

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



***METROPOLITAN AUDIT COMMITTEE
WORKBOOK***

November 19, 2013

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**METROPOLITAN NASHVILLE
METROPOLITAN AUDIT COMMITTEE MEETING AGENDA
November 19, 2013 4:00 p.m.**

**Committee Room 4
205 Metropolitan Courthouse**

- I. Call Meeting to Order
- II. Approval of minutes for the October 22, 2013 meeting (Bob Brannon – Committee Chairman) **Page 7**
- III. Old Business
- Update on the status the comprehensive performance audit of Metropolitan Nashville Public Schools (Mark Swann – Metropolitan Auditor) **Page 21**
 - Discussion on the Metropolitan Nashville Audit Committee plan to conduct the bid proposal evaluation panel for the comprehensive performance audit of Metropolitan Nashville Public Schools as an open meeting (Theresa M. Costonis - Assistant Metropolitan Attorney) **Page 22**
- IV. New Business
- Discussion on request to amend current Internal Audit Work Plan to include an audit of charter school enrollment practice (Mark Swann – Metropolitan Auditor) **Pages 15 & 16**
 - Discussion on Audit of the Circuit Court Clerk Metropolitan Citation Process audit report issued October 9, 2013 (Mark Swann – Metropolitan Auditor) **Page 17**
 - Discussion on Audit of Nashville Education Community and Arts Television Corporation audit report issued October 29, 2013 (Mark Swann – Metropolitan Auditor) **Page 18**
 - Discussion on Audit of Davidson County Soil Conservation District audit report issued October 30, 2013 (Mark Swann – Metropolitan Auditor) **Page 19**
- V. Adjournment of public meeting – Next scheduled meeting Tuesday, December 10, 2013. Additional meeting may be called for RFP Evaluation prior to December 10, 2013.



To request an accommodation please contact Mark Swann at (615)862-6158.

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

October 22, 2013

DRAFT MINUTES

On Tuesday, October 22, 2013, at 4:00 p.m., the Metropolitan Nashville Audit Committee met in the Metropolitan Courthouse, 2nd Floor, Committee Room 4. The following people attended the meeting:

Committee Members

Bob Brannon, Chairman
Brack Reed, Vice-Chairman
Richard Riebeling, Director of Finance
Jacobia Dowell, Councilmember
Steve Glover, Councilmember

Others

Mark Swann, Metropolitan Auditor
Seth Hatfield, Internal Audit
Theresa Costonis, Department of Law
Jon Cooper, Office of the Metropolitan Nashville
Council Office
Emily Evans, Councilmember
Michael Cass, The Tennessean
Hank Clay, Metropolitan Nashville Public
Schools

Committee Member Absent

Diane Neighbors, Vice-Mayor

Quorum present? Yes

Call Meeting to Order

Bob Brannon, Committee Chairman, called the meeting to order.

Approval of Minutes

The minutes of the meeting on October 8, 2013, were approved.

The revised minutes for the meeting on September 10, 2013, were approved.

Old Business

Discussion on the potential scope of work for a comprehensive performance audit of Metropolitan Nashville Public Schools

Mr. Swann explained that the audit committee previously requested a more defined scope of work and timeline for the Metro Nashville Public School performance audit. Mr. Swann stated that the audit committee and two councilmembers were previously sent the Request for Proposal (RFP) Info Template. Mr. Swann discussed each of the six objectives included in the scope of services. Mr. Swann explained that a motion would be necessary to accept the RFP

template and to amend the Internal Audit Work Plan to include the Metro Nashville Public Schools performance audit.

Mr. Glover motioned for the acceptance of the RFP template. Ms. Dowell second. Motion carried.

There was a discussion relating to the objectives of the performance audit. Mr. Swann provided clarification by answering the committee member's questions relating to the scope of services.

There was a discussion regarding interim reporting by the contract auditor. It was decided that an amendment should be made to the RFP to include the possible requirement of an interim report.

There was a discussion about the funding for the performance audit. Mr. Cooper explained that Metro Council would have to appropriate the funds for the audit. Ms. Costonis stated that Metro Nashville contracts have a termination for lack of funding provision.

There was a discussion by the Audit Committee regarding who should make up the RFP review panel. It was decided that Audit Committee should review the RFPs. Mr. Riebeling suggested the vendors be made aware that the proposals will be evaluated in a public meeting. Mr. Glover agreed and requested that the RFP be amended to include a notification that the proposals will be evaluated in an open public meeting.

Mr. Glover motioned for the acceptance of the amended RFP template. Ms. Dowell second. Motion Carried.

Mr. Reed motioned for the amendment of the Internal Audit Work Plan to include a comprehensive performance audit of the Metro Nashville Public Schools. Mr. Glover second. Motion carried.

Meeting adjourned after 31 minutes.

The next meeting will be scheduled for December 10, 2013.

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

October 8, 2013

DRAFT MINUTES

On Tuesday, October 8, 2013, at 4:00 p.m., the Metropolitan Nashville Audit Committee met in the Metropolitan Courthouse, 2nd Floor, Committee Room 4. The following people attended the meeting:

Committee Members

Bob Brannon, Chairman
Brack Reed, Vice-Chairman
Richard Riebeling, Director of Finance
Jacobia Dowell, Councilmember
Steve Glover, Councilmember

Others

Mark Swann, Metropolitan Auditor
Carlos Holt, Audit Manager
Bill Walker, Internal Audit
Theresa Costonis, Department of Law
Mike Curl, Office of the Metropolitan Nashville Council
Hank Clay, Metropolitan Nashville Public Schools

Committee Member Absent

Diane Neighbors, Vice-Mayor

Quorum present? Yes

Call Meeting to Order

Bob Brannon, Committee Chairman, called the meeting to order.

Approval of Minutes

The minutes of the meeting on September 9, 2013, were approved.

New Business

Discussion on the request to amend the current Internal Audit Work Plan to include a comprehensive audit of the Metropolitan Nashville Public Schools.

Mr. Swann stated that the Office of Internal Audit had received a request by the Metropolitan Nashville Council to perform a comprehensive performance audit of the Metropolitan Nashville Public Schools. Subsequent to this request, Mr. Swann met with Mr. Rebeling (Metropolitan Nashville Finance Director), Dr. Register (Director of Metropolitan Nashville Public Schools), and Chris Henson (Metropolitan Nashville Public Schools) to discuss the request and the possible scope and financing mechanism for the audit. Mr. Swann stated all parties are agreeable and welcoming of the audit. Mr. Swann then discussed previous audits conducted within the Metropolitan Nashville Public School system subsequent to the last comprehensive audit conducted in 2001 by MGT. Numerous audits and management consulting engagements have been conducted which were less in scope than the MGT audit but did cover a wide range

of functional areas within the school system. Mr. Swann reviewed the listing of management consulting and audit reports contained in the Committee Workbook, page 27. A brief discussion was pursued regarding some of the recommendation of these audits.

Councilmember Glover inquired how the audit request from the Metropolitan Nashville Council compared to the 2001 MGT audit. Mr. Swann referred the committee to page 28 of the Workbook which outlines the scope of work as requested by the Metropolitan Nashville Council and what is typically seen in these type audits. Mr. Swann also advised that the MGT audit project was a comprehensive audit with 230 recommendations being made. Of the 230, 205 were implemented as of 2006.

Mr. Riebeling advised one of the primary challenges to developing a scope of work is that you have 40 members of the Metropolitan Nashville Council, one Mayor, many people with a large variance in what they expect to look at in this audit. Mr. Swann referred the Committee back to page 28 of the Workbook to review a potential scope of work.

Mr. Swann advised he believed this audit to be time sensitive. Councilmember Dowell concurred and discussed how the primary objective of this audit should be to determine and assess how effective MNPS is utilizing available funding and how funding is allocated, particularly per school. For example, if the District is spending certain dollars per child, how much of this amount is for direct education, transportation, maintenance, and so forth. Councilmember Glover advised he believed that when looking at these numbers, one must consider things like transportation as being part of the education delivery bucket.

Councilmember Dowell's primary concern about MNPS was how effectively is appropriated funds being utilized and how much of it actually gets filtered down to the delivery of educational services to the child.

Councilmember Dowell stated the audit should look at what type of services could be contracted out, are staffing levels too high, and so forth. Councilmember Dowell indicated that she is asked by constituents why funding amounts vary per school. She advised there may be a good reason for the variance but she currently cannot answer the question. Mr. Swann advised that a system possibly could be put in place that provides that information and the external auditors, as part of their annual audit plan, could provide assurance that the information provided is reasonable. Councilmember Dowell also advised that such information would be useful in answering constituents' questions about where the money is going (there are complaints that the kids are not seeing all of the additional funding), why funding levels vary from school to school (there are complaints about a variance in resources between schools), and comparison of private school cost to public school cost for example, a specific school may spend \$9,000 per student and a local private school may charge \$5,000 per year. What are the differences in these costs?

Councilmember Glover warned that a debate could ensue over what constitutes education delivery services. Transportation costs, for example, may be viewed as administrative cost by some but in his mind it should be education delivery because you have to get a child to school to teach them. Councilmember Dowell agreed but advised Metro needs to know that transportation cost is reasonable. Councilmember Dowell wants to know how we optimize the funding to maximize the amount going to direct education. Councilmember Dowell advised knowing the difference between direct cost and indirect cost would be vital information.

Mr. Swann referred to a copy of an audit conducted at Anchorage, Alaska that addresses some of these issues. Mr. Swann advised the scope could be divided into two buckets; how does

MNPS compare in relation to best practices and identifying and ascertaining the efficacy of how funding is being allocated per child.

Mr. Swann discussed the need for the committee to approve any modification or addition to the formal Internal Audit Annual Work Plan. Mr. Swann suggested that before such an approval was granted a determination of the scope should be made. After which, an RFP could be generated with a solicitation of bids to follow. Once bids began filtering in, the Committee could assess the cost of the audit. Mr. Riebeling stated that limited funding was available to conduct the audit. Mr. Swann stated that the scope of the audit could be broken down into smaller, more manageable areas with vendors being given the opportunity to bid on individual scope segments and make bids to conduct all scope items in their entirety. Once all the various bids come in, the Committee could assess what Metro Nashville could afford and what scope of work would be desirable to pursue. Mr. Swann also suggested there could be individual segments that the Office of Internal Audit staff could perform and thus reduce cost.

The question was raised by Mr. Reed regarding how much enforcement power would the Committee have in regards to the final recommendations made from the audit report. Ms. Costonis advised the committee's enforcement power is limited. Operations of the Metropolitan Nashville Public School reside in the School Board. She advised that the Metropolitan Nashville Council has the power of the purse strings but that was about it. Mr. Glover cautioned the Committee that there may be unintended consequences to the recommendations. Moreover, a large sum of money could be expended to produce a report in which recommendations are not implemented.

Mr. Brannon inquired how long it would take to generate a scope of work and come up with a Request for Proposal. He suggested the possibility of forming a sub-committee to facilitate the process. Mr. Swann advised that potentially members of the Committee could be on the Request for Proposal evaluation committee. Mr. Swann advised the time to generate a Request for Proposal scope of work for Committee review would take about a week. Mr. Brannon advised he would like to see it by the next Committee meeting. Mr. Swann advised he would have the Request for Proposal at the next meeting but that it would not be enough time, given Metropolitan procurement policies, to have bids ready in that time frame.

Councilmember Glover reiterated the risk of unintended consequences and that one must be aware of the inherent, fundamental differences when looking at a school such as Julia Green and Harris Hillman. Councilmember Dowell suggested the need for a pie chart for each school to get an allocation of how money is being spent. She also suggested an evaluation of staffing levels for administrative type functions was needed. She wanted to see how much money was making it to the classroom. Mr. Swann advised that a similar audit from Anchorage, Alaska addressed some of those issues. Moreover, the Texas Comptroller's Office has a website whereby the citizenry can view information regarding how funds are being allocated. Both the Anchorage report and format of the Texas website might be something to be considered in the audit. Councilmember Glover advised that evaluations of different schools can be very complicated and challenging.

Mr. Riebeling stated he wanted the audit to go forward. The Office of Internal Audit was directed to conduct the necessary preliminary work to generate a proposed scope of work. A meeting would be set up at a later date for the Committee to review and approve the scope of work. The question was raised as to whether Committee members could discuss this audit between themselves before the next meeting. Ms. Costonis advised they could not speak to other committee members outside of an official, public meeting. However, they could discuss the audit

individually with Office of Internal Audit staff. Councilmember Glover stated that the scope of this audit could take over a year and that a time limit should possibly be part of the Request for Proposal. Mr. Swann advised that audits have been conducted in shorter time frame but at a higher cost.

Councilmember Glover asked about the time frame for a final report to be issued and how long did it take the 2001 MGT audit to be conducted. Mr. Swann advised the 2001 MGT audit took a year. Mr. Riebeling advised there are more readily available sources of information which may help facilitate the timeliness of the project. It was noted that the Metropolitan Nashville Council would like to see a final report prior to the fiscal year 2015 budget hearings. Mr. Swann advised the time frame of the report could be included in the Request for Proposal.

A motion for the Office of Internal Audit to generate a proposed scope of work that the Committee will review at a subsequent meeting was made. The motion was approved.

Old Business

Discussion on the status of audit project:

Mr. Swann advised there was little variance in project status for current engagements since the previous meeting on September 9, 2013. Several audits, four, had moved into the reporting phase. An audit report of the Metropolitan Citations Process will be released in the next couple of days. Mr. Swann referred the Committee to the section of the Workbook, page 37, which contained this information if they desired to review it.

Discussion on Hotel Occupancy Taxes for Fiscal Year 2013 audit report issued August 22, 2013 (Mark Swann – Metropolitan Auditor)

Mr. Swann informed the Committee that audits on the Hotel Occupancy Tax were still underway. There are currently two large claims in the works totaling a range of \$40,000 to \$50,000. Total claims for fiscal year 2014 thus far appear to be close to \$100,000. Another audit is in the pipeline which could have potential claims in excess of \$130,000. Mr. Swann advised the collectability of this money may be an issue. Mr. Swann advised a common theme in conducting these audits is lack of appropriate supporting documentation. The Office of Internal Audit is attempting to utilize alternative audit steps, such as reviewing bank statements, to compensate for this lack of documentation. The lack of proper documentation is frustrating the anticipated time frame to complete these audits.

A legal issue has also developed regarding hotels who have transformed themselves into apartment complexes yet still, on occasion, house patrons whose length of stay is less than 30 days (patrons who stay over 30 days are exempt from paying the tax). The codes/laws governing classification of these issues varies for these entities in relation to the Codes Department and the Health Department. The Health Department, in form, does not view these entities as hotels. Consequently, some of the owners of these establishments have stopped paying taxes. Mr. Swann advised he was in the process of setting up a meeting between the Metropolitan Treasury Department, Legal Department, Health Department, and Codes Department to gain additional clarity on the subject.

Discussion on Metropolitan Auditor 2014 recruitment and recommendations for the term July 1, 2014, through June 30, 2022.

It was noted that nothing of significance had changed since the September 9, 2013, meeting. Mr. Swann advised that the job description presented at the last meeting could be reviewed for possible changes in the December 2013 Committee meeting. The Committee would make its recommendation and then present the candidate to be approved by the Metropolitan Nashville Council. Ms. Costonis concurred and advised she had reviewed minutes pertaining to the prior selection process. It was noted that a majority vote was needed by the Metropolitan Nashville Council to meet the confirmation requirements.

Meeting adjourned after 52 minutes.

The next meeting will be scheduled in the next few weeks.

DRAFT



Metropolitan Nashville
Board of Public Education

Cheryl Mayes, Chair
Anna Shepherd, Vice Chair
Dr. Jo Ann Brannon
Amy Frogge
Sharon Dixon Gentry, Ed.D.
Michael W. Hayes
Elissa Kim
Will Pinkston
Jill Speering

October 25, 2013

Mark Swann
Metropolitan Auditor
205 Metropolitan Courthouse
Nashville, TN 37201

Dear Mr. Swann:

As chairman of the Budget & Finance Committee for the Metropolitan Nashville Board of Public Education, allow me to express my support for the upcoming performance audit of Metro Nashville Public Schools (MNPS) initiated by the Metro Council. As the largest part of Metro Government, MNPS strives to provide a quality public education for all of our 82,000 students and serve as a responsible steward of the public resources entrusted to us by the taxpayers of Davidson County.

In reviewing this week's media accounts of your Audit Committee discussions, and having participated in performance audits during my service in state government, I believe your proposed scope of work is logical and well reasoned. In my role as the School Board's delegate to the charter review process, I would suggest that you consider expanding the audit scope as it relates to charter schools. As you may know, the board from time to time hears claims that charter schools exit academically struggling students prior to standardized testing in the spring. Additionally, we hear claims that charter schools are enrolling few students with disabilities, especially those with severe disabilities.

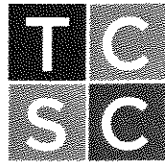
Examining these issues during the course of an independent performance audit could help MNPS resolve these recurring claims and provide useful information to inform education policy on a going-forward basis. Thank you for your consideration. Let me know if I can assist with the audit process in any way.

Sincerely,

A handwritten signature in black ink that reads "Will Pinkston". The signature is written in a cursive, slightly slanted style.

Will Pinkston
Representing District 7
Metropolitan Nashville Board of Public Education

Cc: Audit Committee members



Tennessee Charter
School Center

November 1, 2013

Dear Mr. Swann and Members of the Audit Committee:

Last weekend you received a letter from a school board member expressing support for the upcoming performance audit of Metro Nashville Public Schools (MNPS). In the letter, the author suggested expanding the audit scope to address "claims that charter schools exit academically struggling students prior to standardized testing in the spring." The letter goes on to state that the author hears claims that charter schools are enrolling few students with disabilities, especially those with severe disabilities." Given that these claims are now from a prominent MNPS board member, and thought we would go on the record to speak about this issue.

When a news story last spring first insinuated that there was data to support this practice, we were quick to reach out to the district to learn more about the evidence they had gathered. Ironically, we were told that there was no credible data to support the claim and that if such data were to surface, we could be sure that the MNPS Board would take swift action to address it.

Without additional data or an attempt to address these "recurring claims" at a Board level, we are left to believe that this request is merely a tactical maneuver that is completely unfair to the charter sector and a continuation of a whisper campaign being mounted by those who are simply and vehemently anti-charter. This is sadly not the first time that someone has sought to explain away and belittle the hard work of the students, parents, teachers and administrators of Nashville public charter schools. Nor it is the first time that scurrilous rumors have been used to address why 4 of the 12 schools in Metro designated "reward" schools by the State Department of Education are charter schools.

While we would welcome an expansion of your audit scope to look at attrition across MNPS, we would hope that if anyone affiliated with MNPS believed these claims had merit, he or she would take it into his or her authority to raise the matter at the school board. That said, if the Committee desires to include this issue in the scope of the audit, we would suggest that any investigation would be incomplete without a transparent and independent process that includes the attrition data of all public schools as a basis for comparison.

Thank you for your consideration. If we may be of service in any way, please do not hesitate to contact the Tennessee Charter School Center.

Sincerely,

Rebecca Lieberman
Managing Director of School and Sector Initiatives
Tennessee Charter School Center

EXECUTIVE SUMMARY

October 9, 2013



Why We Did This Audit

The audit was initiated to evaluate the controls and procedures for processing metropolitan citations and to follow-up on prior traffic citations process audit recommendations.

What We Recommend

Agencies provide the Circuit Court Clerk documentation of the disposition for all Metropolitan citations within a book of citations received.

For more information on this or any of our reports, email Mark.Swann@nashville.gov

AUDIT OF THE CIRCUIT COURT CLERK'S METROPOLITAN CITATIONS PROCESS

BACKGROUND

Metropolitan citations are processed by employees of the Traffic Violation Bureau within the Circuit Court Clerk. These citations are issued by various agencies in the Metropolitan Government for the violation of Metropolitan ordinances. Examples include illegal dumping, animals at large, high grass, using water without paying, open containers, alarm violations, and so forth.

OBJECTIVES AND SCOPE

The objectives of the audit were to:

- Determine if controls and procedures were in place to manage processing of Metropolitan citations.
- Determine if prior audit recommendations for the traffic citations process audit had been implemented.

The audit scope included May 1, 2011, through April 30, 2013.

Number of Citations Issued by Agencies	4,528
Number of Citations Scanned by Traffic Violation Bureau	4,491
Amount Collected by Traffic Violation Bureau	\$54,919

Source: Davidson County Office of the Circuit Court Clerk

WHAT WE FOUND

In general, the Circuit Court Clerk had controls in place to effectively manage Metropolitan citations received from various agencies. Agencies responsible for issuing Metropolitan citations need to be vigilant in accounting for all citations distributed to them by the Circuit Court Clerk, and promptly forward the complaint copy of issued citations to the Traffic Violation Bureau for processing. For the citation books used during the audit period, 240 (five percent) individual citations were not submitted to the Traffic Violation Bureau for processing.

Most of the previous audit recommendations for the traffic citation processes have been implemented. However, four of the recommendations were not implemented because a planned system revision had not yet been completed.

EXECUTIVE SUMMARY

October 29, 2013



Why We Did This Audit

The audit was initiated based on the number of years lapsed since the last audit.

What We Recommend

Formal procedure to account for assets between Nashville Education, Community and Arts Television Corporation and Metropolitan Nashville should be improved.

Review studio scheduling procedures for possible changes that could minimize the total Metropolitan Nashville Information Services Department staff time required to provide equipment operations coverage.

For more information on this or any of our reports, email Mark.Swann@nashville.gov

Audit of Nashville Education, Community, Arts Television

BACKGROUND

The Nashville Education, Community and Arts Television Corporation is a not-for-profit organization established to enrich Nashville by being a communications broadcast center (Comcast Music City Arts 9, iQTV10, and Access Nashville 19) that encourages, nurtures and features the many diverse voices of the community; protects freedom of speech and expression, and engages all Davidson County residents fairly through the production and transmission of non-commercial programming.

OBJECTIVES AND SCOPE

The objectives of this audit were to:

- Determine the operation was fulfilling the intent and objective of its enabling legislation.
- Determine if controls and procedures were in place to properly manage fiscal resources.

The audit scope was between July 1, 2010, and June 30, 2013.

	2012	2013
Funding Sources:		
Franchise agreement pass through Metropolitan Nashville	98,914	99,688
Self-generated Funds	79,185	67,932
Metropolitan Nashville Donated Services (Labor and Rent)	160,005	180,032
Total Sources of Funding	\$338,104	\$347,652
Total Operating Expense	\$318,332	\$324,782

Source: Metropolitan Nashville and Nashville Education, Community and Arts Television Corporation's accounting system and financial report. Fiscal year 2012 estimated rent was used for fiscal year 2013. Both funding and expense include donated services and expenses.

WHAT WE FOUND

Programming was consistent with the focus area for each channel. Citizens were creating original productions and training classes were provided.

Metropolitan Nashville donated labor could be reduced by additional studio scheduling requirements. Ownership of equipment was not always clear between Nashville Education, Community and Arts Television Corporation and Metropolitan Nashville.



Why We Did This Audit

The audit was initiated based on the number of years that have elapsed since the last audit was conducted by this office.

What We Recommend

The Davidson County Soil and Conservation District should enhance controls over financial transactions, board oversight, and leave time. Restructuring the organizational structure of the District is also recommended.

For more information on this or any of our reports, email
Mark.Swann@nashville.gov

BACKGROUND

The United States Department of Agriculture works through the Davidson County Conservation District, a subdivision of the State of Tennessee, to deliver conservation services and programs and offers a variety of financial incentives to producers and landowners who are interested in conservation programs. The District also receives funding from the Tennessee Department of Agriculture for conservation projects. The Metropolitan Nashville Government provides funding for the staffing of a single District employee and a small amount of expenses. Projects funded by the United States Department of Agriculture passed \$3.8 million to landowners in fiscal years 2011 and 2012 inclusive. Projects funded by the Tennessee Department of Agriculture are sent to the District who, in turn, pays the landowner.

OBJECTIVES AND SCOPE

The primary objectives of the audit were to determine:

- Expenditures were aligned with Davidson County Soil Conservation District service delivery objectives.
- Expenditures were sensible and processed in a manner congruent with generally acceptable financial policies and procedures for governmental financing.

The audit scope included July 1, 2010, through June 30, 2012. During this period, the District assisted in administering \$89,442 in state funds.

Davidson County Soil Conservation District Expenses

Fiscal Year	2012	2011
Payroll	\$ 54,175	\$ 49,473
Internal Service Fees	9,473	10,825
Miscellaneous	7,907	6,925
Total	\$ 71,555	\$ 67,223

WHAT WE FOUND

In general, internal controls over financial transactions, board oversight, and employee leave procedures require improvement. Most of the internal control weaknesses originated from a one-person sized department. All soil conservation mission oriented work was accomplished by knowledgeable and motivated persons.

Login

Form Details (Abstract): RFQ 459570,3

Status **Active**

Document [PDF File](#)

Abstract

Negotiation Number **459570,3**

Negotiation Type **RFQ**

Title **Operational/Performance Audit
of Metropolitan Nashville Public
Schools**

Open Date **11-NOV-2013 12:45:09**

Preview Date **11-NOV-2013 12:45:09**

Close Date **25-NOV-2013 15:00:00**

Award Date

EMD Enable Flag

EMD Type

EMD Amount

EMD Due Date

EMD Guarantee Expiry Days

EMD Additional Information

Electronic mail (e-mail)

sara.sloane@nashville.gov

Metro Buyer Name

SLOANE, SARA W

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Relevant Procurement Code

TCA Section 12-3-1207 provides: “Competitive sealed proposals shall be opened in a manner that avoids disclosure of contents to competing respondents during the negotiation. The proposal shall be open for public inspection after the intent to award the contract to a particular respondent is announced.”

Metro Code Section 4.04.070 provides: “Procurement information shall be public records, open to inspection and copying during normal business hours. Information on a particular procurement shall be open to the public only after bid evaluation. . . .”

Metro Code Section 4.12.040.D, says: “Receipt of Proposals. Proposals shall be opened so as to avoid disclosure of contents to competing offerors during the process of negotiation. A register of proposals shall be prepared in accordance with regulations promulgated by the standards board and shall be open for public inspection after contract award.”

Request for Quotation 459570,3

Title **Operational/Performance Audit of Metropolitan Nashville Public Schools**
 Amendment Date **11-NOV-2013 12:45:09**
 Amendment Description **Amendment 3 adds the Pre-Proposal Conference Sign-In Sheet as an attachment, adds the Audit Statement of Independence for reference purposes and adds the budget from the previous audit performed in 2001.**

Preview Date **11-NOV-2013 12:45:09** Open Date **11-NOV-2013 12:45:09**
 Close Date **25-NOV-2013 15:00:00** Award Date **Not Specified**
 Time Zone **Central Time**

Please submit your response to:

Company **Metro Govt Of Nashville and Davidson County**
 Buyer **SLOANE, SARA**
 Location **Metro Govt Of Nashville and Davidson County**
 Phone **Not Specified**
 Fax
 Email **Sara.Sloane@nashville.gov**

When submitting your response, please include the following information.

Your Company Name	
Address	
Contact Details	
Response Valid Until	

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1 Header Information**1.1 General Information**

Title **Operational/Performance Audit of Metropolitan Nashville Public Schools**
Description **Perform an operational/performance audit of the Metropolitan Nashville Public Schools**
Amendment Date **11-NOV-2013 12:45:09**
Amendment Description **Amendment 3 adds the Pre-Proposal Conference Sign-In Sheet as an attachment, adds the Audit Statement of Independence for reference purposes and adds the budget from the previous audit performed in 2001.**

Preview Date **11-NOV-2013 12:45:09** Open Date **11-NOV-2013 12:45:09**
Close Date **25-NOV-2013 15:00:00** Award Date **Not Specified**
Time Zone **Central Time** Buyer **SLOANE, SARA**
Quote Style **Sealed** Email **Sara.Sloane@nashville.gov**
Outcome **Contract Purchase Agreement**

1.2 Terms

Effective Start Date **Not Specified** Effective End Date **Not Specified**
Ship-To Address Bill-To Address **BILL TO: METRO PAYMENT SERVICES
BILL TO: METRO PAYMENT SERVICES
PO BOX 196301
NASHVILLE, TN 372196301
United States**

Payment Terms **Net 30** Carrier
FOB **Inside Delivery** Freight Terms **Supplier Prepaid**
Currency **USD (US Dollar)** Price Precision **Any**
Total Agreement **Not Specified**
Amount (USD)

1.3 Requirements

Solicitation (Selection) Method
<p>Request for Proposal</p> <p>Pursuant to § 4.12.040 M.C.L., this solicitation document serves as the written determination of the Purchasing Agent, that the use of competitive sealed bidding is neither practicable nor advantageous to the Metropolitan Government. Therefore, this solicitation will facilitate the entering into of contract(s) by the competitive sealed proposals process. The proposal process, flexibility and limitations are governed by the Code and related Procurement Regulations.</p> <p>The proposal selection method permits discussions with offerors who submit proposals determined to be reasonably susceptible of being selected for award. Modifications in proposal content, comparative judgmental evaluations of the proposals, corrections, and scope adjustments, may occur at the request of the Purchasing Agent or their designee.</p> <p>There may be one or more amendments to this solicitation. Solicitation amendments are included as updates to the original solicitation. It is the offeror's responsibility to remain informed on all solicitation amendments and submit the solicitation response incorporating all amendments.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p> <p>Offers to Metro online solicitations are required to be submitted within the iSupplier online environment unless otherwise stated. Hard copy offers will not be considered except as required by law.</p> <p>Any response to this solicitation is a formal waiver of any claims of confidentiality regardless of what</p>

<p>Solicitation (Selection) Method</p> <p>may be stated, printed, or implied in the submission and/or attachments submitted. All information is made a Public Record upon the opening of the final offers.</p> <p>The only official position of Metro is the written statement found within this solicitation document. The same is true for answers provided in response to questions raised related to this solicitation. The Procurement Division will coordinate these written responses and distribute. In an effort to be transparent and provide organized documentation, the online discussion tool within the iProcurement system is the appropriate tool for communications for all questions concerning the solicitation, email is not.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Many effective solicitations result from several rounds of submissions as suppliers revise and improve their offer prior to the due date. Therefore, it is important for us to know which offer is your latest submission. While we can use the log to see the latest update, we ask that you indicate the version. Please enter 1 with the first submission and update with the next whole number when a new version is submitted. So, if you are altering a response or attaching a new or updated attachment, overwrite the 1 in the following box with a 2. If this is your fifth version, overwrite the 4 with a 5 and so on.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Solicitation Objective Summary</p> <p>Scope Summary</p> <p>The Metropolitan Government of Nashville and Davidson County (Metro) is requesting sealed proposals from qualified firms for the provision of an independent operational/performance audit of the Metropolitan Nashville Public Schools to include a detailed report and supporting documentation as described herein.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Scope Detail and Functional Requirements</p> <p>Scope and Functional Requirements</p> <p>The objective to be met through the award of the Request For Proposal is to enter into a contract with the selected vendor to perform an operational/performance audit of the Metropolitan Nashville Public Schools (MNPS). The audit will highlight where MNPS performs above or below its peers while making recommendations that will add long-term value to the school system.</p> <p>The final product will consist of audit report in sufficient detail to provide a clear understanding of the work performed (including the nature, timing, extent, and results of engagement procedures performed), criteria used; the evidence obtained and its source; the conclusions reached; and the recommendations referred to above.</p> <p>Background</p> <p>MNPS is the 42nd largest urban school district in the nation. The consolidated city-county district covers Nashville and Davidson County, an area of about 525 square miles.</p> <p>MNPS is a vast and diverse school system, serving over 81,000 students from more than 80 different countries, speaking more than 70 different languages. MNPS has evolved over the years into one of the most racially, ethnically, and socio-economically diverse school districts in the country. The district is comprised of 153 schools, including 72 elementary schools, 34 middle schools, 21 high schools, 3 alternative schools, 4 special education schools, and 19 charter schools. MNPS is also proud to have the region's first Big Picture High School, as well as 12 high schools implementing themed-based Academies and a Middle College High School that offers dual high school and college enrollment.</p> <p>The school district is led by a nine-member elected Board and its appointed Director of Schools. Funds for the system's operation are approved and provided by the Metropolitan Nashville City Council, as the Board has no taxing authority.</p> <p>The last comprehensive performance audit report was issued in January 2001. Several management consulting and Metropolitan Nashville Office of Internal Audit reports are available which cover specific aspects of MNPS operations (Food Services, Human Capital, Financial Management, Payroll,</p>

Scope Detail and Functional Requirements
<p>Transportation, Instructional Delivery, and so forth).</p> <p>The Metropolitan Nashville Office of Internal Audit is responsible for providing independent performance, financial, and other audit services for Metro.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>The review shall at a minimum include the following objectives:</p> <p>Objective 1: Assess Major Operations This objective is to assess all major operations for strengths, weaknesses and inefficiencies, evaluate insourcing versus alternative sourcing mechanisms (leveraging existing Metropolitan Nashville Government functions/agencies or other providers), and recommend improvements, citing any financial impact. The areas reviewed should include:• District Organization and Management• Education Service Delivery• Human Capital• Financial Management• Facilities Management• Food Services• Transportation• Safety and Security• Technology Management</p> <p>The areas reviewed should provide an analysis of overall district staffing levels. The goal is to answer the questions about whether MNPS is overstaffed, understaffed, or appropriately staffed, and where. This should include a review of staffing and recruitment policies to ensure minimum standards are met in the classroom and ensure administrative or non-teaching positions are not staffed in excess of policy.</p> <p>The assessment of Human Capital practices should include an assessment of the teacher and principal recruitment program along with the professional development program.</p> <p>Objective 2: Review Initiative and Program Evaluation Methodology Evaluate the methodology used by MNPS to determine the feasibility, and success or failure of individual initiatives and programs designed to enhance student performance for efficacy and taxpayer value.</p> <p>Objective 3: Analysis of Total Education Spending To the extent practicable, provide benchmarking and analysis of MNPS total expenditures and individual school level cost reporting using existing National Center for Education statistics classification of expenditures (instruction, support services, operation of noninstructional services, facilities acquisition and construction, and debt services). Ideally the deliverable would group expenditures as follows:• Direct Classroom (directly and routinely impact students in classrooms like teachers and principal compensation, textbooks, and classroom technology).• Indirect Classroom (classroom support like transportation, information technology infrastructure, and building maintenance and repair).• Administrative (things that do not directly or indirectly serve students like management and supervision, benefits management, human resources, and public relations).This analysis should include total cost and per pupil cost for MNPS and charter schools. The goal is to provide information to assist policy makers in ensuring adequate and equitable funding of schools and programs is available to provide every student with the foundation of knowledge, skills and character necessary to excel in higher education, work and life.</p> <p>This information should include an assessment of charter school budget allocation and its impact on resources available to non-charter schools with recommendations for mitigation, if appropriate and consistent with state law.</p> <p>.....</p> <p>Type No Response Required</p>
<p>Objective 4: Illegal Acts and Fraud Consideration Document any instances of non-compliance with laws and regulations, fraud, and/or illegal acts in the operation.</p> <p>Objective 5: Draft Report Issue a Draft Report to the Metropolitan Nashville Office of Internal Audit wherein the observations and recommendations are supported by work performed and adequately cross referenced to working papers. The recommendations contained in the report should include estimated financial impact and measurable implementation goals, where possible.</p> <p>The Draft Report will provide the contractor and the Metropolitan Nashville Office of Internal Audit an opportunity to review. The Metropolitan Nashville Office of Internal Audit will seek clarification and a corrective action plan for any recommendations from the management of MNPS prior to issuing the Final Report.</p> <p>Interim Draft Reports may be required as objectives are completed.</p> <p>Objective 6: Final Report Issue a Final Report that includes supporting documentation, spreadsheets,</p>

Scope Detail and Functional Requirements
<p>analysis, a bibliography, and any other materials pertinent to, and in support of, the observations outlined in the report. Recommendations should include financial impact and measurable implementation goals where possible. The report must contain an executive summary, outline of the engagement objectives, scope of the work performed (including any limitations on the scope and any issues that might be relevant to likely users), methodology used to address the engagement objectives, and observations with recommendations for improvement.</p> <p>The Final Report will subsequently be incorporated into an audit report that will be issued by the Metropolitan Nashville Office of Internal Audit. This report, the Contractor's Final Report and management's responses will be bound together as a single document and available to the public once completed by all parties.</p> <p>Interim Final Reports may be required as objectives are completed.</p> <p>Contractor may be required to provide a public presentation of audit results to the Metropolitan Nashville Council, Board of Education, and Metropolitan Nashville Audit Committee.</p> <p>.....</p>
<p>Type No Response Required</p>
<p>Constraints on the Contractor: <input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input type="checkbox"/> Contractor shall work under the direction of the Metropolitan Nashville Office of Internal Audit.</p> <p>Contractor shall follow the general standards (Chapter 3, specifically independence requirements) and standards for performance audits as prescribed by Government Auditing Standards, 2011 Revision (Yellow Book). Contractor agrees to complete the Metropolitan Nashville Office of Internal Audit Project Statement of Independence form during the engagement planning phase.</p> <p>Original working papers or copies thereof (if the Contractor retains the original) produced by the Contractor will become property of the Metropolitan Nashville Office of Internal Audit.</p> <p>Contractor will be exposed to and have access to information considered sensitive or classified as confidential as per Tennessee Code Annotated Section 10-7-504 (a) (22). Contractor agrees that all information, opinions, analysis, or other work product provided will be provided only to and become the property of the Metropolitan Nashville Office of Internal Audit and may be disclosed only to same by the Contractor. The Metropolitan Nashville Office of Internal Audit will have sole and complete discretion how to use and whether to use work products provided by Contractor and will also be free to use Contractor's name as a participating consultant for this engagement.</p> <p>Contractor agrees that their participation in any media interviews will be limited to stating that they were used as a consultant and further referring information requests to the Metropolitan Auditor.</p> <p>Contractor shall comply with Public Chapter 587 of 2007, as codified in Tennessee Code Annotated Section 49-5-413, which requires all contractors to facilitate a criminal records check conducted by the Tennessee Bureau of Investigation and the Federal Bureau of Investigation for each employee prior to permitting the employee to have contact with students or enter school grounds when students are present.</p> <p>Contractor Personnel Requirements: <input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input type="checkbox"/> Contractor must demonstrate proof of previous positive experience of reviewing or auditing large urban public school districts.</p> <p>Evaluation of proposed team members' experience will be taken into consideration in the evaluation of proposal responses.</p> <p>.....</p>
<p>Type No Response Required</p>
<p>Contractor Responsibilities: <input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input type="checkbox"/> Selected contractor is subject to the terms and conditions set forth in the attached Contract for Services.</p> <p>During the execution of the engagement, the following deliverables and/or work products will be created to facilitate successful completion and control project quality: • Work Program • Audit Working Papers • Audit Reports (Draft and Final) with Executive Summary • Public Presentation of Audit Results • Bi-weekly Status Reports with Metropolitan Nashville Office of Internal Audit</p> <p>Metro Departmental Responsibilities: <input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input type="checkbox"/> Metro will assist selected contractor in scheduling of meetings and provide reasonable office space and telephone services.</p> <p>Assistance can be provided by personnel from the Metropolitan Nashville Office of Internal Audit. Any audit assistance will be under the direction of the Contractor.</p>

Scope Detail and Functional Requirements
<p>Evaluation Criteria and Weights: <input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input type="checkbox"/><input type="checkbox"/> The information listed below shall be submitted with each proposal and should be submitted in the order shown. Each section should be clearly labeled, with pages numbered and separated by tabs. Failure by an offeror to include all listed items may result in the rejection of its proposal. <u>Proposals will be evaluated in an open public meeting of the Metropolitan Nashville Audit Committee.</u></p> <p>.....</p> <p>Type No Response Required</p>
<p>Previous Budget</p> <p>As reported in the Audit Committee 2006 Annual Report to the Metropolitan Nashville Council, the 2001 Operation and Performance Audit of Metropolitan Public Schools cost \$499,570.</p> <p>Audit Statement of Independence</p> <p>The "Audit Statement of Independence" is attached hereto for reference purposes only. It is not a requirement for the submission of proposals.</p> <p>.....</p> <p>Type No Response Required</p>
Standard Solicitation Requirements
<p>Inquiries</p> <p>All inquiries must be made by close of business Thursday, November 14, 2013, using the online discussion feature of the iSupplier system.</p> <p>Offerors must clearly understand that the only official answer or position of Metro will be the one stated in writing by Division of Procurement staff.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Pre-Proposal Conference</p> <p>A Pre-Proposal Conference is scheduled at 10:00 AM on Thursday, November 7, 2013 at Metro Purchasing, Lindsley Hall, Peabody Conference Room, 730 2nd Avenue South, Nashville, TN 37219.</p> <p>Metro urges all prospective Offerors to attend planned pre-bid conferences.</p> <p>Offerors may participate in the pre-proposal conference by telephone. A maximum number of 25 Offerors may participate via conference call on a first come, first served basis. Please request the call in number and password from Sara Sloane via email at sara.sloane@nashville.gov.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Public Record</p> <p>All proposals submitted are public record after an award is made. Submission of an offer shall constitute an official waiver of any confidentiality statements.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Accurate Information</p> <p>Failure to provide complete and accurate information in an offer to this solicitation may result in Metro instituting debarment proceedings against the Offeror and/or termination proceedings against any contract that has been awarded.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Extraneous Information</p> <p>Offers should be brief and concise. Specific responses that exceed page limitations described in this solicitation may be considered non-responsive and excluded from evaluation. Information provided</p>

<p>Standard Solicitation Requirements</p> <p>beyond the requirements described in this solicitation may be considered extraneous and as a result discarded.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Minor Irregularities</p> <p>Metro reserves the right to waive minor irregularities in offers, provided that such action is in the best interest of the Metro. Any such waiver shall not modify any remaining solicitation requirements or excuse the Offeror from full compliance with the solicitation specifications and other contract requirements if the Offeror is awarded a contract.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Ambiguity, Conflict or Other Errors in the Solicitation</p> <p>If an Offeror discovers any ambiguity, conflict, discrepancy, omission, or other error in the solicitation, they shall immediately notify the Procurement Division of such error in writing and request modification or clarification of the document. The Procurement Division may make modifications by solicitation amendment.</p> <p>The Offeror is responsible for clarifying any ambiguity, conflict, discrepancy, omission, or other error in this solicitation prior to submitting their offer, or it shall be waived. Claims of ambiguity after submission of the offer shall not serve as grounds for a protest.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Validity of Proposals</p> <p>All offers shall be valid for a period of one-hundred and twenty (120) days from the opening date of the solicitation. Receipt of an offer by the Metro Procurement Division or a submission of an offer to the Metro Procurement Division offers no rights upon the Offeror nor obligates the Metropolitan Government of Nashville and Davidson County in any manner.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Offer and Presentation Costs</p> <p>Metro will not be liable for any costs incurred by an Offeror in the preparation of its response (bid or proposal) to a solicitation, nor for the presentation of its offer and/or participation in any clarifications, discussions, negotiations or protests.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Rejection of Offers</p> <p>Metro reserves the right to accept or reject, in whole or in part, any, or all, offers submitted. The Metro Division of Procurement shall reject the offer of any Offeror that is determined to be non-responsive. The unreasonable failure of an Offeror to promptly supply information in connection with, or with respect to, reasonable requests may be grounds for a determination of non-responsibility.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Subcontractors</p> <p>Offeror must include all subcontractors to be utilized in their response to this solicitation. These must be entered into the iSupplier system for reporting purposes. This should be done when submitting an offer in response to the solicitation.</p>

Standard Solicitation Requirements
<p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Payments to Sub-Contractors</p> <p>As a condition of payments to the Contractor, Metro will require that the Contractor enter payments to sub-contractors into the iProcurement system.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Assistance to Small (SBE) and/or Service Disabled Veteran-owned (SDV) Businesses</p> <p>The Metro Procurement Code and Regulations provide Offerors a cost incentive to maximize the participation and performance of SBE and/or SDV businesses in contract awards. If the Offeror is an SBE &/or SDV business, Metro considers the work it commits to self-perform. SBE and SDV businesses included in offers, must be registered online with Metro and approved by the Business Assistance Office (BAO) prior to the proposal submission date. Assistance is provided to offerors who are SBE or SDV, or who need assistance in locating potential subcontractors.</p> <p>Offerors are encouraged to contact the Business Assistance Office (BAO) by email at BAO@Nashville.gov or call the BAO at (615) 880-2814.</p> <p>For SBE and SDV information and forms go to the Metro website: http://www.nashville.gov/Finance/Procurement/Minority-and-Women-Business-Assistance-(BAO)/SBE-and-SDV.aspx</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Americans with Disabilities Act</p> <p>The Contractor shall ensure Metro that all services provided through this resulting contract shall be completed in full compliance with the 2010 Americans with Disabilities Act ("ADA") enacted by law on March 15, 2012 and adopted by Metro. The Contractor will ensure that participants at public meetings with disabilities will have communication access that is equally effective as that provided to people without disabilities. Information shall be made available in accessible formats, and auxiliary aids and services shall be provided upon the reasonable request of a qualified person with a disability.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Metro Remedies for Misrepresentation</p> <p>If, during the course of the Contract resulting from this solicitation, Contractor fails to maintain the level of small and service-disabled veteran owned businesses participation committed to in the Contractor's offer, or if any material representation made in Contractor's offer concerning the small and service-disabled veteran owned businesses status of any Subcontractor or Contractor's involvement in the ownership, operation or management of any subcontractor claiming status as a small and service-disabled veteran owned businesses is shown to be false. Metro may, at its sole option and in addition to any other remedies available under the Contract, at law or in equity, terminate the Contract.</p> <p>Further, in the event that Metro terminates the contract, the Contractor shall pay Metro's full re-procurement costs, including, without limitation, any costs associated with re-procurement delays. Metro will institute debarment proceedings against any Offeror that misrepresents in an offer any material fact concerning the small business status of itself or any subcontractor or Proposer's involvement in the ownership, operation or management of any subcontractor claiming status as small and/or service-disabled veteran owned businesses. In addition, Metro may, at its sole discretion, assess a charge representing the cost of all audit and legal time and expense incurred by Metro as a result of the Contractor's failure to maintain the level of small business participation committed to in the Contractor's offer.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>

<p>Standard Solicitation Requirements</p> <p>Contractor Personnel Requirements Subsequent to submission of a proposal and prior to award of a contract, key personnel identified in the proposal shall not be changed without the approval of Metro. Any changes in key personnel without Metro approval may result in the proposal being rejected and not considered for award.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Unauthorized Work The Successful Offeror(s) shall not begin work until Metro issues a Notice to Proceed (Purchase Order). Such Notice to Proceed (Purchase Order) shall constitute Metro's authorization to begin work. Any unauthorized work performed by the Offeror(s) shall be deemed non-compensable by Metro and the Offeror will have no recourse against Metro.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Good Faith Efforts</p> <p>Procurement Nondiscrimination Program (PNP) Requirements The consideration and contact of minority-owned and/or woman-owned business enterprises (MWBE) with a significant presence in the Nashville MSA, is required for a responsive offer. If METRO determines that MWBEs are available for the applicable category of work and use is reasonable, Offerors must complete the PNP form indicating that written notice has been delivered to at least three (3) available MWBEs and include their response. MWBE firms included in offers must be registered online with Metro and certification received by the Business Assistance Office (BAO) prior to the proposal submission date. The BAO will work with Offerors to ensure effort was made to satisfy the Procurement Nondiscrimination Program requirements. If the Offeror fails to demonstrate effort to achieve this requirement, the BAO will request the Purchasing Agent to determine the proposal, non-responsive. For PNP information and forms, go to http://www.nashville.gov/Finance/Procurement/Minority-and-Women-Business-Assistance-(BAO)/SMWBE-Lists-and-Forms.aspx.</p> <p>Responses to the following three affirmations must be acknowledged as Yes to be considered Responsive to the solicitation requirements or the Procurement Nondiscrimination Program</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p> <p>I/We have made efforts to include MWBE's, certified by certifying entities recognized by the Metropolitan Government, in the procurement process and to ensure that businesses are not discriminated against on the basis of race, ethnicity or gender;</p> <p>.....</p> <p>Target Value Yes, we have.</p> <p>.....</p> <p>Circle one from the response values below: Yes, we have. No, and are non-responsive.</p> <p>I/We have delivered written notice to three available MWBEs certified by certifying entities recognized by the Metropolitan Government for each potential subcontracting or supply category in the Contract AND all potential subcontractors or vendors which requested information on the Contract;</p> <p>.....</p> <p>Target Value Yes, we have.</p> <p>.....</p> <p>Circle one from the response values below: Yes, we have. No, and are non-responsive.</p> <p>I/We have provided all potential subcontractors or vendors with adequate and timely information as to the plans and specifications of this project as well as information necessary to provide a bid or quote as well</p>

<p>Good Faith Efforts</p> <p>as and the last date and time for receipt of price quotations.</p> <p>.....</p> <p>Target Value Yes, we have.</p> <p>.....</p> <p>Circle one from the response values below: Yes, we have. No, and are non-responsive.</p>
<p>Additionally, we have made the following Good Faith Efforts to include MWBEs as subcontractors or joint venturers on this project.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>I/We have attended a special meeting called to inform business and individuals of subcontracting or supply opportunities.</p> <p>.....</p> <p>Type Optional</p> <p>.....</p> <p>Circle one from the response values below: Yes No</p>
<p>I/We have, in accordance with normal industry practices, divided the contract into economically feasible segments that can be performed by a MWBE.</p> <p>.....</p> <p>Type Optional</p> <p>.....</p> <p>Circle one from the response values below: Yes No</p>
<p>I/We have provided a written explanation for rejection of any potential subcontractor or vendor to the BAO, included the name of the firm proposed to be awarded the subcontract or supply agreement, where price competitiveness is not the reason for rejection.</p> <p>.....</p> <p>Type Optional</p> <p>.....</p> <p>Circle one from the response values below: Yes No</p>
<p>I/We have actively solicited, through sending letters or initiating personal contact, MWBEs in all feasible and appropriate categories providing subcontracting opportunities for the contract under consideration.</p> <p>.....</p> <p>Type Optional</p> <p>.....</p> <p>Circle one from the response values below: Yes No</p>
<p>I/We have utilized the services of available community organizations and associations, contractors' groups, and trade associations known to publicize contracting and procurement opportunities, for the purpose of obtaining assistance in the contacting and recruitment of MWBEs for the Metropolitan Government contract under consideration.</p> <p>.....</p> <p>Type Optional</p>

<p>Good Faith Efforts</p> <p>Circle one from the response values below: Yes No</p>
<p>I/We have advertised in publications of general circulation in the Nashville Metropolitan Statistical Area ("MSA"), trade publications and other media owned by, or otherwise focused or marketed to MWBEs, and the advertisement identifies and describes the specific subcontracting or other opportunity in reasonable detail.</p> <p>.....</p> <p>Type Optional</p> <p>.....</p> <p>Circle one from the response values below: Yes No</p>
<p>I/We have conducted discussions with interested MWBEs in good faith, and provided the same willingness to assist MWBEs as has been extended to any other similarly situated subcontractor.</p> <p>.....</p> <p>Type Optional</p> <p>.....</p> <p>Circle one from the response values below: Yes No</p>
<p>I/We have taken steps to ensure that all labor supervisors, superintendents, and other on-site supervisory personnel are aware of and carry out the obligation to maintain a nondiscriminatory work environment, free of harassment, intimidation, and coercion at all construction sites, offices and other facilities to which employees are assigned to work.</p> <p>.....</p> <p>Type Optional</p> <p>.....</p> <p>Circle one from the response values below: Yes No</p>
<p>Letter of Intent to Perform as a Subcontractor/Joint Venture</p> <p>In the event that an Offeror submits the use subcontractors, suppliers, and/or joint ventures, a letter of intent signed by both the subcontractor/supplier/joint venturer must be submitted to Procurement by the end of the second business day following issuance of the intent to award letter.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Registration and Certification</p> <p>To be considered for the purpose of being responsive to this RFP, the subcontractor, supplier and/or joint venturer must be registered online with Metro by the proposal due date. Small Business certification is required by the time of the proposal due date.</p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
<p>Insurance Requirements</p> <p>Any potential supplier receiving an award shall be required to provide proof of this insurance, in the form of a Certificate of Insurance. The awarded supplier must provide Metro with original Certificates of Insurance within fifteen days of notification of award. The "Description" section must read as follows: Metropolitan Government of Nashville and Davidson County, its officials, officers, employees, and volunteers are named as additional insureds per general liability additional insured endorsement</p>

Insurance Requirements
numbered (include the policy number) and automobile liability additional insured endorsement numbered: _____ . (See Attached Descriptions). In the "Certificate Holder" section it must read as follows: Metropolitan Government of Nashville and Davidson County, Metro Courthouse, Nashville, TN 37201. The following insurance(s) shall be required: Target Value . Type No Response Required
· General Liability Insurance in the amount of one million (\$1,000,000.00) dollars (if the supplier will be making on-site delivery) Target Value . Type No Response Required
· Professional Liability Insurance in the amount of one million (\$1,000,000.00) dollars Target Value . Type No Response Required
· Automobile Liability Insurance in the amount one million (\$1,000,000.00) dollars (if supplier will be making on-site deliveries) Target Value . Type No Response Required
· Worker's Compensation Insurance with statutory limits required by the State of Tennessee or other applicable laws and Employer's Liability Insurance with limits of no less than one hundred thousand (\$100,000.00) dollars, as required by the laws of Tennessee. (Workman's Comp Insurance is not required for companies with fewer than five (5) employees.) Target Value . Type No Response Required
Affidavit
Enter your City Provide your answer below
Enter your County Provide your answer below
Enter your State Provide your answer below

Affidavit
<p>Enter your Zip Code</p> <p>.....</p> <p>Provide your answer below</p>
<p>Taxes and Licensure: Thus, Affiant states that Offeror has all applicable licenses, including business licenses, copies of which are attached hereto. Finally, Affiant states that Offeror is current on its payment of all applicable gross receipt taxes and personal property taxes. M.C.L. 4.20.065</p> <p>.....</p> <p>Circle one from the response values below:</p> <p>Yes, I so affirm.</p> <p>No and are non-responsive.</p>
<p>Nondiscrimination: Offeror, affirms that by its employment policy, standards and practices, it does not subscribe to any personnel policy which permits or allows for the promotion, demotion, employment, dismissal or laying off of any individual due to race, creed, color, national origin, age or sex, and are not in violation of, and will not violate, any applicable laws concerning the employment of individuals with disabilities. With regard to all aspects of this contract, Offeror certifies and warrants it will comply with this policy. M.C.L. 4.28.020</p> <p>.....</p> <p>Circle one from the response values below:</p> <p>Yes, I so affirm.</p> <p>No and are non-responsive.</p>
<p>Employment Requirement: Offeror, declares that neither the prime, subcontractors, sub-consultants, nor providers of day laborers employ any person who is not a legal resident of the United States. Any contractor who knowingly violates the provisions of this section is subject to debarment or suspension. M.C.L. 4.40.060</p> <p>.....</p> <p>Circle one from the response values below:</p> <p>Yes, I so affirm.</p> <p>No and are non-responsive.</p>
<p>Contingent Fees: It is a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a METRO contract upon an agreement or understanding for a contingent commission, percentage, or brokerage fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business. After first being duly sworn according to law, the undersigned (Affiant) states that the Offeror has not retained anyone in violation of the foregoing. M.C.L. 4.48.080</p> <p>.....</p> <p>Circle one from the response values below:</p> <p>Yes, I so affirm.</p> <p>No and are non-responsive.</p>
<p>And Further Affiant Sayeth Not:</p> <p>Name of Company Officer:</p> <p>.....</p> <p>Provide your answer below</p>

Affidavit
<p>Title:</p> <p>.....</p> <p>Provide your answer below</p>
<p><i>The provision of false information is a material breach.</i></p> <p>.....</p> <p>Target Value Acknowledged.</p> <p>.....</p> <p>Circle one from the response values below:</p> <p style="padding-left: 20px;">Acknowledged.</p> <p style="padding-left: 20px;">Our offer is non-responsive</p>
<p><i>If the principal officer cannot so attest, the offer will be determined non-responsive.</i></p> <p>.....</p> <p>Target Value .</p> <p>Type No Response Required</p>
Evaluation Criteria
<p>EVALUATION CRITERIA</p> <p>Contract Acceptance</p> <p>Indicate your acceptance of the attached contract, general terms and conditions, requirements of the RFP, bonding requirements (if noted in the RFP/contract), and insurance requirements for this solicitation.</p> <p>If any exceptions are taken, identify them (if none are stated in this section, they will not be granted after the contract is awarded. Exceptions taken after the award will result in the withdrawal of the intent to award and offeror's firm suspended from upcoming solicitations).</p> <p>Note, if exceptions are taken, evaluation scores will reflect Metro's assessment of the impact for these considerations. Those exceptions may result in the rejection the proposal as non-responsive, if, in the sole evaluation of METRO, the requested changes are unacceptable.</p> <p>.....</p> <p>Target Value Accept Contract as Presented</p> <p>.....</p> <p>Provide your answer below</p>
<p>Business Plan</p> <p>Open with a cover letter indicating the underlying philosophy of your firm in providing the requested service/product. Express your understanding of the contract scope and the desired deliverables. Provide a detailed plan of your firm's proposed approach which includes a comprehensive explanation of how your firm will achieve Objectives 1-3 from above. Please include all major tasks and subtasks. Address the functional requirements of this solicitation. Include what established criteria you will be using to compare and evaluate functions of the Metropolitan Nashville Public Schools. Include a proposed quality assurance plan your firm will conduct to ensure the performance of contract deliverables. Include a detailed timeline for completion of the audit.</p>

Evaluation Criteria
<p>.....</p> <p>Provide your answer below</p>
<p>Experience and Qualifications</p> <p>Include the description of the proposed team, and the role to be played by each member of the proposed team. Include the resumes of all managers, senior level supervisors, and key personnel (indicate if they are a subcontractor) who will be involved in providing the required services. The resumes should include license(s) and certification(s) these individuals may have that would convey their ability to perform this project. Estimate the number of hours each person will contribute to the project/contract. Address your firm's financial health to completely perform the contract. Identify any areas of concern or limitations that Metro should consider.</p> <p>.....</p> <p>Provide your answer below</p>
<p>Compensation and Cost Data</p> <p>Provide the hourly rates for individuals to be assigned to the project, and the estimated time each individual will spend on the project along with the estimated time to perform work on-site in Nashville. Out of pocket expenses, including travel expenses, will be reimbursed at the actual amounts incurred and follow Metropolitan Nashville Government Finance Department's Travel Policy.</p> <p>The cost criteria will reflect the amount of Small and/or Service Disabled Veteran-owned business participation committed to by the offerors as an incentive. The methodology established by the Procurement Standards Board will be used for evaluation purposes only.</p> <p>.....</p> <p>Provide your answer below</p>
<p>Submit a detailed cost structure for each scope of work objective along with a guaranteed maximum total price for the four cost proposals requested below.</p> <ol style="list-style-type: none"> 1. Objective 1: Assess Major Operations, Objective 4: Illegal Acts and Fraud Consideration, Objective 5: Draft Report, and Objective 6: Final Report 2. Objective 2: Review Initiative and Program Evaluation Methodology, Objective 4: Illegal Acts and Fraud Consideration, Objective 5: Draft Report, and Objective 6: Final Report 3. Objective 3: Analysis of Total Education Spending, Objective 4: Illegal Acts and Fraud Consideration, Objective 5: Draft Report, and Objective 6: Final Report 4. Provide an overall guaranteed maximum total price to complete all six audit objectives. <p>Additional work requested by Metro, above the scope of this project, will be billed to Metro at the hourly rates proposed.</p> <p>.....</p> <p>Provide your answer below</p>

Evaluation Criteria
<p>Capacity and Ability to Meet Scheduling Requirements</p> <p>Discuss your understanding of the delivery requirements for this contract. Describe in detail how your firm is structured to ensure timely delivery of these services/products. Address any delivery concerns you have in performing this project and propose ways to mitigate your firm's concerns.</p> <p>.....</p> <p>Provide your answer below</p>
<p>Past Performance and References</p> <p>Provide a listing of three (3) previous customers that purchased your services/product that were of similar size and scope. The services provided to these clients should have characteristics as similar as possible to those requested in this RFP. Information provided for each client shall include the following: a) Client name, address, email and current telephone number b) Description of services provided c) Time period of the project or contract d) Budgeted amount and final billing amount (explain any cost variance)</p> <p>Failure to provide complete and accurate client information, as specified here, may result in the disqualification of your proposal and will be reflected in the scoring.</p> <p>.....</p> <p>Provide your answer below</p>

1.4 Attachments

Name	Data Type	Description
Questions and Answers	File	
Executive Summary	File	MGT of America's 2001 Report
Audit Statement of Independence	File	
Pre-Proposal Sign-In Sheet	File	

1.5 Response Rules

This negotiation is governed by all the rules displayed below.

- Negotiation is restricted to invited suppliers
- Suppliers are allowed to view other suppliers' contract terms, notes and attachments
- Suppliers are allowed to provide multiple responses
- Buyer may close the negotiation before the Close Date
- Buyer may manually extend the negotiation while it is open

Metropolitan Auditor Recruitment and Recommendation to the Metropolitan Nashville Council

Sec. 8.121. - Division of metropolitan audit.

There shall be, as an independent agency of the metropolitan government, a division of metropolitan audit, the director of which is designated as the metropolitan auditor. The metropolitan auditor shall be a person: With a well founded reputation in government or public finance and the audit function as may be exhibited by a record of exceptional performance for at least five (5) years as a financial officer of a government or business; Who has, through education and experience as an accountant, auditor, CFO, controller or principal accounting officer of a governmental entity or private business an understanding of Generally Accepted Accounting Principles, Governmental Auditing Standards Board standards, financial statements, internal controls and procedures for financial reporting, and the audit functions of a governmental entity.

The metropolitan auditor shall be appointed by a majority vote of the council from a list of three (3) persons recommended by the audit committee whom the audit committee deems best qualified and available to fill the position. If the council deems that the persons recommended by the audit committee to serve as metropolitan auditor are not suitable and/or qualified, the council shall reject the names submitted and the audit committee shall recommend three (3) additional persons deemed qualified and available to fill the position. The metropolitan auditor shall serve a term of eight (8) years but shall be subject to removal for cause during the term by a vote of four (4) members of the audit committee. The first term of the metropolitan auditor will end on June 30, 2014, regardless of whether the full eight (8) years has been served. A vacancy occurring during a term shall be filled temporarily with a qualified acting metropolitan auditor by the majority vote of the audit committee. The filling of the vacancy for the remainder of a term and for any new term shall be filled by a majority vote of the council through the process provided in this section.

**Summary of Hotel Occupancy Tax Audit Results
As of November 18, 2013**

Fiscal Year	Number of Audits	Total Hotel Revenue	Total Tax Reported	Tax Underpaid	Penalty & Interest	Tax Overpaid
2013	18	\$ 63,740,705	\$ 5,385,583	\$ (22,243)	\$ (10,271)	\$ 1,868
2014	13	29,770,171	2,456,345	(192,647)	(62,106)	20,253
Grand Total	31	\$ 93,510,875.70	\$ 7,841,927.74	\$ (214,890.33)	\$ (72,377.18)	\$ 22,120.47
Fiscal Year	Percent of Tax Underpayment	Net Claims				
2013	-0.4%	\$ (30,647)				
2014	-7.8%	\$ (234,500)				
Total	-2.7%	\$ (265,147)				

**Metropolitan Office of Internal Audit
Audit Project Status
As of October 19, 2013**

Projects	Planning	Fieldwork	Report	Report Phase	
				Draft	Final
In-Progress					
1) Treasury - Metro Investment Pool			✓		Mar-13
2) Metro Nashville Library			✓		Mar-13
3) Davidson County Election Commission			✓		Apr-13
4) MDHA Procurement-to-Pay			✓		Jul-13
5) Beer Board			✓		Apr-13
6) Music City Convention Center - Change Orders			✓		Apr-13
7) Nashville Expo Center - Ovations Contract			✓		May-13
8) ITS Telecommunications			✓		Jul-13
9) Hotel/Motel Occupancy Tax			✓		Aug-13
10) MDHA Procurement-to-Pay			✓		Aug-13
11) Fire Dept Grants Management			✓		Jul-13
12) Kiva Upgrade Development Project		✓			
13) Soil & Water Conservation			✓		Oct-13
14) Clerk & Master			✓		Aug-13
15) Circuit Court Clerk - Municipal Citations			✓		Oct-13
16) Employee Expenses & Credit Card Usage			✓	Dec-13	
17) MNPD Firearms & Equipment Tracking			✓	Nov-13	
18) Industrial Development Board			✓	Nov-13	
19) Nashville Education, Community & Arts Television			✓		Oct-13
20) Planning Department			✓		
21) District Energy System		✓			
22) Metro Water Services Flood Buy Out Program		✓			
23) Assessor of Property	✓				
24) Office of the Mayor	✓				
25) Metropolitan Nashville Public Schools	✓				
Anticipated to Start Next 3 weeks					
Metro IntegrityLine Alerts Since Jan 1, 2013:					
Metro Hotline Alerts (Fraud, Waste & Abuse, & Suggestions)			17	16	1
Cases Reported to State of TN from Metro Hotline Alert			0	0	0
Cases Tasked to OIA by State of TN			4	4	0
Cases Tasked to OIA by Metro Entities			2	1	1

Note: Goal to complete 17 audit projects in Plan Year 2013. Currently 15 audit projects are completed, and 7 audit projects are in field work or draft report phase.

**Office of Internal Audit Budget versus Actual
GSD General Fund as of Nov 18, 2013**

FY 2014 Approved Budget

	Approved FY 2014 Budget	Actual As of Nov 18 2013	Difference	Notes
Total Salaries & Fringe	\$ 989,800	\$ 245,219	\$ 744,581	
Other Expenses				
Professional & Purchased Services	64,400	10,761	53,639	
Other Expenses	62,200	17,795	44,405	
Internal Service Fees	56,400	55,987	413	
TOTAL EXPENSES	\$ 1,172,800	\$ 329,762	\$ 843,038	

30003 General Fund 4% Reserve	\$ 8,074	\$ -	\$ 8,074	AX Core Server Software & Training
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RESOURCES FOR BOARDS AND COMMISSIONS

Boards and Commissions play a vital role in Metropolitan Government. Citizens who volunteer to serve Metro Boards and Commissions participate in the process of establishing policy and making quasi-judicial decisions.

TRAINING

Board and Commission members are required to complete sexual harassment and diversity awareness training to comply with the [Mayor's Executive Order No.010](#).

Members may receive this required training by: attending classes offered by Human Resources; listening to CDs which are available with the department representative; or listening to audio training. The audio training is available below on the computer hyperlink:

Members must listen to both audio trainings to comply with Executive Order No. 010.

- [Sexual Harassment](#)
- [Diversity Training](#)

Once the board or commission member listens to both computer hyperlinks, the member must report to their board or commission representative that the training has been completed and the proper forms will be completed and turned into Human Resources.

Other Resources

HANDBOOK

This handbook is intended as a guide for board and commission members. ; If members have a specific question, they should contact their board or commission representative.

ROBERT'S RULES

Metropolitan Nashville Office of Internal Audit

Metropolitan Nashville Audit Committee

Executive Team
Mark Swann CPA, CIA, CISA, ACDA Metropolitan Auditor X26158 <hr style="width: 20%; margin: 10px auto;"/> Carlos Holt MS-Admin, MS-Finance & Acctg CPA, CIA, CFE, CGAP Audit Manager x26430

Audit Talent Pool

Tracy Carter CFE Senior Auditor x26429	Joseph McGinley MS-Mgmt, CISSP, CISA Senior Auditor x26407	Lauren Riley Macc, CPA Senior Auditor x26286	William (Bill) Walker CPA, CIA Senior Auditor x26714	Qian Yuan MS-Info Sys, CISA, ACDA Senior Auditor x26111
	Seth Hatfield Macc Auditor I x74591	Herman (Jack) Henry CPA, CGFM Auditor II x26456	Kimberly Smith MBA Auditor I x74593	

**METROPOLITAN NASHVILLE AUDIT COMMITTEE
2013 MEETING PLAN**

Meeting Date	Proposed Agenda Topics
February 12, 2013	<ul style="list-style-type: none"> • External Audit Single Audit and Management Letter presentation • Internal Audit Annual Work Plan approval • Internal Audit issued report discussion • Follow-up Comprehensive Annual Financial Report
July 9, 2013	<ul style="list-style-type: none"> • External Audit plan and required communications • Internal Audit issued report discussion • Follow-up Comprehensive Annual Financial Report, Single Audit Report, and Management Letter
September 10, 2013	<ul style="list-style-type: none"> • Metropolitan Audit Committee self-assessment • Metropolitan Auditor performance review • Bylaws annual review • Internal Audit issued report discussion
December 10, 2013	<ul style="list-style-type: none"> • External Audit Comprehensive Annual Financial Report • Office of Internal Audit Annual Performance Report • Internal Audit issued report discussion

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**CY 2013 Internal Audit Work Plan Status
As of November 19, 2013**

*Co-source	CY 2012 Audits In Progress	Hours	Total Hours
*1	Metro Nashville Information Technology Services - Primary Government Telecommunications	60	60
2	Library	150	210
3	Metropolitan Development and Housing Authority – Procurement to Pay Process and Contract Monitoring	700	910
4	Finance Department - Metro Investment Pool	80	990
5	Hotel Occupancy Tax Audits	150	1,140
6	Davidson County Election Commission	500	1,640
7	Beer Board	350	1990
8	Nashville Expo Center - Ovations Food Services Contract	150	2,140
CY 2013 New Audit Areas			
*1	Convention Center Authority – Music City Convention Center Construction Contract Monitoring	60	2,200
2	Assessor of Property	800	3,000
3	Mayor's Office	800	3,800
4	Police Firearms and Equipment Tracking	800	4,600
5	Industrial Development Board	500	5,100
6	Hotel Occupancy Tax Audits	800	5,900
7	Soil Conservation District	400	6,300
8	Circuit Court Clerk - Municipal Citations Other Than Traffic Process	400	6,700
9	Criminal Justice Planning Unit	400	7,100
10	Nashville Education, Community & Arts TV Corporation	400	7,500
11	Travel, Entertainment and Purchase Card Usage (Metro General Government)	800	8,300
12	District Energy System - Vendor Contract / Price Agreement Compliance	800	9,100
13	Clerk & Master (Operations & Fiduciary Funds)	800	9,900
14	Planning Commission	800	10,700
15	MNPS Student Management System (Chancery) Application	600	11,300
16	Acela Automation (KIVA Land Management Replacement) Application	600	11,900

**CY 2013 Internal Audit Work Plan Status
As of November 19, 2013**

*17 ¹	Water & Stormwater Services Capital Project Management	100	12,000
18	4% Reserve Fund and Asset Accounting Process	800	12,800
CY 2013 Added Audit Projects			
19 ²	Nashville Fire Department Grant Management	600	13,400
20 ³	Water & Stormwater Services Flood Home Buyout Program	600	14,000
21 ⁴	Metropolitan Nashville Public Schools Comprehensive Audit	600	14,600
Legend to Highlighted Colors			
	Audit Project Completed		
	Audit Project In-Progress		

¹ Deferred due to Metro Water Services contracting Crosslin & Associates on a consulting engagement to review and monitor the project management and other controls related to the Clean Water Abatement Program. Crosslin & Associates to debrief Audit Committee at December 10, 2013 committee meeting.

² Approved by Metropolitan Nashville Audit Committee on July 9, 2013.

³ Approved by Metropolitan Nashville Audit Committee on September 10, 2013

⁴ Approved by Metropolitan Nashville Audit Committee on October 22, 2013

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Metropolitan Audit Committee

Metropolitan Code of Laws Section 2.24.300

Term-varied

6 Members

	<u>Date of Appt.</u>	<u>Term Exp.</u>
Mr. Robert C. Brannon 173 Jefferson Square Nashville, TN 37215- (615) 385-2491 bbrannon@associatedpackaging.com Representing: TSCPA, Nashville Chapter	2/2/2013	3/20/2017
Ms. Jacobia Dowell 2609 Welshcrest Drive Antioch, TN 37013- (615) 498-7094 jacobia.dowell@nashville.gov Representing: Metro Council	9/17/2013	8/31/2015
Mr. Steve Glover 4576 Raccoon Trail Hermitage, TN 37076- (615) 866-9514 steve.glover@nashville.gov Representing: Metro Council	9/17/2013	8/31/2015
Vice Mayor Diane Neighbors One Public Square, Suite 204 Nashville, TN 37201- (615) 880-3357 diane.neighbors@nashville.gov Representing:	9/1/2011	8/31/2015
Mr. Brack Reed 511 Union Street, Suite 1400 Nashville, TN 37219- (615) 770-8494 brack_reed@gspnet.com Representing: Nashville Area Chamber of Commerce	2/1/2011	3/20/2015
Mr. Richard M. Riebeling One Public Square, Suite 106 Nashville, TN 37201- (615) 862-6151 richard.riebeling@nashville.gov Representing: Director of Finance	9/1/2011	8/31/2015

Printed 18-Sep-13

Metropolitan Clerk's Office

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

PURPOSE

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

SCOPE

The Metropolitan Audit Committee (Committee) is authorized to conduct financial audits, performance audits or other audit services, including disposition of fraud incidents, concerning any department, board, commission, officer or agency of the Metropolitan Government. Departments, boards, commissions, officers and agencies 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 County Council.

RESPONSIBILITIES

Financial Statements

- Review the results of audits, including any difficulties encountered, and follow up as appropriate.
- Review with Metro Nashville 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 or agency management's responses.
- Engage with Metropolitan Auditor in performing a Metro Nashville entity-wide risk assessment to form an audit work plan.
- 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 audit plan and all major changes to the plan.
- Review and approve the Division of Metropolitan Audit Bylaws annually.

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

- Assure continued independence of 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 annual report to the 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 or agency management.
- Review any other Government issued reports related to committee responsibilities.

Other Responsibilities

- Ensure committee members undergo appropriate orientation upon appointment.
- 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.
- Confirm annually 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 or agency management, auditors or others to attend meetings and provide pertinent

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

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.

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

PURPOSE

The Division of Metropolitan Audit, commonly referred to as the Metropolitan 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 (Metro Nashville.)

SCOPE

The Metropolitan Auditor is authorized to conduct financial audits, performance audits or other audit services, including disposition of fraud incidents, concerning any department, board, commission, officer or agency of the Metropolitan Government. Departments, boards, commissions, officers and agencies 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 County 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 Metro Nashville's control environment
- Interaction with the various governance groups occurs as needed
- External auditors' proposed audit scope and approach supplement internal audit efforts
- Activities indicate fraud, abuse or illegal acts which need further investigation
- Computer-based systems incorporate adequate controls

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

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 Government personnel
- Obtain regular updates from department, board, commission, officer or agency 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 audit schedule to the Metropolitan Audit Committee for review and approval. The schedule shall include the proposed plan for auditing departments, boards, commissions, officers, agencies, activities, systems, processes and subcontractors for the subsequent twelve months. This schedule may be amended during the period after review with the Metropolitan Audit Committee. Additionally, the Metropolitan Auditor may independently initiate and conduct any other audit deemed necessary with subsequent approval by the Metropolitan Audit Committee.

The schedule 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 Metro Nashville 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 Audit Committee, the Department of Law, the Mayor and the Tennessee Comptroller of the Treasury. If it appears that the irregularity is criminal in nature, the auditor shall notify the appropriate authority in addition to those officials previously cited.

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

ACCESS TO EMPLOYEES, RECORDS AND PROPERTY

The Division of Metropolitan Audit is authorized to have full, complete, and unrestricted access to all information (including automated data), physical properties, and personnel required to conduct a thorough and complete examination of the subject under review. Employees should cooperate with auditors and provide all information pertinent to the audit. The auditor shall not publicly disclose any information received during an audit that is considered proprietary (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 or agency director or his/her designee for review and comment regarding factual content before it is released to the Metropolitan 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. 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.

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 may request periodic status reports 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 Audit Committee, the Mayor and the audited department, board, commission, officer or agency. 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 Audit Committee and shall retain a copy as a permanent record. A copy will be posted on the Division's internet site.

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

ANNUAL REPORT

The Metropolitan Auditor shall submit an annual report to the Metropolitan Audit Committee, during the fourth quarter of each year, indicating audits completed, major concerns, corrective actions taken, and significant observations that have not been fully addressed by audited department, board, commission, officer or agency 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 all organization activities, records, property and 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 Division of Metropolitan Audit.

INDEPENDENCE

To provide for the independence of the Division of Metropolitan Audit, its personnel report to the Metropolitan Auditor, who reports administratively and functionally to the Metropolitan Audit Committee as established in the Metropolitan Code of Law, Section 2.24.300 Division of Metropolitan Audit.

In all matters relating to audit work, the Division of Metropolitan 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.

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

FUNDING

The Division of Metropolitan Audit shall submit budget proposals, in accordance with procedures established by the Metropolitan 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 Audit Committee.

Metro Government of Nashville and Davidson County, Tennessee, Code of Ordinances >> - THE CODE OF THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY, TENNESSEE >> **Title 2 - ADMINISTRATION >> Division I. - Council, Offices, Officers and Departments >> Chapter 2.24 - DEPARTMENT OF FINANCE >> Article IV. - Division of Metropolitan Audit >>**

Article IV. - Division of Metropolitan Audit

[2.24.300 - Division of metropolitan audit.](#)

2.24.300 - Division of metropolitan audit.

- A. There shall be, as an independent agency of the metropolitan government, a division of metropolitan audit, the director of which is designated as the metropolitan auditor. The metropolitan auditor shall be a person:
1. With a well founded reputation in government or public finance and the audit function as may be exhibited by a record of exceptional performance for at least five years as a financial officer of a government or business;
 2. Who has, through education and experience as an accountant, auditor, CFO, controller or principal accounting officer of a governmental entity or private business an understanding of Generally Accepted Accounting Principles, Governmental Auditing Standards Board standards, financial statements, internal controls and procedures for financial reporting, and the audit functions of a governmental entity.
- B. The metropolitan auditor shall be appointed by a majority vote of the council from a list of three persons recommended by the audit committee whom the audit committee deems best qualified and available to fill the position. If the council deems that the persons recommended by the audit committee to serve as metropolitan auditor are not suitable and/or qualified, the council shall reject the names submitted and the audit committee shall recommend three additional persons deemed qualified and available to fill the position. The metropolitan auditor shall serve a term of eight years but shall be subject to removal for cause during the term by a vote of four members of the audit committee. The first term of the metropolitan auditor will end on June 30, 2014, regardless of whether the full eight years has been served. A vacancy occurring during a term shall be filled temporarily with a qualified acting metropolitan auditor by the majority vote of the audit committee. The filling of the vacancy for the remainder of a term and for any new term shall be filled by a majority vote of the council through the process provided in this section. The compensation for the metropolitan auditor shall be established as part of the general pay plan provided by Section 12.10 of the Metropolitan Charter.
- C. The metropolitan auditor shall conduct, or cause to be conducted financial, performance and other audit services following Government Auditing Standards established by the United States Government Accountability Office, and the metropolitan auditor shall follow the independent and other professional standards established and published under Government Auditing Standards.
- D. The metropolitan auditor shall appoint and remove, subject to the civil service provisions of article 12 of this Charter, all officers and employees of the division.
- E. There shall be a metropolitan audit committee which shall be composed of six members, as follows: The vice mayor and the director of finance shall be members by virtue of their official positions. Two members of the metropolitan county council shall be selected by that body from its membership to serve a two-year term. One member shall be selected by the Nashville Area Chamber of Commerce to serve a four-year term. One member shall be selected by the Nashville Chapter of the Tennessee Society of Certified Public Accountants to serve a four-year term except that the member first selected shall serve a two year term. Members shall be eligible to succeed themselves. The General Provisions of Article 11, Chapter 1, of this Charter shall be applicable to the audit committee unless otherwise specified in this section.
- F. The audit committee will oversee the annual audit plan, fix the compensation of the metropolitan auditor, and review and evaluate at least annually the performance of the metropolitan auditor.
- G. All audit reports issued by the metropolitan auditor are public documents and shall at all times, during business hours, be open for personal inspection by any citizen of Tennessee.

(Ord. BL2007-1318 § 2, 2007)

Sec. 8.121. - Division of metropolitan audit.

- A. There shall be, as an independent agency of the metropolitan government, a division of metropolitan audit, the director of which is designated as the metropolitan auditor. The metropolitan auditor shall be a person:
1. With a well founded reputation in government or public finance and the audit function as may be exhibited by a record of exceptional performance for at least five (5) years as a financial officer of a government or business;
 2. Who has, through education and experience as an accountant, auditor, CFO, controller or principal accounting officer of a governmental entity or private business an understanding of Generally Accepted Accounting Principles, Governmental Auditing Standards Board standards, financial statements, internal controls and procedures for financial reporting, and the audit functions of a governmental entity.
- B. The metropolitan auditor shall be appointed by a majority vote of the council from a list of three (3) persons recommended by the audit committee whom the audit committee deems best qualified and available to fill the position. If the council deems that the persons recommended by the audit committee to serve as metropolitan auditor are not suitable and/or qualified, the council shall reject the names submitted and the audit committee shall recommend three (3) additional persons deemed qualified and available to fill the position. The metropolitan auditor shall serve a term of eight (8) years but shall be subject to removal for cause during the term by a vote of four (4) members of the audit committee. The first term of the metropolitan auditor will end on June 30, 2014, regardless of whether the full eight (8) years has been served. A vacancy occurring during a term shall be filled temporarily with a qualified acting metropolitan auditor by the majority vote of the audit committee. The filling of the vacancy for the remainder of a term and for any new term shall be filled by a majority vote of the council through the process provided in this section.
- C. The metropolitan auditor shall conduct, or cause to be conducted financial, performance and other audit services following Government Auditing Standards established by the United States Government Accountability Office, and the metropolitan auditor shall follow the independence and other professional standards established and published under Government Auditing Standards.
- D. The metropolitan auditor shall appoint and remove, subject to the civil service provisions of article 12 of this Charter, all officers and employees of the division.
- E. There shall be a metropolitan audit committee which shall be composed of six (6) members, as follows: The vice mayor and the director of finance shall be members by virtue of their official positions. Two (2) members of the metropolitan county council shall be selected by that body from its membership to serve a two (2) year term. One (1) member shall be selected by the Nashville Area Chamber of Commerce to serve a four (4) year term. One (1) member shall be selected by the Nashville Chapter of the Tennessee Society of Certified Public Accountants to serve a four (4) year term except that the member first selected shall serve a two (2) year term. Members shall be eligible to succeed themselves. The general provisions of article 11, chapter 1, of this Charter shall be applicable to the audit committee unless otherwise specified in this section.
- F. The audit committee will oversee the annual audit plan and will review and evaluate at least annually the performance of the metropolitan auditor.
- G. All audit reports issued by the metropolitan auditor are public documents and shall at all times, during business hours, be open for personal inspection by any citizen of Tennessee.

(Added by Amdt. 3 to referendum petition approved November 7, 2006)

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

SELECTED METRO CHARTER and CODE SECTIONS RELATED TO AUDIT

Council

Metro Charter Section 3.06 – Authority and power of the council.

“...the council is authorized by resolution passed by a three-fourths (3/4ths) majority of its entire membership and not subject to veto power of the mayor to **conduct investigations** by the whole council or any of its committees; to employ and compensate personnel necessary for such purpose; and to make appropriations therefore.

Metro Charter Section 6.15 – The Budgets and Financial Matters, Post audit.

“The council shall provide annually for an **independent audit** of the accounts and other evidences of financial transactions of the metropolitan government and of its every department, office and agency.”

“The independent audit shall be made by a firm chosen by a three member **audit board**. This board shall consist of the presiding officer of the council, the chairman of the finance committee of the council, and the chairman of the metropolitan board of education.”

“The council may at any time **order an examination or special audit** of any department, office or agency of the government.”

Metro Code 2.04.033 – Metropolitan Council

“Members of the **council** office shall have **full access to books, records and reports** of all departments, boards, commissions and agencies of the metropolitan government.”

Mayor and Department of Metropolitan Finance

Metro Charter Section 5.03 – Power and authority of mayor.

“The mayor shall be authorized at any reasonable time to **examine and inspect** the books, records, and official papers of any department, board, commission, officer or agency of the metropolitan government; and to attend the meeting of any board or commission and make suggestions thereto.”

Metro Charter Section 8.103 – Department of Metropolitan Finance, Same-Powers and duties.

“Periodically **inspect and audit** the accounts and records of **financial transactions** maintained in each department, office and agency of the metropolitan government.”

Metro Code 2.24.020 Director of finance--Powers and duties.

“The powers, duties and compensation of the director of finance shall be those set out Sections 8.102 and 8.103 of the Metropolitan Charter and as may be provided by ordinance consistent with the Metropolitan Charter.”

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

SELECTED METRO CHARTER and CODE SECTIONS RELATED TO AUDIT

Division of Metropolitan Audit

Metro Charter Section 8.121 – *Related Fiscal Provisions, Division of metropolitan audit; and Metro Code 2.24.300 Division of metropolitan audit.*

(A) “There shall, be as an independent agency of the metropolitan government, a division of metropolitan audit, the director which is designated as the metropolitan auditor...”

(C) “The metropolitan auditor shall conduct, or cause to be conducted **financial, performance and other audit services** following **Government Auditing Standards** established by the United States Government Accountability Office, and the metropolitan auditor shall follow the independence and other professional standards established and published under Government Auditing Standards.”

(F) “The **audit committee** will **oversee the annual audit plan** and will review and evaluate annually the performance of the metropolitan auditor.”

Tennessee Code Annotated

T.C.A. 9-3-405 Establishment of audit committee

(a) “**Local governments are encouraged to consider establishing an audit committee.**”

(b) “The governing body of the local government shall create the audit committee. The audit committee members shall be external to management and may be members of the governing body, citizens from within the boundaries of the local government, or a combination of both. **Members of the audit committee shall be selected by the legislative body. The audit committee shall establish responsibilities and duties that are stated in a resolution approved by the legislative body. The responsibilities and duties, at a minimum, shall address financial and other reporting practices, internal control, compliance with laws and regulations, and ethics.** The resolution creating the duties and responsibilities of the audit committee shall be submitted to the comptroller prior to approval by the legislative body...if an audit committee was created by a legislative body whose charter requires charter changes to be approved in a referendum, and if such actions occurred and were approved in a referendum prior to January 1, 2011, then such an audit committee shall be considered created pursuant to this part.”

(c) “...shall abide by the notice requirements adhered to by the local government...”

(d) “...the audit committee may hold confidential, non-public executive sessions to discuss the following items...”

- (1) Items deemed not subject to public inspection under §§ 10-7-503 and 10-7-504, 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;

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SELECTED METRO CHARTER and CODE SECTIONS RELATED TO AUDIT

- (4) Information protected by federal law; and
- (5) Matters involving information under § 9-3-406 where the informant has requested anonymity.

T.C.A. 9-3-406

(a) An **audit committee** created pursuant to this chapter shall **establish a process** by which employees, taxpayers or other **citizens may confidentially report suspected illegal, improper, wasteful or fraudulent activity**. The detailed information received pursuant to such a report of illegal, improper, wasteful or fraudulent activity or any investigation of this activity, except those matters disclosed in the final reports, shall be considered audit working papers and **shall be confidential under the provisions of title 10, chapter 7.**”

T.C.A. 9-4-304

(9) “Establish **minimum standards** for the performance of audits by the **internal audit staffs of local governments**, special taxing districts, utility districts, political subdivisions, state departments, boards, commissions, institutions, agencies, authorities or other entities of the state. These standards, which shall be established by the comptroller of the treasury, shall include “Standards for the Professional Practice of Internal Auditing” published by the Institute of Internal Auditors, Inc., or such **other standards as may be approved by the comptroller of the treasury**. All audit reports issued by such internal audit staffs shall include a statement that the audit was conducted pursuant to these standards.

Notwithstanding any law to the contrary, **working papers created, obtained or compiled by an internal audit staff are confidential and are therefore not an open record** pursuant to Title 10, Chapter 7.”

T.C.A. 8-4-501-505

Local Government Instances of Fraud Reporting Act

8-4-503 (a) A public official with knowledge based upon available information that reasonably causes the public official to believe that unlawful conduct has occurred shall report the information in a reasonable amount of time (defined as not exceeding 5 working days in definition) to the office of the comptroller if the treasury.

8-4-505 The detailed information received and generated pursuant to this part shall be considered confidential working papers of the comptroller of the treasury and is therefore **not an open record** pursuant to title 10, chapter 7.

Other Related Provisions

Charter Appendix Two, Electric Power Board, Article 42, 12

“With reference to the properties, rights, and interests of the metropolitan government, to be acquired by or operated under the provisions of this article, as is herein otherwise provided, all agreements, contracts, transfers and conveyances in connection therewith, shall be made and executed, and **all such properties shall be acquired, held, owned and transferred and**

**METROPOLITAN GOVERNMENT OF NASHVILLE
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SELECTED METRO CHARTER and CODE SECTIONS RELATED TO AUDIT conveyed in the name of the Metropolitan Government of Nashville and Davidson County, ...”

Charter Appendix Two, Electric Power Board, Article 42, 18

“That said electric power board of the metropolitan government shall have **exclusive management and control of the operation** of said electric power plan and/or distribution system.”

Charter Appendix Two, Electric Power Board, Article 42, 24

“That **neither the mayor, the metropolitan council, nor any other officer, department board or commission of the metropolitan government, shall have or exercise and authority whatsoever over the electric power board created under the terms and provisions of this Charter**, other and except to the extent herein expressly provided, and the provisions of this article shall prevail over any conflicting provisions appearing in any other article in this Charter.”

Charter Appendix Four, Transit Authority, Article 64, 6 (f)

“The metropolitan treasurer shall keep accurate records and books dealing with the separate accounts of metropolitan transit authority.... Such books and records shall be **open to inspection and examination by accountants or auditors** of the metropolitan government as all books and records of the metropolitan treasurer are inspected.”

“The books and records of the secretary of the authority likewise shall be **open to inspection and examination by the accountants or auditors** of the metropolitan government.”