

***METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON
COUNTY***



***METROPOLITAN NASHVILLE
AUDIT COMMITTEE***

WORKBOOK

November 23, 2021

METROPOLITAN NASHVILLE
METROPOLITAN AUDIT COMMITTEE MEETING AGENDA
November 23, 2021, 4:00 p.m.

Committee Room 2
205 Metropolitan Courthouse

- I. Call Meeting to Order (Tom Bates – Committee Vice Chairman)
- II. Approval of Minutes (Tom Bates – Committee Vice Chairman)
 - Approval of Minutes for October 26, 2021, meeting
- III. Old Business
 - Metropolitan Nashville Audit Committee and Metropolitan Nashville Office of Internal Audit Bylaws annual review. (Lauren Riley – Metropolitan Auditor)
- IV. New Business
 - Discussion on the Audit Recommendations Follow-up – Audit of the Department of Codes and Building Safety Fuel Transactions issued November 5, 2021. (Bill Walker – Audit Manager)
 - Tentative Discussion on the Audit Recommendations Follow-up – Audit of State Trial Court Drug Court. (Lauren Riley – Metropolitan Auditor)
 - Tentative Discussion on the Investigation Report on Allegations of Nashville General Hospital. (Lauren Riley – Metropolitan Auditor)
 - Request to revise 2021 Internal Audit Work Plan to include an audit of Open Records Request Fulfillment Process (Lauren Riley – Metropolitan Auditor)
- V. Internal Audit Project Status (Lauren Riley – Metropolitan Auditor)
 - On Going Projects
 - Recommendation implementation follow-up status
- VI. Other Administrative Matters (Lauren Riley – Metropolitan Auditor)
 - FY2022 Budget Status
 - Office of Internal Audit Staffing
- VII. Consideration of Items for Future Meetings (Tom Bates – Committee Vice Chairman)
- VIII. Adjournment of Public Meeting – Next Regular Meeting Tuesday, December 14, 2021.
- IX. Call for a motion to enter executive session (Tom Bates – Committee Vice Chairman)
- X. Executive Session Agenda – (Tom Bates – Committee Vice Chairman)
 - Discussion on the ongoing audit of the Metropolitan Nashville FY2021 Financial Statements audit with Crosslin. (External Auditor)
 - If needed, discussion of pending or ongoing audits or investigations. (Lauren Riley – Metropolitan Auditor)

METROPOLITAN NASHVILLE
METROPOLITAN AUDIT COMMITTEE MEETING AGENDA
November 23, 2021, 4:00 p.m.

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. § 9-3-405¹):

- Items deemed not subject to public inspection under T.C.A. §§ 10-7-503² and 10-7-504³ 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. § 9-3-406⁴ where the informant has requested anonymity.



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

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
October 26, 2021

On Tuesday, October 26, 2021, at 4:00 p.m., the Metropolitan Nashville Audit Committee met in the Metropolitan Courthouse, 2nd Floor, Committee Room 2. The following people attended the meeting:

Committee Members

Brackney Reed, Chamber of Commerce
Tom Bates, Tennessee Society of CPAs
Sharon Hurt, Council Member
Kyonzte Toombs, Council Member
Kelly Flannery, Director of Finance

Others

Lauren Riley, Metropolitan Auditor
Theresa Costonis, Department of Law
John Crosslin, Crosslin
Samir Mehic, MNP
Lt. Jim Stephens, MNP
Cheryl Kenderdine, MNP
Bill Herbert, Codes
Bill Penn, Codes
Michell Bosch, Treasury
Scott Potter, Metro Water Services
Brent Freeman, Metro Water Services
Jenneen Kaufman, Finance
Jim Carson, Office of Internal Audit
Laura Henry, Office of Internal Audit
Seth Hatfield, Office of Internal Audit
Bill Walker, Office of Internal Audit

Committee Members Absent

Jim Shulman, Vice-Mayor

Quorum present? Yes

CALL MEETING TO ORDER

Mr. Reed called the meeting to order.

APPROVAL OF MINUTES

A **motion** to approve meeting minutes for July 13, 2021, was made, seconded, and carried.

NEW BUSINESS

Metropolitan Nashville Audit Committee Annual Self-Assessment

Ms. Riley discussed the annual self-assessment of the Metropolitan Nashville Audit Committee. Ms. Riley advised that all applicable requirements as outlined in the bylaws had been met.

Metropolitan Nashville Audit Committee and Metropolitan Nashville Office of Internal Audit Bylaws Annual Review

Ms. Riley discussed the bylaws for the Metropolitan Nashville Audit Committee and the Metropolitan Office of Internal Audit. The bylaws are to be reviewed by the Metropolitan Nashville Audit Committee each year with modifications made as needed. Mr. Reed advised the committee to review the bylaws as presented in the workbook. Any comments or revisions may be discussed at the next meeting.

Discussion on the Audit the Metropolitan Nashville Police Department Revenue Sources

Mr. Walker summarized the objectives, observations, and recommendations for the audit. No questions or discussion occurred.

Discussion on the Audit of the Metropolitan Public Defenders Office

Ms. Riley summarized the objectives, observations, and recommendations for the audit. Councilmember Hurt inquired how effectiveness of cases was measured with complaints. Ms. Riley discussed the controls in place such as management review and monitoring that address effectiveness.

Discussion on the Audit of the Property Standards Complaints Process

Ms. Riley summarized the objectives, observations, and recommendations for the audit. Ms. Flannery asked about how the Codes Department is encouraging citizens to utilize hubNashville for complaints. Mr. Herbert gave an overview of steps being taken. Councilmember Hurt inquired if there was a mechanism in place to follow up on repeat offenders. Mr. Penn advised yes and explained the process. Councilmember Hurt asked if the Codes Department had enough inspectors. Mr. Herbert and Mr. Penn replied no. Councilmember Toombs asked what typically initiated inspectors investigating complaints. Mr. Penn gave an overview of the process.

Councilmember Hurt asked if inspectors could have established areas that could routinely be monitored instead of relying on citizens initiating complaints. Mr. Penn advised the size of Davidson County would require an increase in the number of inspectors to make that feasible. Councilmember Hurt asked if there was any coordination between Codes and other departments such as Metro Water to identify violations. Mr. Penn stated yes and explained the process. Mr. Bates asked if the system could identify multiple complaints to the same property. Mr. Penn advised no. Mr. Herbert advised the system does list all complaints associated with a specific parcel and how they were resolved. Inspectors have access to this information and do review it. Mr. Reed asked about how large the number of persons the Codes Department cannot contact due to lack of information. Mr. Penn estimated approximately 5 percent.

Discussion on the Audit of Metropolitan Nashville Government Pension Investments

Mr. Walker summarized the objectives, observations, and recommendations for the audit. Councilmember Hurt asked about the number of pension plans administered by the Metropolitan Nashville Government. Ms. Bosch went over the history of the various plans and stated all investments are treated the same. Councilmember Hurt asked if benefits were comparable on the various plans that had been closed. Ms. Bosch and Ms. Flannery advised that would be a Human Resources question, and they would follow up.

Mr. Reed inquired if the Metropolitan Nashville Government had a defined contribution plan. Ms. Flannery said yes but without an employer match. Mr. Reed asked what the external auditor's role in the process was. Mr. Crosslin summarized the work performed.

OTHER ADMINISTRATIVE MATTERS

On Going Projects.

Ms. Riley went over on-going projects in process. No discussion ensued

Recommendation Implementation Follow-Up Status

Ms. Riley provided an update on the status of recommendation follow-up. No discussion ensued.

FY2022 Budget Status

Ms. Riley gave an overview of the budget status for the Office of Internal Audit. No discussion ensued.

Office of Internal Staffing

Ms. Riley gave an overview of staffing changes for the Office of Internal Audit. No discussion ensued.

A discussion ensued over the date and time of the next meeting.

Executive Session

Mr. Reed inquired if there was a need to go into Executive Session. Ms. Riley advised yes.

A **motion** to go into executive session, was made, seconded, and carried.

The next regularly scheduled meeting is November 23, 2021, at 4:00 p.m.

The public meeting adjourned after approximately 56 minutes.

The minutes for the October 26, 2021, Metropolitan Nashville Audit Committee meeting are respectfully submitted.

Lauren Riley, Metropolitan Auditor
Secretary, Metropolitan Nashville Audit Committee

**METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY**
METROPOLITAN NASHVILLE AUDIT COMMITTEE BYLAWS

PURPOSE

The Metropolitan Nashville Audit Committee is to ensure that the Metropolitan Government of Nashville and Davidson County (Metropolitan Nashville Government) has effective, efficient, and sustainable internal controls over its major risks.

SCOPE

To the extent permitted by the Metropolitan Charter the Metropolitan Nashville Audit Committee is authorized to conduct financial audits, performance audits, or other audit services including investigation and disposition of reported incidents of fraud concerning any department, board, commission, officer, agency, or office of the Metropolitan Government which receives direct services from or to which funds are appropriated by the Metropolitan Government or which the Metropolitan Government provides a guarantee for long-term indebtedness. Departments, boards, commissions, officers, agencies, and offices of the Metropolitan Government means those entities which encompass all of the governmental and corporate functions previously performed by Davidson County and the City of Nashville existing at the formation of the Metropolitan Government, and any public entity whose existence is created or authorized by the Metropolitan Charter or the Metropolitan Council.

RESPONSIBILITIES

Financial Statements

- While the financial statement audit engagement is ongoing meet in executive session with the external auditor near the mid-point of the audit engagement and prior to final issuance of the comprehensive annual financial report, to review progress, including any difficulties encountered, with the audit engagement and follow-up as appropriate.
- Review final audit reports and accept, or not accept, the audit results.
- Review with Metropolitan Nashville Government management and the external auditors all matters requiring communication to the Committee under generally accepted auditing standards.

Risk Management and Internal Control

- Understand the scope of internal and external auditors' reviews of internal controls over financial reporting and government service activities, and obtain reports on significant observations and recommendations, together with department, board, commission, officer, agency, or office management's responses.
- Engage with the Metropolitan Auditor in performing a Metropolitan Nashville Government entity-wide risk assessment to form an audit work plan.

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METROPOLITAN NASHVILLE AUDIT COMMITTEE BYLAWS

- Meet with auditee after issuance of audit report by Metropolitan Auditor to discuss observations. Hold follow-up to monitor corrective actions implemented by auditee.

Internal Audit

- Review and approve the internal audit work plan and all major changes to the plan.
- Review and approve the Division of Metropolitan Audit Bylaws annually.
- Assure continued independence of the Metropolitan Auditor. Ensure there are no unjustified restrictions or limitations to the discharge of internal audit responsibilities.
- Review annually the activities, staffing, and organizational structure of the internal audit function.
- Review the effectiveness of the internal audit function, including compliance with generally accepted government auditing standards.
- Recommend the appointment of the Metropolitan Auditor.
- For cause remove the Metropolitan Auditor.
- At least once per year, review the performance of the Metropolitan Auditor and concur with the annual compensation and salary adjustment.

Reporting Responsibilities

- Issue an annual report to the Metropolitan Nashville Council and Mayor regarding Committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal audit, the external auditors, and department, board, commission, officer, agency, or office management.
- Review any other government issued reports related to committee responsibilities.

Other Responsibilities

- Ensure committee members undergo appropriate orientation upon appointment.
- Recommend all committee members obtain Criminal Justice Information Systems (CJIS) clearance within three months of term start date.
- Review and assess the adequacy of the committee bylaws annually, requesting approval for proposed changes, and ensuring appropriate disclosure as may be required by law or regulation.

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- Annually confirm that all responsibilities outlined in these bylaws have been carried out.

COMPOSITION

The composition and selection of committee members will follow the provisions provided in Metropolitan Code of Law, Section 2.24.300(E) Division of Metropolitan Audit.

MEETINGS

The Committee will meet at least once per quarter, with authority to convene additional meetings, as circumstances require. The Committee will invite members of department, board, commission, officer, agency, or office management, auditors or others to attend meetings and provide pertinent information as necessary. Meeting agendas along with appropriate briefing materials will be prepared and provided in advance to members by the Metropolitan Auditor. Minutes will be prepared by the Metropolitan Auditor.

Meeting agendas and minutes/proceedings are to be posted directly to the Metropolitan Nashville Audit Committee page on Nashville.gov at: <http://www.nashville.gov/Government/Boards-and-Commissions.aspx>. Meeting agendas and minutes/proceedings postings should be prepared in a searchable electronic format.

Meeting agendas will be posted six calendar days in advance of the meeting date. Approved meeting minutes will be posted within two workdays of approval by the Committee.

**METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON COUNTY
DIVISION OF METROPOLITAN AUDIT BYLAWS**

PURPOSE

The Division of Metropolitan Audit, commonly referred to as the Metropolitan Nashville Office of Internal Audit, is an independent appraisal agency established to ensure and enhance the integrity, equality, accountability, effectiveness, and efficiency of service activities, and to pursue an atmosphere of honesty and mutual trust within the Metropolitan Government of Nashville and Davidson County (Metropolitan Nashville Government.)

SCOPE

To the extent permitted by the Metropolitan Charter the Division of Metropolitan Audit is authorized to conduct financial audits, performance audits, or other audit services including investigation and disposition of reported incidents of fraud concerning any department, board, commission, officer, agency, or office of the Metropolitan Government which receives direct services from or to which funds are appropriated by the Metropolitan Government or which the Metropolitan Government provides a guarantee for long-term indebtedness. Departments, boards, commissions, officers, agencies, and offices of the Metropolitan Government means those entities which encompass all of the governmental and corporate functions previously performed by Davidson County and the City of Nashville existing at the formation of the Metropolitan Government, and any public entity whose existence is created or authorized by the Metropolitan Charter or the Metropolitan Council.

The Metropolitan Auditor shall conduct financial, performance, or other audit services in order to independently and objectively determine whether:

- Risks, including safety, environment, fiscal, information technology, and fraud, are appropriately identified and managed.
- Programs, plans, and objectives are achieved.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Activities and programs are being conducted in compliance with policies, standards, procedures, and applicable local, state, and federal laws or regulations.
- Resources are acquired economically, used efficiently, and protected adequately.
- Quality and continuous improvement are fostered in Metropolitan Nashville Government's control environment.
- Interaction with the various governance groups occurs as needed.
- External auditors' proposed audit scope and approach supplement internal audit efforts.

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- Activities indicate fraud, abuse, or illegal acts which need further investigation.
- Computer-based systems incorporate adequate controls.

The Metropolitan Auditor shall have authority to:

- Review the effectiveness of internal controls for monitoring compliance with laws and regulations.
- Review the observations of any examinations by regulatory agencies, and any auditor observation.
- Review the process for communicating the code of conduct to Metropolitan Nashville Government personnel.
- Obtain regular updates from department, board, commission, officer, agency, or office management regarding compliance matters.

The Metropolitan Auditor shall have authority to accept requests from management to perform special administrative reviews, special projects, and advisory services.

AUDIT SCHEDULE

At the beginning of each calendar year, the Metropolitan Auditor shall submit a twelve-month internal audit work plan to the Metropolitan Nashville Audit Committee for review and approval. The schedule shall include the proposed plan for auditing departments, boards, commissions, officers, agencies, offices, activities, systems, processes, and subcontractors for the subsequent twelve months. This plan may be amended during the period after review with the Metropolitan Nashville Audit Committee. Additionally, the Metropolitan Auditor may independently initiate and conduct any other audit deemed necessary with subsequent approval by the Metropolitan Nashville Audit Committee.

The internal audit work plan will ensure audit activities have been directed toward the highest exposure to risk and toward increasing efficiency, economy, and effectiveness of programs. In the selection of audit areas and audit objectives, the determination of audit scope and the timing of audit work, the auditor will consult, as needed, with federal and state auditors, external auditors, and other Metropolitan Nashville Government monitoring functions so that the desirable audit coverage is provided, and audit effort is properly coordinated.

REPORT OF IRREGULARITIES

If during an audit, the auditor becomes aware of fraud, abuse, or illegal acts, the Metropolitan Auditor shall report the irregularities to the Metropolitan Nashville Audit Committee, Department of Law, Mayor and

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Tennessee Comptroller of the Treasury. If it appears that the irregularity is criminal in nature, the Metropolitan Auditor shall notify the appropriate authority in addition to those officials previously cited.

ACCESS TO EMPLOYEES, RECORDS AND PROPERTY

To the extent permitted by the Metropolitan Charter the Division of Metropolitan Audit, with strict accountability for confidential and safeguarding records and information, shall have access to all Metropolitan Government's records, agreements, information systems, physical properties, and personnel. Such authority shall include but is not limited to, the ability to review, research, and conduct interviews, along with the ability to have access to any and all necessary documentation as described in this subsection. To the extent permitted by the Metropolitan Charter, all Metropolitan Government departments, boards, commissions, officers, agencies, or offices, along with all entities contracting with the Metropolitan Government shall co-operate fully with the Metropolitan Auditor during any such review or request to the fullest extent of applicable law. Any failure to cooperate with the Metropolitan Auditor shall be reported to the Audit Committee, Finance Director, Director of Law, and the Metropolitan Council.

Metropolitan Nashville Office of Internal Audit personnel are individually responsible and accountable for maintaining the confidentiality of the information they receive during the course of their work and complying with any other regulatory requirements necessitated by their being granted such access. Metropolitan Nashville Office of Internal Audit personnel shall not publicly disclose any information received during an audit that is considered confidential in nature by any local, state, or federal law or regulation.

AGENCY RESPONSE

A final draft of the audit report will be forwarded to the audited department, board, commission, officer, agency, or office director or his/her designee for review and comment regarding factual content before it is released to the Metropolitan Nashville Audit Committee. The audit entity must respond in writing, and specify agreement with audit observations and recommendations or reasons for disagreement with observations and/or recommendations, plans for implementing solutions to issues identified, and a timetable to complete such activities. The response must be forwarded to the Metropolitan Auditor within fifteen business days of issuance of the final draft audit report. The Metropolitan Auditor will include the response in the report. If no response is received, the Metropolitan Auditor will note that fact in the transmittal letter and will release the audit report. Any subsequent responses shall be distributed to those who received the audit report.

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AUDIT FOLLOW-UP

The Metropolitan Auditor shall follow-up on audit recommendations as practicable to determine whether corrective action has been implemented. The Metropolitan Auditor will request status reports every six months from audited entities regarding actions taken to address reported audit concerns and recommendations.

REPORTS TO METROPOLITAN AUDIT COMMITTEE

Each audit will result in a written report containing relevant background information and observations and recommendations, and shall communicate results to the Metropolitan Nashville Audit Committee, the Mayor and the audited department, board, commission, officer, agency, or office. Subject to applicable local, state, or federal laws, the report shall also be available for public examination.

The Metropolitan Auditor shall submit each audit report to the Metropolitan Nashville Audit Committee and shall retain a copy as a permanent record. A copy will be posted on the Metropolitan Nashville Office of Internal Audit's internet site.

ANNUAL REPORT

The Metropolitan Auditor shall submit an annual report to the Metropolitan Nashville Audit Committee, during the first quarter of each calendar year, indicating audits completed, major concerns, corrective actions taken, and significant observations that have not been fully addressed by audited department, board, commission, officer, agency, or office management. Additionally, the report will indicate whether there are any unwarranted restrictions on the staffing of the internal audit activity or on access by internal auditors to organization records, agreements, information systems, properties, or personnel.

CONTRACT AUDITORS, CONSULTANTS, AND EXPERTS

Within budget limitations, the Metropolitan Auditor may obtain the services of qualified financial or management consultants, or other professional experts necessary to perform the Metropolitan Auditor's duties. An audit that is performed by contract must be conducted by persons who have no financial interests in the affairs of the entity under review. The Metropolitan Auditor will coordinate and monitor auditing performed by public accounting or other organizations employed under contract by the Metropolitan Nashville Office of Internal Audit.

INDEPENDENCE

To provide for the independence of the Metropolitan Nashville Office of Internal Audit, its personnel report to the Metropolitan Auditor, who reports administratively and functionally to the Metropolitan Nashville Audit

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Committee as established in the Metropolitan Nashville Code of Law, Section 2.24.300 Division of Metropolitan Audit.

In all matters relating to audit work, the Metropolitan Nashville Office of Internal Audit and the audit staff should be free from personal, external, and organizational impairments to independence and must avoid the appearance of such impairments of independence. The Metropolitan Auditor and audit staff have neither direct authority over nor responsibility for, any of the activities reviewed.

STANDARDS OF AUDIT PRACTICE

The Metropolitan Auditor shall conduct work in accordance with Government Auditing Standards established by the United States Government Accountability Office.

STANDARDS OF INVESTIGATION PRACTICE

The Metropolitan Auditor shall establish procedures for conducting fraud, waste, and abuse investigations.

FUNDING

The Metropolitan Nashville Office of Internal Audit shall submit budget proposals, in accordance with procedures established by the Metropolitan Nashville Government Director of Finance that are sufficient to carry out the responsibilities and functions established in the Metropolitan Code of Law, Section 2.24.300 Division of Metropolitan Audit.

RECORDS

The Metropolitan Auditor shall retain for ten years (or longer if so directed by statute or ordinance), a complete file of each audit report and each report of other examinations, surveys, and reviews made under legislative authority. The file should include audit working papers and other supportive material directly pertaining to the audit report.

REASSESSMENT

The Division of Metropolitan Audit Bylaws will be reviewed and reassessed annually by the Metropolitan Nashville Audit Committee.



**A Report to the
Audit Committee**

Mayor
John Cooper

**Department of Codes and
Building Safety Director**
Bill Herbert

Audit Committee Members
Tom Bates
Kelly Flannery
Sharon Hurt
Brackney Reed
Jim Shulman
Kyonztè Toombs

Metropolitan
Nashville
Office of
Internal Audit

**Audit Recommendations Follow-up –
Audit of the Department of Codes
and Building Safety Fuel Transactions
(Initial Report Issued January 6, 2020)**

November 5, 2021

EXECUTIVE SUMMARY

November 5, 2021



Why We Did This Audit

To evaluate management's implementation of previous audit recommendations as of September 30, 2021.

What We Recommend

There are no recommendations as management successfully implemented the initial audit recommendations.

Audit Recommendations Follow-up – Audit of the Department of Codes and Building Safety Fuel Transactions

BACKGROUND

On January 6, 2020, the Office of Internal Audit issued an audit of the Department of Codes and Building Safety Fuel Transactions. The audit report included two recommendations for improving the operations related to fuel management. Both recommendations 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 objective of this follow-up audit is to determine whether management's action plans for the prior audit report recommendations are completed.

The audit scope covers the status for the two accepted recommendations included in the January 6, 2020, Audit of the Department of Codes and Building Safety Fuel Transactions.

WHAT WE FOUND

The Department of Codes and Building Safety has implemented both recommendations made in the initial audit report. Details of the implementation status can be seen in **Appendix A**.

RECOMMENDATIONS AND IMPLEMENTATION STATUS

The audit report resulted in two recommendations, both of which were accepted by management for implementation. Out of the accepted recommendations, both have been fully implemented.

Details of the implementation status and updated implementation dates, if applicable, can be seen in **Appendix A**.

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 the documentation provided by management as evidence of completion.
- Examined data within the Oracle R12 accounting system.
- Interviewed key personnel within the Department of Codes and Building Safety.

AUDIT TEAM

James Carson, CIA, CFE, In-Charge Auditor
Bill Walker, CPA, CIA, CFE, Principal Auditor
Lauren Riley, CPA, CIA, CFE, ACDA, CMFO, Metropolitan Auditor

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

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

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 / No Longer Applicable	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 October 25, 2019 and the current implementation status of each recommendation based on our review of information and documents provided by the Nashville Municipal Auditorium.

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>A.1 Ensure adequate segregation of duties exist regarding the requisition, approval, physical receipt and payment of fuel cards.</p> <p>Assessed Risk Level: Medium</p>	The Finance Manager hired in September reviews all WEX fuel card invoices for accuracy and reasonableness along with approving WEX fuel card invoices for payment in Oracle R12. Second level of invoice review and approval in Oracle R12 are required. The Assistant Director is also monitoring and reviewing fuel card payments. Accounts Payable staff for the department via Metro Payment Services also reviews all invoices for duplication, sales tax, and other disallowed items before initiating payment in Oracle R12.	None	Fully Implemented/ Closed
<p>A.2 Ensure documentation is generated and retained for the monthly reviews conducted on fuel card related activity.</p> <p>Assessed Risk Level: Medium</p>	The Fleet Coordinator maintains monthly files for WEX fuel card invoices. Moving forward, the Fleet Coordinator will sign all WEX fuel card invoices upon completion of review to ensure adequate documentation. Finance Manager also keeps monthly files for all WEX fuel card invoices sent to Metro Payment Services for payment initiation.	None	Fully Implemented/ Closed



**A Report to the
Audit Committee**

Mayor
John Cooper

**Presiding Judge of the
20th Judicial District**
Judge Joe P. Binkley, Jr.

Criminal Court, Division IV
Judge Jennifer L. Smith

Audit Committee Members
Tom Bates
Kelly Flannery
Sharon Hurt
Brackney Reed
Jim Shulman
Kyonztè Toombs

Metropolitan
Nashville
Office of
Internal Audit

**Audit Recommendations Follow-up –
Audit of State Trial Court Drug Court**

November 18, 2021

EXECUTIVE SUMMARY

November 18, 2021



Why We Did This Audit

To evaluate management's implementation of previous audit recommendations as of November 3, 2021.

What We Recommend

Management should continue efforts to fully implement the remaining one recommendation issued.

Audit Recommendations Follow-Up - Audit of the State Trial Court Drug Court

BACKGROUND

On February 20, 2020, the Metropolitan Nashville Office of Internal Audit issued an audit report on the State Trial Court Drug Court between July 1, 2016, and June 30, 2019. The audit report included 16 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 16 accepted recommendations that management reported as implemented or accepted.

WHAT WE FOUND

Of the initial 16 recommendations made, State Trial Court Drug Court has implemented 15 recommendations. One recommendation related to deposits being made within 24 hours was partially implemented due to an ongoing staffing shortage.

AUDIT FOLLOW-UP RESULTS

The initial audit report encompassed operational and financial activities within the State Trial Court Drug Court between July 1, 2016, and June 30, 2019. The audit report included 16 recommendations, all of which were accepted by management for implementation.

The scope of the follow-up audit included all 16 accepted recommendations that management reported as implemented. Of the 16 accepted recommendations, 15 recommendations were fully implemented, and 1 recommendation was partially implemented. 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 operation of Drug Court.
- Obtained and reviewed vehicle mileage and fuel purchases report.
- Obtained and reviewed a sample of timecards for payroll processing.
- Obtained and reviewed a sample of credit card purchase receipts.
- Reviewed logs for woodwork inventory and money transfers in applicable processes.

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

Nan Wen, CPA, In-Charge Auditor

Lauren Riley, CPA, CIA, CFE, 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 February 20, 2020 and the current implementation status of each recommendation based on our review of information and documents provided by the Drug Court.

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
A.1 Deposit the money orders received within one business day and remove the Metropolitan Nashville Government’s bank account number from the endorsement.	Most of the deposits were made within 24 hours of receipt, and State Trial Court Drug Court no longer places the Metropolitan Nashville Government’s bank account number on the deposited money orders.	Due to an ongoing staff shortage, this has not been fully implemented. When staffing levels return to normal, this will be implemented as there will be someone on staff to do a daily deposit.	Partially Implemented/ Open
A.2 Rewrite the Client Management Fee part of the Administrative Policies and Procedures to require that two employees open the mail and log the money orders received.	The client management fee policy was revised to reflect that two employees shall open the mail and verifying all funds upon receipt.	None	Fully Implemented/ Closed
A.3 Add a sign-off requirement for the transfer of assets within the resident program fee collection process and other applicable processes.	A detailed ledger of all monies exchanged was signed by both parties at the time of the transfer. A review of the ledger verified this is occurring.	None	Fully Implemented/ Closed

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>B.1 Ensure prenumbered receipt books are used, tracked, and reviewed in the cash collections process.</p>	<p>Unnumbered receipt books were no longer used. A receipt book ledger has been created which documents the receipt books' numbers, owners, and dates distributed/returned. A review of the receipt book ledger verified implementation.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>B.2 Establish a wood works inventory system to ensure the costs and revenues are tracked.</p>	<p>An inventory system of all woodworks is tracked to ensure cost and revenues are accurately recorded. The inventory log was reviewed for verification.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>C.1 Establish policies and procedures for wood works revenue collections, deposits into the Metropolitan Nashville Government's bank account, and recording transactions in the Metropolitan Nashville Government's financial system.</p>	<p>Policies and procedures were established for monies accumulated by the sale of woodwork or other vocational activities and transactions were recorded and deposited in the Metropolitan Nashville Government's financial system.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>C.2 Utilize Metropolitan Nashville Government credit cards for goods and services unavailable from authorized vendors.</p>	<p>Metro credit card is used when goods and services are unavailable from other authorized vendors. A review of credit card transactions from was performed to verify the implementation.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>C.3 Work with the Metropolitan Nashville Government's Treasurer and Chief Accountant to establish a petty cash fund based on the unique situation of the Drug Court.</p>	<p>Discussions have been made to reinstate a petty cash fund under Metro guidelines. The first petty cash fund was received by State Trial Court Drug Court in June 2020.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>D.1 Establish a retention schedule and maintain supporting purchasing documentation for the required period.</p>	<p>The State Trial Court Drug Court follows Metro Records Management’s policy on purchasing documentation retention period (GRS217).</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>D.2 Ensure employees provide the local sales tax exemption and are instructed not to pay local sales tax on purchases.</p>	<p>Tax exemption forms were given to designated staff and distributed to vendors as required. Tax exemption cards for non-vendors were obtained. A review of credit card transactions from was performed to verify the implementation.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>E.1 Establish policies and procedures for a designated Agency Fleet Coordinator to be responsible for randomly monitoring fuel key and fuel card usage through the FuelMaster System.</p>	<p>The State Trial Court Drug Court has access to WEX to monitor all vehicles’ mileage and fuel purchases. Mileage forms in vehicles have been amended to include refueling (eff. 12/01/2019). A review of vehicle mileage and purchase logs was provided for verification.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>E.2 Ensure the Fleet Coordinator and applicable employees obtain FuelMaster account access for monitoring fuel card activities.</p>	<p>The State Trial Court Drug Court has access to WEX, vehicle mileage and fuel purchases are monitored. A review of vehicle mileage and purchase logs was provided for verification.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>F.1 Ensure any timecard changes are reviewed and signed by a supervisor before being processed for payroll.</p>	<p>Supervisors sign all timecards for part-time employees. A review of timecards from September 2019 to August 2021 was performed to verify implementation.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>F.2 Refine procedures in the Administrative Guide to add detailed instructions on payroll processing for both part-time and full-time employees.</p>	<p>Revisions to policies and procedures were made by designated staff regarding instructions for payroll processing for all employees.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>G.1 Explore the possibility of leveraging technology in payroll and leave time management.</p>	<p>The State Trial Court Drug Court researched affordable software in the area of payroll and leave time management.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>
<p>H.1 Reevaluate client record procedures and communicate to case managers the client record requirements to ensure the policy is enforced.</p>	<p>Records management procedures for retention were followed. Files were internally audited for accuracy and completion.</p>	<p>None</p>	<p>Fully Implemented/ Closed</p>

**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	Issued
5	MNPD Fiscal Management	600	Issued
6	Nashville General Hospital Follow-Ups: Pharmacy and Procure to Pay	150	Issued
7	Barnes Fund Operations and Follow-Up (<i>Carry Forward</i>)	800	Planning
8	Public Works Revenue Collections (<i>Carry Forward</i>)	600	Issued
9	Metropolitan Nashville Employee Benefit Board Pension Investments (<i>Carry Forward</i>)	800	Issued
10	Office of Internal Audit Peer Review (<i>Carry Forward</i>)	100	
CY 2021 New Audit Areas			
11	Coronavirus Aid, Relief, and Economic Security (CARES) Spending Process	800	Delayed
12	Metro Water Services Water and Sewer Collections	800	Planning
13	Metro Codes Complaints Process	600	Issued
14	Public Works Parking Management	600	Delayed
15	Public Defender	600	Issued
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	Reporting
Information Technology Risk			
20*	Enterprise Assessment of Departmental Information Security	400	
21*	Health Department – Information Technology Security Management and Governance	200	Reporting
Audit Recommendation Follow-up			
22	Recommendation Implementation Follow-Up Audits	800	Ongoing
	Total Audit Services	11,350	

**Metropolitan Nashville Office of Internal Audit
2021 Recommended Work Plan**

Other Potential Audit Engagements		
A	Metro Nashville Disaster Recovery Planning Process	800
B	General Services Building Maintenance	600
C	Metropolitan Council Staff	600
D	Open Records Request Fulfillment Process	600
E	Nashville General Hospital Billing	800
F	Social Services – Homeless Impact Division	600
G	Metro Water Services – Soil and Conservation	600
H	Sheriff Work Release and Inmate Trust	800
I	Sold Property Tax Receivables	600
	<i>Total Other Potential Audit Engagements</i>	<i>6,000</i>
Total Recommended 2021 Audit Services Effort		
	Audit Services	11,350
	Investigation Services	1,200
	Special Projects	400
	Unforeseen Requests	800
	<i>Total</i>	<i>13,750</i>

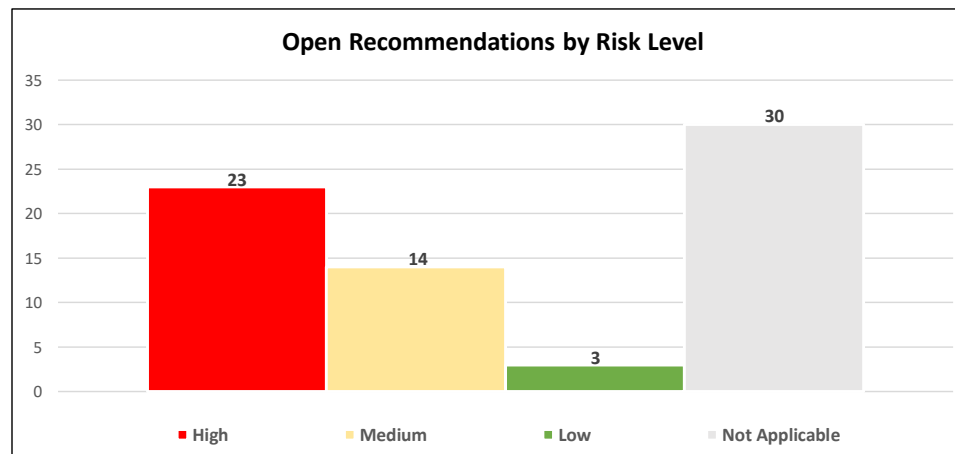
**Metropolitan Nashville Office of Internal Audit
Audit Project Status
As of November 17, 2021**

Audit Plan Year February 2021 to January 2022 Projects	Planning	Fieldwork	Report	Report Phase	
				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					Apr-21
5) NGH Pharmacy Operations Follow-Up					Mar-21
6) Fund Restrictions, Commitments, and Assignment					Jun-21
7) MNPD Fiscal Management					May-21
8) Public Defender					Sep-21
9) Public Works Revenues					Nov-21
10) Metro Nashville Employee Benefit Board Pension Investments					Oct-21
11) Health Department IT Security and Governance (<i>Kraft CPAs</i>)			✓		
12) Municipal Auditorium Follow-Up					May-21
13) MNPS Procurement Process			✓	Nov-21	
14) Codes Complaints Process					Oct-21
15) Drug Court 4 Audit Follow Up			✓	Nov-21	
16) Library Security Follow Up			✓	Nov-21	
17) EEOC Form 164 Follow Up			✓	Nov-21	
18) Codes Fuel Card Follow Up					Nov-21
19) Arts Commission Follow Up		✓			
20) Treasury Collections Follow Up		✓			
21) MWS Collections	✓				
22) Barnes Fund	✓				
23) General Government Benefits Follow Up		✓			
Completed Investigations					Final
Metro Integrity Line Alerts - February 2021 to February 2022			Total	Closed	Pending
Metro Hotline Alerts (Fraud, Waste, & Abuse)			15	14	1

Note: Goal to complete 17 audit projects for Plan Year 2021. Currently 13 completed audit projects and 5 projects in the draft phase.

Implementation Status Update as of November 17, 2021

Audit Department List	Year	# Accepted	Open Recommendations Before Follow-Up	Implementation Due by 10/31/2021	Open Recs After Response	Notes
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	
Finance Department Procurement And Business Assistance Office	2018	13	1		1	
Metro Water Services Fire Hydrant Inspections	2018	10	2		2	
Municipal Auditorium	2019	6	4		4	
NGH Pharmacy Operations	2019	17	1		1	
Election Commission Information Systems	2020	8	1		1	
Criminal Justice Center Project	2020	5	1		1	
Trustee	2021	7	2		2	
Metro Water Services Billing Process	2021	2	1		1	
Fund Commitments, Restrictions, and Assignments	2021	2	2	X	1	Revised Date
Public Defender's Office	2021	3	3		3	
Property Standards Complaints Process	2021	8	4		4	
Pension Investments	2021	6	6		6	
Public Works Collections	2021	16	16		15	
			72		70	



Recommendation Implementation Changes
As of November 17, 2021

Audit/Investigation Name	Responsible Entity	Observation	Response	Due Date	Risk	Latest Update	Revised Due Date
Fund Commitments, Restrictions, and Assignments	Finance	A.1 – 1. Establish a comprehensive fund balance policy consistent with best practices that will be available to all stakeholders, including employees, internal and external auditors.	ACCEPT	12/31/2021	Low	Metro's current fund balance is not adequate for an operation of this size. The fund balance requirement is a piece of a comprehensive plan the team is working on to continue to strengthen Metro's finance.	6/30/2022

Office of Internal Audit Budget versus Actual
GSD General Fund as of November 17, 2021
FY 2022 Approved Budget

		FY 2022 Budget	Actual	Difference	Notes
Total Salaries & Fringe		\$ 1,252,600	\$ 378,545	\$ 874,055	
Other Expenses					
Professional & Purchased Services		\$ 192,200	\$ 33,086	159,114	
Building Rent Parkway Towers		\$ 59,500	\$ 24,020	35,480	
Other Expenses		\$ 77,600	\$ 9,276	68,324	
Internal Service Fees		\$ 51,300	\$ 17,100	34,200	Information Technology
TOTAL EXPENSES		\$ 1,633,200	\$ 462,027	\$ 1,171,173	28% 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
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
2022	192,200	1,633,200	12%	10

Metropolitan Nashville Office of Internal Audit

Executive Team

Lauren Riley

MAcc, CPA, CIA, CFE, ACDA, CMFO
Metropolitan Auditor

Project and Office Management Leadership

William (Bill) Walker

CPA, CIA, CFE

Audit Manager

Seth Hatfield

MAcc, CPA, CIA, CFE

Principal Auditor

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

Audit Talent Pool

Innocent Dargbey

MS-Finance, MBA,
CPA, CMFO, CICA
Senior Auditor

James Carson

MBA, CIA, CFE
Senior Auditor

Mary Cole

MAcc, CPA, CFE, CISA,
CGFM
Senior Auditor

Nan Wen

MS-Info Sys, MS-
Acctg, CPA
Senior Auditor

Laura Henry

MAcc, CFE
Senior Auditor

Elizabeth Andrews

CFE
Auditor I

Jessica Henderson

Auditor I

Audit Committee

Metropolitan Code of Laws Section 2.24.300
Term-varied
6 Members

		<u>Date of Appt.</u>	<u>Term Exp.</u>
Mr. C. Thomas Bates	Vice Chair	3/22/2021	3/31/2025
5257 Fredericksburg Way East Brentwood, TN 37027- (615) 504-2425 tombates@bcpas.com Representing: Nashville Chapter of the TSCPA			
Ms. Kelly Flannery		10/5/2021	8/31/2023
One Public Square, Suite 106 Nashville, TN 37201- (615) 862-6151 kelly.flannery@nashville.gov Representing: Metropolitan Director of Finance			
Ms. Sharon Hurt		10/5/2021	8/31/2023
One Public Square, Suite 204 Nashville, TN 37201- (615) 862-6151 sharon.hurt@nashville.gov Representing: Metropolitan Council			
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. Kyonzte Toombs		10/5/2021	8/31/2023
One Public Square, Ste. 204 Nashville, TN 37201- (615) 862-6151 kyonzte.toombs@nashville.gov Representing: Metropolitan Council			

**METROPOLITAN NASHVILLE AUDIT COMMITTEE
2021 MEETING PLAN**

Meeting Date	Proposed Agenda Topics
February 9, 2021 (Tuesday)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • FY2020 External Audit plan and required communications • Internal Audit issued report discussion • Open Audit Recommendations Status
September 14, 2021 (Tuesday) Rescheduled - October 26, 2021 (Tuesday)	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • Internal Audit issued report discussion • Open Audit Recommendations Status • External Audit Comprehensive Annual Financial Report Audit Progress Executive Session
December 14, 2021 (Tuesday)	<ul style="list-style-type: none"> • 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)