None	**Fully Implemented/ Closed**
G.2 Ensure that drug orders are placed and received by different employees or the drug orders are received using two-person verification. Receipt Verification should be documented and maintained in the pharmacy. **Assessed Risk Level: Medium**	A review of invoices found that two-person integrity is being used to verify the receipt of drugs orders.	None	**Fully Implemented/ Closed**
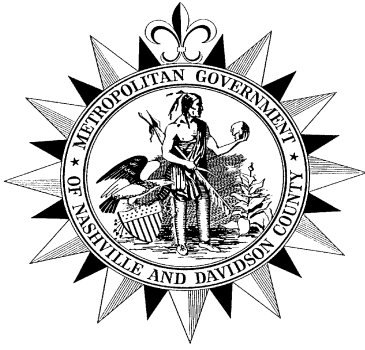
A Report to the Audit Committee

Mayor
John Cooper

Department of Emergency Communications
Stephen Martini

Audit Committee Members
Tom Bates
Kevin Crumbo
Thom Druffel
Brackney Reed
Jim Shulman
Zulfat Suara

Audit of the Department of Emergency Communications

March 30, 2021

Metropolitan
Nashville
Office of
Internal Audit

Audit of the Department of Emergency Communications

Why We Did This Audit

The audit was conducted due to the importance of ensuring the timely delivery of emergency services to the citizenry.

What We Recommend

- Evaluate staffing needs based on call volume and available employee ratio to ensure service delivery goals related to 9-1-1 calls are met.

- Implement steps to ensure standards related to fire type calls are being met. Steps may include updating current criteria and additional training for staff.

BACKGROUND

The mission of the Metropolitan Nashville Emergency Communications Center is to serve as the vital link between the citizens and the emergency responders of Nashville and Davidson County by providing emergency and non-emergency services in a prompt, courteous, and efficient manner. The Emergency Communications Center was created in 2002 to provide "one-stop shopping" for 9-1-1 services. The Emergency Communications Center operates from both a primary site and a backup site.

The annual operating budgets for the Emergency Communications Center in fiscal years 2019 and 2020 were $15.31 million and $15.96 million, respectively.

OBJECTIVES AND SCOPE

The objectives of this audit are to determine if:

- 9-1-1 calls are answered in a timely manner and emergency services are dispatched appropriately.
- Performance measures are applied accurately and objectively in evaluating Emergency Communications Center performance.
- 9-1-1 center employees are properly trained to meet job expectations.
- Policies and procedures or safeguards are in place to ensure the emergency communication system is well maintained and protected from being compromised.

The scope of this audit included all activity from July 1, 2018, to June 30, 2020.

WHAT WE FOUND

The Emergency Communications Center has controls in place to ensure the timely and accurate delivery of emergency services. Policies and procedures are in place to ensure the integrity of the public safety infrastructure.

However, call response times did not meet internal performance metrics. Additionally, the call review quality control process for fire related calls, in certain aspects, were not being met.

GOVERNANCE

The Davidson County Emergency Communications Center is the core operations division within the Metropolitan Nashville Government's Department of Emergency Communications. The Director of the Department of Emergency Communications is appointed by the Mayor and is responsible for the daily operations of the department. The Metropolitan Nashville Government provides the Emergency Communications Center funding for their facility and staffing. Funding for items such as equipment, staff training, etc. are provided by the State of Tennessee's Emergency Communications District.

The Emergency Communications District is an independent State of Tennessee governmental entity that was authorized by Tennessee Code Annotated (TCA) 7-86-105 to enhance 9-1-1 emergency services throughout the state. The 9-1-1 Modernization Act establishes that a 9-1-1 surcharge fee be paid on any telephone service that can call 9-1-1. The fees are collected by the State of Tennessee and passed on to the various local Emergency Communications Districts based on a specific formula. The Davidson County Emergency Communications District was created by Metropolitan Nashville Ordinance No. 088-609. The Davidson County Emergency Communications District is made up of nine board members who are appointed by the Mayor. Each serves a four-year term. The Emergency Communications District Board oversees the use of the 9-1-1 surcharge fees that are allocated by the Tennessee Emergency Communications District. These funds must be used exclusively in the operation of the specific local Emergency Communications District.

BACKGROUND INFORMATION

9-1-1 is the nationwide primary emergency number that is designed to ensure quick response to persons calling for police, fire, or medical services. 9-1-1 calls made within the geographic boundaries of the Metropolitan Nashville Government are routed to the Emergency Communications Center which serves as the public safety answering point. The Emergency Communications Center provides both the 9-1-1 emergency number and the non-emergency number for citizens in need to call for help. More than a million calls are processed a year in the center. The center operates on a three-shift schedule to ensure 24 hours a day, 7 days a week, non-stop operation. There are 25 phone positions for call takers and 14 radio positions for dispatchers in the center when at full capacity.

The Emergency Communications Center's telecommunicators are trained to process each call based on the need of the caller and the type of request. Call information is entered into the Computer Aided Dispatching system. The Computer Aided Dispatching system keeps track of each call from when the call is received to when the responders leave the scene. There is a time stamp at each process point of the incident, and updates are made throughout the lifecycle of the call. The system has indicators on the number of calls on hold and hold times to enable management to address the issue as timely as possible.

The 9-1-1 center tracks the number of inbound calls, outbound calls, and abandoned calls using the Emergency Call Tracking System. The system allows 9-1-1 center staff to generate reports on various performance measures including call volume, call duration, and answering standards. Exhibit A lists the number of emergency and non-emergency calls received in the past two fiscal years.

Exhibit A – Emergency Communications Center Incoming Calls Statistic:

Fiscal Year	Total Incoming Calls	9-1-1 Calls	9-1-1 Calls Abandoned	9-1-1 Calls % Abandoned	Total 8600 Calls	% of 8600 Calls
2019	1,229,947	449,816	96,503	21%	780,131	63%
2020	1,131,432	412,317	54,064	13%	719,115	64%
Total	**2,361,379**	**862,133**	**150,567**	**17%**	**1,499,246**	**63%**

Source: Emergency Communications Center

The abandoned calls are those calls in the queue that were discontinued by the caller before they could be answered. Abandoned calls will be returned by an available telecommunicator later. 8600 calls are non-emergency calls from citizens and will be directed to applicable Metropolitan Nashville Government departments. Non-emergency calls make up over 60 percent of all the incoming calls.

OBJECTIVES AND CONCLUSIONS

1. *Are 9-1-1 calls answered in a timely manner and emergency calls dispatched in accordance with applicable policies and procedures?*

   Generally, yes. The Emergency Communications Center established controls and procedures to ensure emergency calls are answered promptly and emergency service dispatched appropriately. A review of emergency call statistics indicates that the majority of 9-1-1 calls are answered in a timely manner. In addition, the analysis of the emergency call quality control review form showed emergency calls were dispatched in accordance with industry standards and best practices. However, proactive measures such as staffing analysis may be needed to ensure sufficient manpower to meet the increasing demand of emergency services from citizens. (See Observation A.)

2. *Are performance measures being accurately captured, tracked, and reported to appropriate parties to evaluate and manage actual performance?*

   Generally, yes. Controls were in place to ensure the tracking and reporting of emergency call data is accurate and in compliance with industry standards. An analysis of the 9-1-1 calls and dispatch review indicates a high compliance rate on Metropolitan Nashville Police Department and medical calls and related dispatching. However, there was a lower compliance rate on Metropolitan Nashville Fire Department calls and related dispatching. (See Observation B.)

3. *Are 9-1-1 center employees properly trained to meet job expectations and adequately monitored to ensure proper protocols and procedures are being followed?*

   Yes. Training records and certificates of 25 employees were reviewed for their applicable job requirements. All 25 employees maintained the required credentials and certifications. The Emergency Communications Center properly tracks and monitors required training according to International Academies of Emergency Dispatch standards and other related regulations.

4. *Are safeguards in place to ensure that the Computer Aided Dispatch system and 9-1-1 phone system are operating as intended and protected from being compromised?*

   Yes. There are procedures covering the management and utilization of the Computer Aided Dispatch and 9-1-1 phone systems. Procedures include monitoring user activity, Computer Aided Dispatch System down time, security, and periodic testing of the phone and radio systems. In addition, a comprehensive continuity of operations guide is in place to ensure continued operations of the Emergency Communications Center during unusual or emergency situations. A third-party cybersecurity assessment report was completed in August 2020. The assessment evaluated the Emergency Communications Center systems to ensure there are no major cybersecurity issues to compromise the public safety communication needs.

AUDIT OBSERVATIONS

Internal control helps entities achieve important objectives and sustain and improve performance. The Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control – Integrated Framework (COSO)*, enables organizations to effectively and efficiently develop systems of internal control that adapt to changing business and operating environment, mitigate risks to acceptable levels, and support sound decision making and governance of the organization. The audit observations listed are offered to assist management in fulfilling their internal control responsibilities.

Observation A – 9-1-1 Call Answering Time

The service delivery goal for Emergency Communications Center for answering 9-1-1 calls within an established time frame is not being met. The Emergency Communication Center follows industry standard NENA Call Answering Standard 56-005, which required 90 percent of 9-1-1 calls be answered within 10 seconds. The average 9-1-1 call answering time from July 1, 2018, to June 31, 2020, was about 8.88 seconds with approximately 73 percent of calls answered within 10 seconds. The cause for not meeting this metric is difficult to quantify but likely a function of staffing utilization. This ties into ensuring proper staffing levels and ensuring optimal utilization at peak times. Not meeting the service delivery goal increases the risk of more emergency needs not being met. Reevaluating and prioritizing staffing needs helps decrease this risk.

It is important to note that this standard was revised to reflect different metrics in April 2020. The name of the standard was changed to NENA Standard 020.1-2020 9-1-1 Call Answering Standard. The new standard requires 9-1-11 calls to be answered within 15 seconds 90 percent of the time and to be answered within 20 seconds 95 percent of the time. The chart below details the specific results of the Emergency Communication Center for the scope period.

Exhibit B: 9-1-1 Results to NENA Standard

Exhibit B: 9-1-1 Results to NENA Standard — 9-1-1 Call Average Answering Time
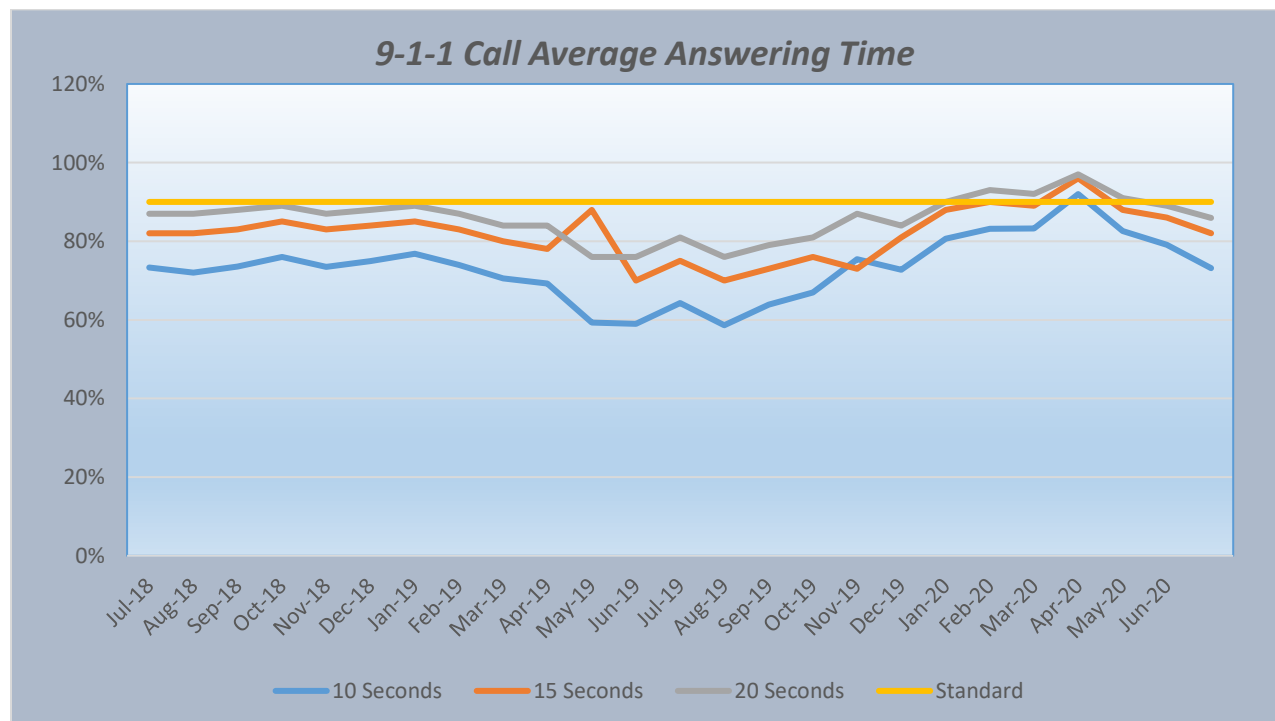
Criteria:
- MENA Call Answering Standard/Model Recommendation 56-005.
- NFPA® 1221 Standard for the Installation, Maintenance, and Use of Emergency Services Communications Systems 7.4.1
- *COSO*, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
- *COSO*, Control Activities–Principle 12 – The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Assessed Risk Rating:
Medium

Recommendation for management of the Department of Emergency Communications to:
Evaluate staffing needs based on call volume and available employee ratio to ensure the service delivery goal is achieved.

Observation B – 9-1-1 Fire Department Related Call Monitoring Process

Performance criteria used in monitoring fire related calls are, in some instances, not applicable or practical related to the objectives of the Emergency Communications Center. The Emergency Communications Center uses an in house developed standard for police dispatching on 9-1-1 calls. For fire and medical dispatching on 9-1-1 calls, the department uses the International Academies of Emergency Dispatch standard. On a monthly basis, telephone and dispatched incidents calls are randomly selected by the quality assurance reviewers to evaluate the compliance with respective standards. Based on the 2018 and 2019 annual reports, the compliance rate on police dispatching of 9-1-1 calls is above 98 percent for both 2018 and 2019. The compliance rates for fire 9-1-1 calls are 68 percent and 60 percent for 2018 and 2019 respectively. The compliance rates for medical 9-1-1 calls are 88 percent and 87 percent for 2018 and 2019 respectively.

The lower compliance rate in fire related calls is mainly due to several nonapplicable and impractical measures related to these standards. For example, specific wording must be strictly used in some instances to comply with the International Academies of Emergency Dispatch's fire dispatch protocol. Minor variances from the wording that do not have a substantive impact on the quality of the service received are recorded as non-compliant.

Industry best practices selected by the organization that are misaligned to its operations will not reflect the true performance of the organization. Reevaluating and selecting the right industry standard will decrease this risk.

Criteria:
- Rules of Department of Commerce and Insurance Emergency Communications Board, Chapter 0780-06-02 Dispatcher Training Regulations.
- *COSO*, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
- *COSO*, Control Activities–Principle 12–The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Assessed Risk Rating:
    Low

Recommendation for management of the Department of Emergency Communications to:
Implement steps to ensure standards related to fire communications are being met. Evaluate available industry standards or best practices and adopt standards that align more closely to the operations and objectives of the Emergency Communications Center. Provide additional training, if applicable.

GOVERNMENT AUDITING STANDARDS COMPLIANCE

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our observations and conclusions based on our audit objectives.

METHODOLOGY

To accomplish our audit objectives, we performed the following steps:

- Studied applicable emergency communications laws and regulations.
- Interviewed key personnel within the Davidson County Emergency Communications Center.
- Evaluated internal controls currently in place.
- Conducted industry benchmark comparison and analysis.
- Performed analytics on 9-1-1 call statistics, call answering, and dispatching compliance rate.
- Reviewed sample selections to determine the effectiveness of internal controls.
- Considered risk of fraud, waste, and abuse.

AUDIT TEAM

Nan Wen, CPA, In-Charge Auditor

Bill Walker, CPA, CIA, CFE, Principal Auditor

Lauren Riley, CPA, CIA, ACDA, CMFO, Metropolitan Auditor

John Cooper, Mayor

Stephen P. Martini, Director

Metropolitan Nashville & Davidson County

Department of Emergency Communications

Tuesday, March 30, 2021

ATTN: Ms. Lauren Riley
      Metropolitan Auditor
      Office of Internal Audit
      404 James Robertson Parkway
      Nashville, TN 37219

RE: Audit of the Metro Nashville Department of Emergency Communications

Ms. Riley:

This letter acknowledges our receipt of the interim draft audit report conducted for the Metro Nashville Department of Emergency Communications (MNDEC). The Command Staff at the MNDEC reviewed the observations noted in the report and implemented recommendations as indicated in the Management Response and Action Plan.

We appreciate the attention given to reinforcing our identified need within Metro Nashville Department of Emergency Communications to appropriately align staffing and performance to conduct our mission-critical tasks in compliance with national call-processing standards.

**Regarding Observation A**, the MNDEC actively worked throughout 2020 to attain compliance with this service delivery goal, adjusting to modifications made to existing standards and working to complete basic training for all personnel hired in 2020.

This report references NENA Call Answering Standard 56-005. In April 2020, this standard was revised to "NENA Standard 020.1-2020 9-1-1 Call Answering" to align previously identified call answer times from 10 seconds to 15 seconds 90% of the time, aligning with companion standard NFPA 1221 Chapter 7. The same standard requires 9-1-1 calls to be answered within 20 seconds 95% of the time.

Our compliance with this standard through and after this audit evaluation period is illustrated in the line graphs below. As a result of continued focus to meet this standard, call answering statistics continued to trend near or above compliance at least 50% of the most recent 12 months.

APPENDIX A – MANAGEMENT RESPONSE AND ACTION PLAN
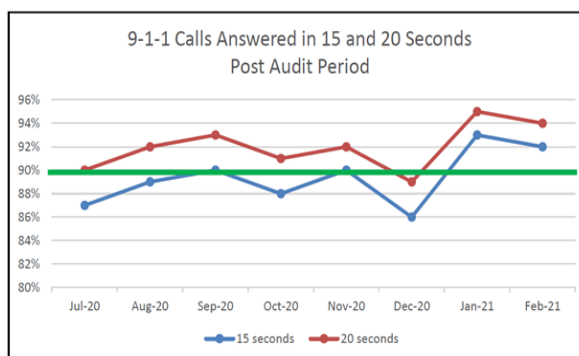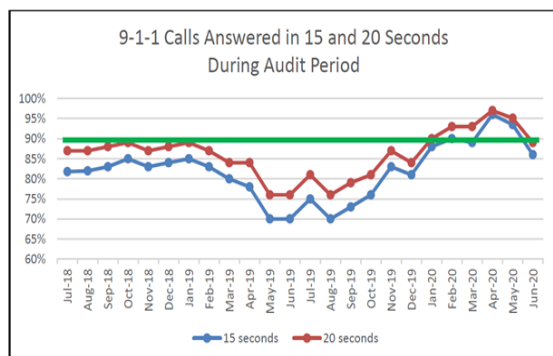
The MNDEC expects these trends to continue improving as the 63 new team members hired since March 2020 complete basic training and are released to work independently, adding personnel to fill vacant shifts, which is expected to occur May 28, 2021.

In March 2021, the MNDEC conducted research based on a period of high-compliance (Mar. 13th - May 1st, 2020) when, due to stay-at-home orders associated with the Coivd-19 pandemic, call volumes decreased to levels manageable by existing staff. As a result of this assessment, the MNDEC determined the proper ratio of call-takers to 9-1-1 calls to be one dispatcher per 3.5 calls per hour. More broadly, if the MNDEC receives 50 9-1-1 calls in one hour, 14 public safety dispatchers are required to answer those calls in compliance with national call processing standards. If 9-1-1 calls increase 3.5 calls per hour, 15 public safety dispatchers would be required. Conversely, if calls decreased by the same amount, 13 public safety dispatchers would be required. We are using this data to assess and allocate staff accordingly in the future.

Regarding Observation B, to comply with these operational standards, the MNDEC is transitioning to a new guidecard vendor partnering with the Association of Public Safety Communications Officials Institute, replacing the more rigid call protocols currently offered by the International Academy of Emergency Dispatch.

This transition, effective Aug. 1, 2021, allows local fire administrators to omit nonapplicable or impractical questions or instructions from the call-taking process allowing dispatchers the opportunity to quickly and efficiently identify the correct resource to dispatch to the scene. Minor variances in wording do not deduct from the quality of the service provided, so long as the information needed to make dispatch decisions or offer critical care through pre-arrival instructions is obtained.

Through this realignment, the DEC anticipates higher compliance with quality assurance benchmarks with the use of these new guidecards.

Regards,

Stephen Martini, Director

APPENDIX A – MANAGEMENT RESPONSE AND ACTION PLAN

We believe that operational management is in a unique position to best understand their operations and may be able to identify more innovative and effective approaches and we encourage them to do so when providing their response to our recommendations.

	Recommendations	Concurrence and Action Plan	Proposed Completion Date
Recommendations for management of the Department of Emergency Communications to:			
M	**A.1** - Evaluate staffing needs based on call volume and available employee ratio to ensure the service delivery goal is achieved.	**Accept:** The MNDEC accepts this finding, having actively worked throughout 2020 to attain compliance, complying with modifications made to existing standards and successfully completing basic training for all newly-hired personnel. Continuing our trend toward compliance with this service delivery goal is explained in more detail in the Acceptance Letter.	May 28, 2021
L	**B.1** - Implement steps to ensure standards related to fire communications are being met. Evaluate available industry standards or best practices and adopt standards that align more closely to the operations and objectives of the Emergency Communications Center. Provide additional training, if applicable.	**Accept:** The MNDEC accepts this finding, recognizing an opportunity to align our performance operations with more broadly accepted performance standards measured by the National Fire Protection Association, within Standard 1221, specifically Chapter 7. To comply with these operational standards, the MNDEC is transitioning to a new guidecard vendor utilizing the Association of Public Safety Communications Officials Institute, replacing more rigid call protocols currently used from International Academy of Emergency Dispatch. This transition is explained in more detail in the Acceptance Letter.	August 1, 2021

APPENDIX B – ASSESSED RISK RANKING

Observations identified during the course of the audit are assigned a risk rating, as outlined in the table below. The risk rating is based on the financial, operational, compliance or reputational impact the issue identified has on the Metropolitan Nashville Government. Items deemed "Low Risk" will be considered "Emerging Issues" in the final report and do not require a management response and corrective action plan.

Rating	Financial	Internal Controls	Compliance	Public
HIGH	Large financial impact >$25,000 Remiss in responsibilities of being a custodian of the public trust	Missing, or inadequate key internal controls	Noncompliance with applicable Federal, state, and local laws, or Metro Nashville Government policies	High probability for negative public trust perception
MEDIUM	Moderate financial impact $25,000 to $10,000	Partial controls Not adequate to identify noncompliance or misappropriation timely	Inconsistent compliance with Federal, state, and local laws, or Metro Nashville Government policies	Potential for negative public trust perception
LOW/ Emerging Issues	Low financial impact <$10,000	Internal controls in place but not consistently efficient or effective Implementing / enhancing controls could prevent future problems	Generally complies with Federal, state, and local laws, or Metro Nashville Government policies, but some minor discrepancies exist	Low probability for negative public trust perception
Efficiency Opportunity	An efficiency opportunity is where controls are functioning as intended; however, a modification would make the process more efficient			

Fiscal Year 2021 Metropolitan Auditor Performance Review

The Metropolitan Auditor self-review for each performance standard is rated as either:
(1) Need Improvement: Performance fails to meet the minimum performance standards for the position.
(2) Successful: Performance meets the standards of the position.
(3) Exceptional: Performance is significantly above the performance standards of the position.

Assessment Score

1. Independence, Objectivity, & Ethical

1.a - The Metropolitan Auditor demonstrates objectivity in his/her actions and provides verbal and written reports that are clear, complete, and free from bias.

2. Competency

2.a - The Metropolitan Auditor has appropriate professional certifications and actively encourages staff to attain and maintain such qualifications.

2.b - The Metropolitan Auditor has a thorough understanding of government services and related risks and ensures resources are deployed to maintain appropriate risk coverage throughout the year.

3. Audit Committee Relationship

3.a - The Metropolitan Auditor adequately prepares for and facilitates regular, concise communications with the Metropolitan Nashville Audit Committee.

3.b - The Metropolitan Auditor is open with the Metropolitan Nashville Audit Committee and candidly expresses opinions.

3.c - The Metropolitan Auditor provides a balanced perspective on topics such as organizational governance, risk, and internal control issues.

3.d - When issues requiring action are identified, the Metropolitan Auditor works with senior management to encourage appropriate corrective action in a timely manner.

4. Audit Plan Development and Execution

4.a - The Internal Audit Work Plan is developed and documented using a risk-based methodology to ensure audit engagements focus on the right areas (addresses what matters) with insightful objectives and with the right scope.

4.b - The Metropolitan Auditor requests appropriate boards, elected officials, and senior management input to the internal audit plan.

4.c - Plans are monitored and amended as the business environment, and risks change, and the Metropolitan Nashville Audit Committee is appropriately informed of such amendments.

4.d - The Metropolitan Auditor allocates time for special projects and advisory services as requested by senior management and/or the board after appropriate consideration of the risks involved.

4.e - The Metropolitan Auditor delivers 17 internal audit reports.

4.f - Management of the Metropolitan Nashville Government accepts at least 90 percent of internal audit report recommendations.

4.g - The Metropolitan Auditor ensures Internal Audit staff percentage of direct time to available time is 85 percent or greater.

4.h - The Metropolitan Auditor effectively uses subject matter experts as necessary, such as legal, compliance, fraud, information technology, and other complex government service delivery areas.

4.i - The Metropolitan Auditor holds regular meetings with other stakeholders for purposes of debriefing, sharing information, and ensuring ongoing coordination.

4.j - The Metropolitan Auditor ensures audits are conducted in accordance with Government Auditing Standards (Yellow Book).

5.   Creates a Desirable Work Environment that Encourages Knowledge Sharing, Teamwork, Collaboration, Fairness, and Transparency

5.a - The Metropolitan Auditor is effective in building a team.

5.b - The Metropolitan Auditor promotes collaboration and builds an environment of transparency.

5.c - Staff believes they are treated fairly and respected for their contributions to the Metropolitan Nashville Office of Internal Audit.

5.d Professional internal auditors want to work for the Metropolitan Nashville Office of Internal Audit.

6. Continuous Improvement

6.a - The Metropolitan Auditor completes two Metropolitan Nashville Office of Internal Audit strategic goals.

Total
Average Assessment Score

Fiscal Year 2021 Metropolitan Auditor Performance Review

Metropolitan Nashville Office of Internal Audit Strategic Goals

1. Enhance the methodology to target specific value added audits.

2. Coordinate the disposition of internal fraud, waste, and abuse investigations across all Metro Nashville entities.

3. Formalize fraud, waste, and abuse investigation guidelines.

4. Create a comprehensive fraud, waste, and abuse education and advertisement program to increase reporting of potential fraud, waste, and abuse across Metro Nashville.

5. Develop audit subject matter experts within Internal Audit for key government functions (municipal bond financing, justice administration, construction, Oracle R-12, etc.).

6. Develop continuous monitoring scripts for duplicate payments, fuel card, and credit card misuse, hotel occupancy tax outliers, pension payments, etc.

7. Cross-walk the various assurance service efforts and the functions covered by their audits and reviews (external auditors, grant reviewers, department auditors, etc.), and consolidate assurance service reports on Metropolitan Nashville Office of Internal Audit internet site.

8. Coordinate a local government risk repository through the Association of Local Government Auditors.

9. Expand training of the COSO *Internal Control Framework* and *Enterprise Risk Management* within the Metropolitan Nashville Government community to improve risk management and internal controls.

10. Improve communications of audit services to citizens and management of the Metropolitan Nashville Government through formal reports, video, internet presence, self-audit procedures, fraud, waste, and abuse hotline awareness, and so forth.

Fiscal Year 2021 Metropolitan Auditor Performance Review

Metropolitan Nashville Office of Internal Audit Key Performance Indicators

Performance Measure	Goal	Fiscal Year		
		2020	2019	2018
Percentage of Direct Time to Available Time (Excluding Management Team)	85%	81%	84%	83%
Percentage of Recommendations Accepted	90%	98%	100%	96%
Number of Audit Projects Completed	17	16	14	17

MNPD IT Background Check Process
Standard Operating Procedure
07/01/2019

Purpose:
This Standard Operating Procedure (SOP) defines the Police Information Technology Division's support personnel security approval process which allows unescorted access in MNPD secured facilities. This process is required by the Tennessee Bureau of Investigation and fully supports the requirements documented in the CJIS Security Policy which govern MNPD's access to the National Criminal Information System (NCIC). This Police IT SOP outlines the background check process for the 3 categories of support personnel:

- **Category 1:**
  IT Personnel who need physical or logical (electronic) access to MNPD network infrastructure, Mobile Data Computer, Desktop, Laptop or Handheld devices.
- **Category 2:**
  Maintenance/support/contract personnel who need unescorted physical access in Police Secured areas, but do not need any logical (electronic) access.
- **Category 3:**
  Metro government officials that review any detail MNPD Network or Radio systems audit, schematic or description documents.

After each section below there will be a 1, 2, 3 designation which denotes which support category or categories applies to that section. Each support personnel must complete all steps defined below and be found in a PASS status prior to being approved for access to MNPD facilities.

1. **MNPD Background Release Forms completed and signed Applicant's Privacy Act Rights (1/2/3):** The packet includes Basic Security Awareness Training Form that must be signed as well.
   Email the Background Release form to Leland Greer with Police IT leland.greer@Nashville.gov or fax to 615-313-9042. This form contains complete applicant demographics/Last 10 years of Residence. Knowingly, providing false information on this form results in immediate FAIL status. MNPD will contact applicant direct to setup CJIS Security Awareness Training User ID.

2. **Applicant Fingerprinted (1/2/3):**
   Agency/Company requesting security clearance to MNPD must go to the **IdentoGO by MorphoTrust USA** web site www.identogo.com or register by phone 1-855-226-2937.
   Online Steps: *Select *Tennessee* for location
   Online Scheduling
   *Select Preferred Language (English/ Spanish)
   * Enter Applicant's Name
   * Agency Name: *Other*
   * Applicant Type: *Contract Personnel*

MNPD IT Background Check Process
Standard Operating Procedure
07/01/2019

* ORI: TN0190100

*Select *yes* to be fingerprinted for the Metro-Nashville Police IT and enter your zip code to locate your preferred appointment location and time. Once you have registered everyone individually you will be directed to payment options.

Payment Options: You may pay the $38 fee on site with a money order, cashier's check or business check. (Please make checks payable to *L-1 Enrollment Services*) You may also pay online with a personal check or credit card. Visa, Master Card, Discover, and American Express are accepted.

Once registered, applicant goes to an approved site for fingerprinting. See web site for approved fingerprinting sites.

3. **Applicant Fingerprint Results recorded (1/2/3):**
   Police IT will monitor the TAPS website for the completion of these fingerprints and the results. Results are recorded in the Background information packet for each applicant.

4. **Complete Applicant Records checks (1/2/3):**
   Identity verification, state of residency, national/local fingerprint-based record checks, national/local demographic based record checks and public records searches shall be conducted.

5. **Pass/Fail Determination (1/2/3):**
   The following are factors in determining applicants pass or fail status. Felony convictions. Outstanding wants or warrants. Fugitives. Arrest history without conviction. Any other records that MNPD finds concerning. If MNPD determines that MNPD Secured Areas access by the applicant would not be in the public interest, applicant will be failed. The determination of pass/fail status is solely at the discretion of MNPD (Director Information Technology, Deputy Chief of Police Administrative Bureau and the Chief of Police) in order to comply with the current CJIS Security Policy Section 5.12.1.1 Minimum Screening Requirements for Individuals Requiring Access to CJI and Section 5.12.1.2 Personnel Screening for Contractors and Vendors.
   Generally, MNPD considers all arrests committed by the applicant. Exceptions may be considered for minor infractions or violations that are more than 10 years old. The severity or volume of arrests may increase this general timeframe. Felonies are crimes that allow for incarceration of 1 year or more. Misdemeanors are crimes that allow for incarceration less than 1 year. MNPD makes every effort to work with the applicant who has failed a background check by providing the complete criminal history including the reason for their fail status and jurisdiction contacts for possible expungements.

MNPD IT Background Check Process
Standard Operating Procedure
07/01/2019

1. **Pass/Fail Status Appeal Process:**
   The Director of Information Technology for MNPD makes the initial determination of the Pass/Fail status on all applicants. This decision can be appealed to the Deputy Chief of Police for MNPD then to the Chief of Police for MNPD. The Chief of Police for MNPD's decision is final.

2. **Security Awareness Training (1/2*):**
   Once approved, **Category 1** and **Category 2*** (support personnel that will be escorting non-background checked support personnel) must complete the TBI Security Awareness Training every 2 years. This training is online and can be accessed direct from www.cjisonline.com. MNPD will provide the specific applicant with logon credentials (email address and password). Applicant selects "IT & Agency Users". Login at the "IT & Agency Personnel Login". Select "Training" and go through the online training. Then select "Testing". Take the entire test then advise MNPD you have completed. MNPD will record applicants score and document the date/time taken with the applicant's background information.

3. **CJIS Security Policy AND Federal Bureau of Investigation Criminal Services Security Addendum (1/3):**
   Once approved, **Category 1** support personnel must sign the Federal Bureau of Investigation Criminal Services Security Addendum. In the certification section, the personnel is required to be familiar with 4 documents. CJIS Security Policy, FBI Security Addendum and Title 28, Code of Federal Regulations, Part 20. These documents are provided to the personnel. The 4th document stated is the NCIC 2000 Operating Manual. Because Category 1 support personnel will not have direct access to unencrypted CJIS data, the personnel will not have to be familiar with this document nor will it be provided. The CJIS Security Policy is available on the FBI web site at http://www.fbi.gov/about-us/cjis/cjis-security-policy-resource-center/view. Appendix H (H1-H7) in the CJIS Security Policy contains the FBI Security Addendum.

4. **Procedures for individuals to obtain their NCIC Criminal History: (TBI Agency Privacy Requirements for Noncriminal Justice Applicants – 12/7/2017. TBI Noncriminal Justice Applicant's Privacy Rights – 12/7/2017)**
   MNPD will provide any applicant placed in a FAIL status their NCIC and MNPD criminal history information in hard copy format. This criminal history packet will only be provided to the applicant in person. Applicant must provide sufficient identification at 600 Murfreesboro Pike, Nashville TN 37210.

   Each applicant that receives hard copy records must provide MNPD email confirmation prior to receipt of information. MNPD has provided "Applicant Name" criminal history information at the request of "Applicant Name" who's

name appears on the record being provided. The information is being provided to the "Applicant Name" for the purposes of review and/or correcting or completing any records. "Applicant Name" confirms that these hard copy records have been received on Date/Time.

NOTE:
Vendor support staff must have a status of *PASS* in order to work in MNPD secured areas. All Support Personnel with pending backgrounds or a *FAIL* status will not be allowed access to any MNPD secured areas. Support staff needing one time or infrequent access to do specialized work will only be allowed access to secured areas with *Authorized Personnel escorts. In the event Support Personnel are placed in a *FAIL* status he/she has the right to contact the Director of MNPD Information Technology to discuss the details of his/her background results. The Director will advise what jurisdiction they can contact for clarification or expungement of records. Only the support staff in question will be advised of any detail information.

*Support Personnel are defined as contractors, custodial workers or any personnel doing work within MNPD secured facilities. These personnel must have a state of residency and national fingerprint-based record check, unless these individuals are escorted by Authorized Personnel at all times.

Authorized Personnel are defined as one of the following:

1. MNPD employees, sworn or civilian.

2. General Services employees and their full time contract staff who have passed the MNPD background check and the TBI Security Awareness training and training has been confirmed through CJIS Online.

3. Metro Information Technology Services employees and their full time contract staff who have passed the MNPD background check and the TBI Security Awareness training and training has been confirmed through CJIS Online.

NOTE: Contract vendor employees not defined in 2/3 above (even with a completed and approved background check) are not permitted to escort another contract vendor employee who has not yet completed and passed the MNPD background check.

Out of State Vendors Fingerprint Procedure:

Applicants who reside out of state, or are physically unable to go to a location to be fingerprinted may use MorphoTrust's Card Scan service. This program utilizes advanced scanning technology to convert a traditional fingerprint card (hard card) into an electronic fingerprint record. Converting a "hard card" into an electronic

record enables an applicant to have their fingerprint record processed as quickly as if they had traveled to an electronic fingerprint processing location.

Tennessee Licensing and Certification

Applicants must go online to the IdentoGO by MorphoTrust website (www.identogo.com) or call the toll free registration center at (855) 226-2937 and complete the registration process. During the registration process, applicants should select "**Pay for Ink Card Submission**" on the Appointment Details page. This will identify to MorphoTrust that a hard card will be mailed in for conversion to an electronic fingerprint record which will then be submitted to the Tennessee Bureau of Investigation.

MorphoTrust Registration Instructions:

Customers have two easy ways to register for fingerprint processing with MorphoTrust USA.

On-line Registration
Available 24 hours a day, 7 days a week.

1. *Go to www.identogo.com and choose Tennessee*
2. *Click Online Scheduling and choose English*
3. *Enter first and last name*
4. *Choose Agency Name- OTHER*
5. *Choose Applicant Type- CONTRACT PERSONNEL*
6. *Enter ORI number- TN0190100*

The rest should be fairly straight forward to schedule an appointment to be printed at an Identogo fingerprint site.

If mailing paper cards, when you get to the Appointment Details page, be sure to click Pay for Ink Card Submission.

Call Center Registration
Available Monday-Friday, 8am-430pm CST

1. *Call (855) 226-2937 and speak to a representative.*
2. *Be sure to have your Agency Information or ORI number handy when calling.*
3. *Representatives will collect required information and complete your registration.*

Payment of $32 may be paid by money order at time of printing, or online, or by phone with a credit card.

Attention Non-US Citizens:

MNPD requires that all support personnel be United States citizens, legal resident aliens, or aliens authorized to work in the United States.

MNPD IT Background Check Process
Standard Operating Procedure
07/01/2019

Police Background Check Contact:
Leland Greer
Metropolitan Nashville Police Department
Information Technology Division
600 Murfreesboro Pike
Nashville, TN 37210
Office: 615-862-7451
Fax: 615-313-9042

Background Release Form

Metropolitan Government of Nashville & Davidson County
Police Department

NOTIFICATION AND AUTHORIZATION
TO
RELEASE FINGERPRINT/CRIMINAL HISTORY RECORD INFORMATION

Name (please print): _____

Other Names Used (alias, maiden, nickname)_____

Address (Street, City, State, Zip)_____

Social Security #: _____-____-_____ Date of Birth: ___/___/___* (month/day/year)

Place of Birth: _____ Race: _____ Gender: _____

Eye Color: _____ Hair Color: _____ Height: _____ Weight: _____

Country of Citizenship: _____ State/s of Residence for Past 10 Years: _____

Driver's License #: _____ State of Issuance: _____

Employer Name: _____ Supervisor Name: _____ Supervisor Ph#: _____

I, the undersigned, do hereby authorize MNPD Police Information Technology to procure the necessary background report(s) on me including criminal record/fingerprint checks from MNPD/TBI/DOJ/FBI. The reports may include my driving history, including any traffic citations; a social security number verification; adult and juvenile criminal and civil history/records; and any other available public records. All available information will be reviewed during this background check.

I understand that I may request a complete and accurate disclosure of the nature and scope of any investigation requested and a written summary of my rights under 15 U.S.C. § 1681 et.seq.

This background check is conducted by Police Information Technology in compliance with the CJIS Security Policy on support personnel, contractors and custodial workers who access computer terminal areas, MNPD secured facilities or areas where unencrypted law enforcement data may pass. MNPD will make a determination based on this background information in the form of a PASS/FAIL status. PASS status allows unescorted access in the above mentioned areas. FAIL status means you will not be allowed in these areas.

I authorize any person, business entity or governmental agency who may have information relevant to the above to disclose the same to Police Information Technology including but not limited to any courts, public agencies, law enforcement agencies, regardless of whether such person, business entity or governmental agency compiled the information itself or received it from other sources.

I agree to release MNPD, Police Information Technology and the Metropolitan Government and any and all persons, business entities and governmental agencies, whether public or private, from any and all liability, claims and/or demands, by me, my heirs or others makings such claim or demand on my behalf, for providing any investigative background report hereby authorized. I understand that this Authorization/Release form shall remain in effect for the duration of my employment or contract with the Metropolitan Government.

I understand that I have the right to contact the Director of Police Information Technology to discuss the details of the background result status.

_____   _____
Signature   Date

_____   _____
Witnessed by   Date

* The DOB is necessary in order to perform a timely background check. This information is utilized solely to ensure accurate identification.

Metropolitan Nashville Office of Internal Audit
Audit Project Status
As of April 9, 2021

Audit Plan Year February 2021 to January 2022				Report Phase	
Projects	**Planning**	**Fieldwork**	**Report**	**Draft**	**Final**
1) Juvenile Court Clerk Cash Collections and Trust Management					Mar-21
2) Emergency Communication Center					Mar-21
3) Metro Water Services Water Billing					Mar-21
4) NGH Procurement Follow-Up					Mar-21
5) NGH Pharmacy Operations Follow-Up			✔	Feb-21	
6) Fund Restrictions, Commitments, and Assignment			✔	Apr-21	
7) MNPD Fiscal Management		✔			
8) Public Defender	✔				
9) Public Works Revenues	✔				
10) Metro Nashville Employee Benefit Board Pension Investments	✔				
11) Health Department IT Security and Governance *(Kraft CPAs)*	✔				
12) Municipal Auditorium Follow-Up			✔	Mar-21	
Completed Investigations					**Final**
Metro Integrity Line Alerts - February 2021 to February 2022			**Total**	**Closed**	**Pending**
Metro Hotline Alerts (Fraud, Waste, & Abuse)			1	0	1

Note: Goal to complete 17 audit projects for Plan Year 2021. Currently 4 completed audit projects, and 3 audit projects are in the draft report phase.

Metropolitan Nashville Office of Internal Audit
2021 Recommended Work Plan

*Co-source	CY 2020 Audits In Progress / Carry Forward	Budget Hours	Status
1	Emergency Communications Center	200	**Issued**
2	Juvenile Court Clerk	200	**Issued**
3	Metro Water Services Billing Process	200	**Issued**
4	Fund Assignments, Restrictions, and Commitments	300	Draft
5	MNPD Fiscal Management	600	Fieldwork
6	Nashville General Hospital Follow-Ups: Pharmacy and Procure to Pay	150	**Issued**/Draft
7	Barnes Fund Operations and Follow-Up *(Carry Forward)*	800	
8	Public Works Revenue Collections *(Carry Forward)*	600	Planning
9	Metropolitan Nashville Employee Benefit Board Pension Investments *(Carry Forward)*	800	Planning
10	Office of Internal Audit Peer Review *(Carry Forward)*	100	
CY 2021 New Audit Areas			
11	Coronavirus Aid, Relief, and Economic Security (CARES) Spending Process	800	
12	Metro Water Services Water and Sewer Collections	800	
13	Metro Codes Complaints Process	600	
14	Public Works Parking Management	600	
15	Public Defender	600	Planning
16	Agricultural Extension Service	600	
17	Hotel Occupancy Tax Audits – 2021	400	
18	Nashville General Hospital Human Resources Process	800	
19	Metro Nashville Public Schools Procurement	800	
Information Technology Risk			
20*	Enterprise Assessment of Departmental Information Security	400	
21*	Health Department – Information Technology Security Management and Governance	200	Planning
Audit Recommendation Follow-up			
22	Recommendation Implementation Follow-Up Audits	800	Ongoing
	Total Audit Services	*11,350*	

Implementation Status Update as of April 9, 2021

Audit Department List	Year	# Accepted	Open Recommendations Before Follow-Up	Implementation Due by 3/31/2021	Open Recs After Response	Notes
Industrial Development Board	2013	6	1		1	
Assessor's Office	2014	14	3		3	
Historic Zoning and Historical Commission Work Force	2015	7	1		1	
Parks and Recreation Maintenance Division	2015	2.5	1		1	
General Government Occupational Safety Program	2017	24	23		23	
DCSO Information Technology Security Practices (CONFIDENTIAL)	2017	45	2		2	
Finance Department Procurement And Business Assistance Office	2018	13	2		2	
ITS Software Asset Management	2018	4	1		1	
Metro Water Services Fire Hydrant Inspections	2018	10	2		2	
Development Conditions	2019	5	4		4	
Metro General Government Benefits	2019	4	4	X	0	
Fire Marshal's Office	2019	10	3	X	0	
NGH Pharmacy Operations	2019	17	0		1	Follow-Up Issued 3/23/2021
Public Library Security	2020	4	1	X	0	
Metro Parks and Recreation Relationships with Nonprofits	2020	2	2	X	1	
Treasury Collections	2020	11	11	X	0	
Election Commission Information Systems	2020	8	1		1	
MNPS Capital Projects Process	2020	4	1		1	
Criminal Justice Center Project	2020	5	1		1	
Trustee	2021	7	7		2	
Metro Water Services Billing Process	2021	2	2		2	
Juvenile Court Clerk Cash Collections and Victims' Trust	2021	8	2		2	
Emergency Communications Department	2021	2	2		2	
			77		53	

Open Recommendations by Risk Level

- High: 5
- Medium: 11
- Low: 1
- Not Applicable: 36
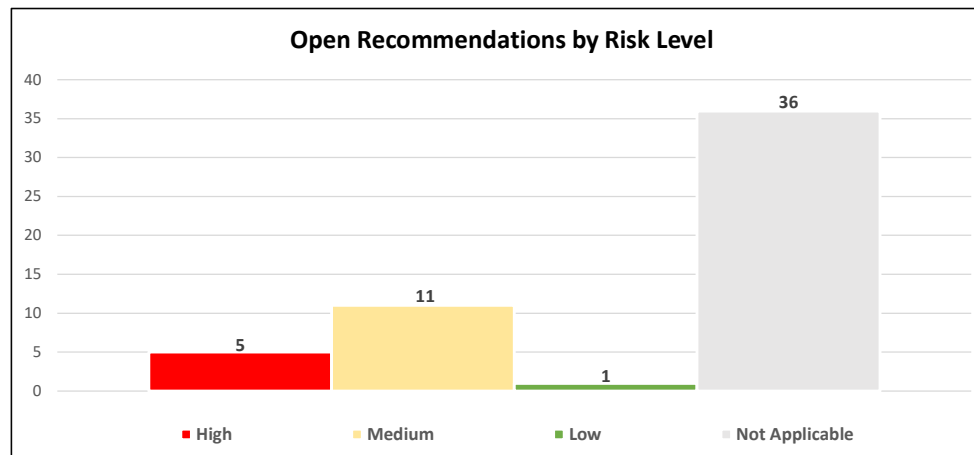
Office of Internal Audit Budget versus Actual
GSD General Fund as of March 31, 2021
FY 2021 Approved Budget

		FY 2021 Budget	Actual	Difference	Notes
Total Salaries & Fringe		$ 1,194,500	$ 674,002	$ 520,498	
Other Expenses					
Professional & Purchased Services		$ 195,800	$ 38,580	157,220	
Building Rent Parkway Towers		$ 55,500	$ 46,711	8,790	
Other Expenses		$ 78,000	$ 44,353	33,647	
Internal Service Fees		$ 43,500	$ 32,616	10,884	Information Technology
TOTAL EXPENSES		$ 1,567,300	836,262	$ 731,039	**53% of budget used to date**

Office of Internal Audit Budget History

For the year ending June 30,	Co-sourcing Audit Budget	Total Budget	Co-sourcing Percent of Budget	FTE
2008	$ 500,000	$ 1,477,000	34%	10
2009	231,000	1,481,600	16%	13
2010	112,000	1,262,000	9%	12
2011	234,000	1,359,800	17%	11
2012	165,000	1,265,400	13%	10
2013	156,200	1,277,900	12%	10
2014	60,200	1,179,300	5%	10
2015	45,100	1,214,900	4%	10
2016	75,100	1,290,400	6%	10
2017	125,100	1,382,900	9%	10
2018	248,000	1,545,700	16%	10
2019	248,000	1,566,100	16%	10
2020	248,000	1,574,900	16%	10
2021	195,800	1,565,100	13%	10

Metropolitan Nashville Office of Internal Audit

Executive Team

Lauren Riley

MAcc, CPA, CIA, ACDA, CMFO

Metropolitan Auditor

Project and Office Management Leadership

(Vacant Position)	**William (Bill) Walker**
Principal Auditor	CPA, CIA, CFE
	Principal Auditor

Project Quality, Milestone/Project Budget Monitoring, Hotline Support, Training Plans, GAGAS Compliance, Office Support, etc.

Audit Talent Pool

Seth Hatfield	**James Carson**	**Mary Cole**	**Innocent Dargbey**
MAcc, CPA, CIA, CFE	MBA, CIA, CFE	MAcc, CPA, CFE, CISA, CGFM	MS-Finance, MBA, CPA, CMFO
Senior Auditor	Senior Auditor	Senior Auditor	Senior Auditor

Laura Henry	**Nan Wen**	**(Vacant Position)**
MAcc, CFE	MS-Info Sys, MS-Acctg, CPA	Auditor I
Auditor II	Auditor II	

Metro Nashville Red Flag
Fraud, Waste, and Abuse Hotline

Call 877-270-8334

or

https://www.redflagreporting.com/nashville

Audit Committee

Metropolitan Code of Laws Section 2.24.300
Term-varied
6 Members

		Date of Appt.	Term Exp.
Mr. Kevin Crumbo	**Ex Officio**	**10/15/2019**	

One Public Square, Suite 106
Nashville, TN 37201-
(615) 862-6151　　kevin.crumbo@nashville.gov
Representing: Director of Finance

Mr. Thom Druffel		**10/15/2019**	**8/31/2021**

One Public Square, Suite 204
Nashville, TN 37219-
(615) 432-1323　　thom.druffel@nashville.gov
Representing: Metropolitan Council

Mr. Charles C. Frasier	**Vice-Chair**	**3/21/2017**	**3/20/2021**

One University Park Drive
Nashville, TN 37204-
(615) 966-5738　　charles.frasier@lipscomb.edu
Representing: Nashville Chapter of the TSCPA

Mr. Brack Reed	**Chair**	**2/20/2015**	**3/20/2023**

222 Second Avenue South #1400
Nashville, TN 37201-
(615) 770-8100　　brack_reed@gspnet.com
Representing: Nashville Area Chamber of Commerce

Vice Mayor Jim Shulman	**Ex Officio**	**9/6/2018**	**8/31/2023**

One Public Square, Suite 204
Nashville, TN 37201-
(615) 880-3357　　jim.shulman@nashville.gov
Representing: Vice Mayor of Metropolitan Government of Nashville

Ms. Zulfat Suara		**10/15/2019**	**8/31/2021**

One Public Square, Ste. 204
Nashville, TN 37219-6300
(615) 585-2558　　zulfat.suara@nashville.gov
Representing: Metropolitan Council

METROPOLITAN NASHVILLE AUDIT COMMITTEE
2021 MEETING PLAN

Meeting Date	Proposed Agenda Topics
February 9, 2021 (Tuesday)	• Office of Internal Audit Annual Performance Report • Internal Audit Annual Work Plan approval • Internal Audit issued report discussion • Open Audit Recommendations Status
April 13, 2021 (Tuesday)	• Election of Chairman and Vice Chairman • External Audit Single Audit and Management Letter presentation • Metropolitan Auditor performance review • Internal Audit issued report discussion • Open Audit Recommendations Status
June 22, 2021 (Tuesday)	• FY2020 External Audit plan and required communications • Internal Audit issued report discussion • Open Audit Recommendations Status
September 14, 2021 (Tuesday)	• Metropolitan Audit Committee self-assessment • Bylaws annual review • Internal Audit issued report discussion • Open Audit Recommendations Status • External Audit Comprehensive Annual Financial Report Audit Progress Executive Session
November 23, 2021 (Tuesday)	• Internal Audit issued report discussion • Open Audit Recommendations Status • External Audit Comprehensive Annual Financial Report Audit Progress Executive Session
December 14, 2021 (Tuesday)	• External Audit Comprehensive Annual Financial Report • Open Audit Recommendations Status • Internal Audit issued report discussion

Metropolitan Nashville Audit Committee

Executive Session Checklist

☑ The published agenda must disclose the general nature of the items to be discussed in executive session.
See, T.C.A. §9-3-405(f)

☑ All business which is public in nature shall be conducted first.
See, T.C.A. §9-3-405(g)(1)

☑ During the regular public session committee must vote to go into private executive session. Must obtain a majority to be successful.
See, T.C.A. §9-3-405(d)

☑ Chair must announce during the public portion of the meeting that no business other than the matters stated generally on the published agenda shall be considered during the confidential executive session.
See, T.C.A. §9-3-405(e)

☑ Adjourn the public portion of the meeting.
See, T.C.A. §9-3-405(g)(2)

☑ Only individuals whose presence is reasonably necessary in order for the committee to carry out its executive session responsibilities may attend the portion of the executive session relevant to that person's presence.
See, T.C.A. §9-3-405(h)

Permissible Executive Session Subject Matter

1. Items deemed not subject to public inspection under §§ 10-7-503 and 10-7-54, and all other matters designated as confidential or privileged under this code
2. Current or pending litigation and pending legal controversies
3. Pending or ongoing audits or audit related investigations
4. Information protected by federal law
5. Matters involving information under § 9-3-406 where the informant has requested anonymity
See, T.C.A. § 9-3-405(d)