METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

METROPOLITAN NASHVILLE AUDIT COMMITTEE

WORKBOOK

September 10, 2019

"Go out on a limb. That is where the fruit is."
– President Jimmy Carter –

Audit of the Metropolitan Nashville Fire Marshal's Office

September 6, 2019

EXECUTIVE SUMMARY

September 6, 2019

Why We Did This Audit

The Metropolitan Nashville Fire Department's Director Chief requested the audit.

What We Recommend

- Update policies and procedures to ensure consistent performance, documentation, and manager review of inspections.

- Work with other departments to create a complete database of inspectable properties and analyze the population to prioritize inspections.

- Provide inspectors with proper training on information systems to ensure efficient documentation and research for inspections.

- Continue working with ImageTrend to ensure all necessary checklists and standards are included in the application.

BACKGROUND

The Metropolitan Nashville Fire Marshal's Office, as a unit of the Metropolitan Nashville Fire Department, was established by Metropolitan Nashville Charter § 8.305. The Charter led to the adoption of Metropolitan Nashville Code of Laws Chapter 2.28.120, which defines the authority, duties, and powers of the Fire Marshal. The mission of the Fire Marshal's Office is to protect the Metropolitan Government of Nashville and Davidson County community from the perils of fire, explosions, and other hazardous conditions. The mission is accomplished by conducting all fire and life safety inspections for buildings and other occupancies within the Metropolitan Nashville Government jurisdiction, excluding the City of Goodlettsville.

OBJECTIVES AND SCOPE

The objectives of this audit were to determine if the Fire Marshal's Office:

- Maintained adequate and reliable documentation of its inspections and life safety reviews according to:

    o Metropolian Nashville Government Codes of Law,
    o Industry standards adopted by the Metropolitan Nashville Codes of Law,
    o Metropolitan Nashville Board of Fire and Building Code Appeals' Rules and Regulations,
    o Fire Marshal's Office internal policies.

- Followed Metropolitan Nashville Government information technology and fiscal policies.

The scope of the audit was all inspections and plan reviews performed between April 1, 2016, and March 31, 2019. Financial data was reviewed for fiscal years 2019, 2018, and 2017.

WHAT WE FOUND

The Fire Marshal's Office has dedicated personnel that are passionate about their work and perform their tasks given the right resources. Inspections are scheduled, performed, and documented and retained in ImageTrend record keeping system. However, the following areas for improvement were identified:

- Lack of standard operating procedures leading to inconsistent performance, documentation, and reporting.
- Incomplete database of all inspectable occupancies.
- Lack of access to certain industry standards and tools.
- Lack of information system controls, including access, training, and non-compliance with Metropolitan Nashville Government policies.

BACKGROUND

The Nashville Fire Marshal's Office, as a unit of the Metropolitan Nashville Fire Department, was established by Metropolitan Nashville Charter § 8.305. The Charter led to the adoption of Metropolitan Nashville Code of Laws Chapter 2.28.120, which defines the authority, duties, and powers of the Fire Marshal.

The mission of the Fire Marshal's Office is to protect the Metropolitan Government of Nashville and Davidson County community from the perils of fire, explosions, and other hazardous conditions. The mission is accomplished by:

- Conducting all fire and life safety inspections for buildings and other occupancies within the Metropolitan Nashville Government jurisdiction, except for the City of Goodlettsville.
- Investigating fires and explosions.
- Completing pre-construction and renovation plan reviews.
- Issuing permits for certain events.
- Overseeing the annual testing of fire safety and fire protection systems in commercial and other buildings and semi-annual testing of cooking hoods by private contractors hired by property owners,
- Educating citizens on ways to prevent fires and to minimize the impact when they occur.

The Fire Marshal's Office also participates in Metropolitan Nashville Government's development process by enforcing the fire code through construction regulation and building inspections and by providing development standards. The Fire Marshal's Office is just one step in the building permits and occupancy certificates processes. Approval by the Fire Marshal's Office alone does not represent approval of all departments.

This audit is limited to the review of controls and record keeping of fire inspections and life safety reviews performed and also permits issued by the Fire Marshal's Office.

GOVERNANCE

The Fire Marshal's Office is governed by the *Metropolitan Nashville Code of Laws Chapter 10.64 – Fire Prevention Code*, which also adopted the 2012 edition of the *International Fire Code* published by the International Code Council and *NFPA 101 – Life Safety Code* published by National Fire Protection Association industry standards by reference.

A nine-member Board of Fire and Building Code Appeals is appointed by the mayor and confirmed by the Metropolitan Nashville Council. The Board is charged with hearing appeals of construction projects rejected by the Director of Codes or the Fire Marshal, holding public hearings prior to the adoption of new construction materials, procedures, or methods of construction, and granting variance or modifying the decisions of Department of Codes and Building Safety or Metropolitan Nashville Fire Department directors.

The Fire Marshal's Office employs 25 personnel, including the Fire Marshal, 2 deputy fire marshals, 4 assistant fire marshals, and 18 fire inspectors. The Fire Marshal heads the office and reports to the Metropolitan Nashville Fire Department's Director Chief.

INSPECTIONS AND LIFE SAFETY REVIEWS

The Fire Marshal's Office performs preventive fire inspections and life safety reviews of new building constructions, building renovations, and existing commercial and other occupancy classifications in accordance with *International Fire Code* published by the International Code Council and *NFPA 101 – Life Safety Code* published by National Fire Protection Association. Occupancy refers to the use, or intended use, of a building, or portion of a building, for the shelter or support of persons, animals or property. Life safety systems include fire alarm and monitoring systems, sprinklers and standpipes (suppression), emergency lighting, emergency voice communications, elevator control, and basic building design related to fire ratings, fire extinguishers, exits, and egress routes.

The Fire Marshal's Office inspects 14 types of occupancies ranging from educational and daycare facilities to residential and storage locations. The required frequency of these inspections varies from annually to as needed. For more information on the inspection types and their frequencies, see *Appendix C*.

According to industry standards, fire inspectors must possess excellent communication skills and extensive knowledge about various types of occupancies and their contents, industrial operations, and fire protection provisions of building and fire codes. The breadth of knowledge needed as a fire inspector is determined by the types of facilities that will be inspected, the materials contained in them, and the operations they house. A fire inspector must also be familiar with construction practices, nationally recognized fire safety standards, and agencies that can be consulted for advice, solutions to problems, or corrections for specific hazards. The amount of time it takes to conduct an inspection or plan review depends on the occupancy type as well as the knowledge and experience of the inspector.

The Fire Marshal's Office does not have review oversight of inspection and fire code plans on federal and state office buildings, leased office space in Metropolitan Nashville Government owned buildings, or private buildings within Metropolitan Nashville Government due to respective sovereignties. However, Fire Marshal's Office inspectors will inspect State of Tennessee owned buildings along with State of Tennessee inspectors, if warranted.

The Metropolitan Nashville Code of Laws and the adopted industry standards require that a written inspection report be prepared for each inspection. The amount of detail required in a report depends on the character and purpose of the inspection, but each report should give the reader an understanding of the conditions found and the available corrective actions. When life safety violations are observed, inspectors should research and document the relevant code and standards to ensure accurate references, and inspectors should fully explain to the property owner the reasoning behind the code requirements.

The Fire Marshal's Office uses ImageTrend, a web-based application, as the record keeping system for inspections and related reports. Inspectors have the ability to access property and code information from their tablets during inspections and generally will return to the office to prepare and submit reports to outside parties. The Suppression (firefighters) and Emergency Medical units also have the ability to access fire code and life safety inspections information from ImageTrend.

In February 2019, the Fire Marshal's Office implemented the ePermit system. Property owners or their authorized agents can now apply for fire code operational permits online via the ePermits portal. All permit information and documentation are completed and maintained in the CityWorks application system. Staff scheduling is completed using Kronos Workforce TeleStaff.

OBJECTIVES AND SCOPE

The audit was requested by the Metropolitan Nashville Fire Department's Director Chief, and the objective was to determine if the Fire Marshal's Office maintained adequate and reliable documentation of its inspections and life safety reviews according to regulations and standards adopted by the Metropolitan Nashville Code of Laws. The Director Chief's goal, among other things, is to ensure that Emergency and Suppression units have access to preventive information from the Fire Marshal's Office that is not only timely but reliable.

The audit reviewed and evaluated fire and life safety inspections, plan reviews, and other activities performed by the Fire Marshal's Office from April 1, 2016, through March 31, 2019. The Fire Marshal's Office performed a total of 23,035 inspections or re-inspections, plan reviews, and public education sessions during the period. Exhibit A below shows a summary of inspections and life safety plan reviews completed during the audit period.

Exhibit A – Summary of Inspections, Plans Review, and Public Education Performed
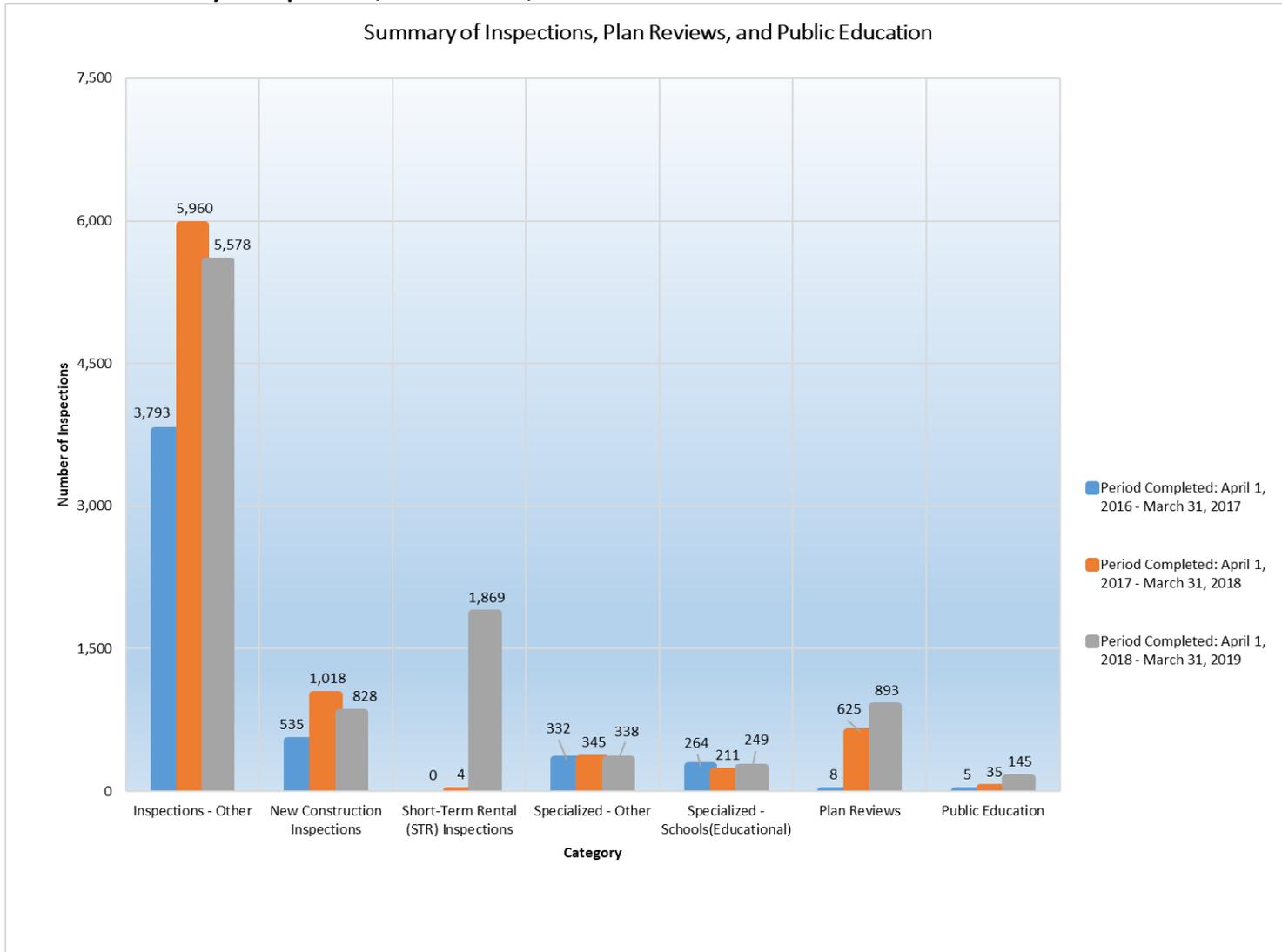
Within the Fire and Life Safety Inspections category, short-term rental inspections increased from none at the beginning of the period to almost 1,900 as of March 31, 2019. The increased demand for short term rental inspections and new construction inspections attributed to an overall increase in the Fire and Life Safety Inspections category of 91 percent over the audit period.

The Fire Marshal's Office also issues fire code operational permits and performs the related inspections for certain events. These events include, but are not limited to, the manufacture, storage, handling, sale or use of any quantity of explosive materials, storage and use of LP-gas in mobile food trucks, or the kindling or maintaining of an open fire. Total permit fee revenues during the three most recent fiscal years are summarized in Exhibit B.

Exhibit B: Summary of Revenues from Permit Fees

Permit Type	Fiscal Year Ended		
	June 30, 2019	June 30, 2018	June 30, 2017
Fire Protection	$58,884	$50,022	$52,875
Fire Watch *	-	83,625	56,600
Totals	$58,884	$133,647	$109,475

* Fire Watch discontinued as of 7/1/2018.

Source: Metropolitan Nashville Government's EnterpriseOne Financial System

OBJECTIVE QUESTIONS AND CONCLUSIONS

Did the Fire Marshal's Office have controls in place to perform inspections and life safety reviews while maintaining related records in accordance with applicable Metropolitan Nashville Government legislation, internal policies, and industry standards?

Generally, yes. The Fire Marshal's Office has dedicated personnel that are passionate about their work and capable of performing their tasks given the right resources. Inspections and plan reviews are scheduled and performed, and the results are documented and retained in the ImageTrend record keeping system. Furthermore, the new on-line permitting system, ePermit, has eliminated control issues noted in reviewing permit information in the prior system. There is a library with various industry publications for use by personnel, and there is an active public education program. However, there were areas identified during the audit that management can improve upon.

For life safety reviews and inspections, standard operating procedures were not in place, and many policies were outdated. No evidence of supervisor review of work performed was recorded. Follow-up inspections were not performed for all failed inspections. A complete database of inspectable properties was not maintained, and the documentation for third-party contractor work was lacking. (See Observation A.)

Control weaknesses were also noted within information systems utilized by the Fire Marshal's Office. Segregation of duties within ImageTrend was inadequate. ImageTrend did not contain industry checklists and all industry standards for inspectors to use. ImageTrend does not maintain an audit trail to ensure changes are tracked. Inspectors were not fully trained on ImageTrend and did not fully utilize its capabilities. Lastly, the Fire Marshal's Office did not request and review the annual System and Organization Controls (SOC) report for their third-party software. (See Observation B.)

AUDIT OBSERVATIONS

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

Observation A – Inspections and Life Safety Reviews Weaknesses

Lack of standard operating procedures and outdated policies

Individual inspectors have their own understanding of how to document an inspection for a similar occupancy type. For example, some inspectors follow office policies requiring an inspection report to be prepared and sent to property owners or their appointed agents only when there are violations. Other inspectors follow codes or industry standards of preparing and sending inspection reports for all inspections. A test of 40 completed inspections, including 25 passed and 15 failed, showed that no inspection reports were prepared for 13 (52 percent) of the 25 that passed. Additionally, no violation notices were prepared and sent to 7 (47 percent) property owners or managers of the 15 failed inspections. Also, out of 16 internal policies reviewed, 11 were dated prior to 2010. The lack of standard operating procedures leads to inconsistent interpretation and application of the code, industry standards, and policies. Policies that are not current may not communicate relevant information to staff, especially those related to the adopted industry standards that are regularly updated.

Failure to perform follow-up inspections

Of the 15 failed inspections noted above, follow-up inspections did not occur for 10 facilities. An additional 15 failed school inspections were sampled, and no follow-up or re-inspection occurred for any of the 15 schools. One inspector is assigned to annually perform inspections and re-inspections for about 241 schools within the jurisdiction, and the inspector attributes the lack of time as the reason for not performing follow-up inspections at any schools. Without follow-up inspections, documented violations may not be corrected resulting in associated danger to life and property. Inspection documentation in ImageTrend may not capture corrected violations, and inaccurate information may be shared with emergency medical and suppression units.

Lack of supervisor review on inspections and plan reviews performed

A review of 17 inspection reports showed no evidence of supervisor review on any of the selections. Supervisors attributed this to the lack of time as a result of other competing responsibilities. With the lack of review, management is unable to determine if inspections or re-inspections and plans review are being completed according to the related code or industry standards.

Incomplete list of inspectable occupancies

The Fire Marshal's Office maintained an incomplete list of inspectable occupancies. Out of 25 completed inspections, 10 (40 percent) were not included on the list of inspectable occupancies provided by management. There is no coordination with other departments to capture data for permits or occupancy certificates issued. This creates the risk that uninspected occupancies may exist. The lack of total inspectable occupancies leads to incomplete assessment and prioritization of high-risk occupancies for inspection, as well as inhibits planning and defining operational goals.

No records of annual testing results from private fire safety companies

The Fire Marshal's Office does not maintain records of annual life safety testing performed by private fire safety companies. As the office that oversees the code requirement, the Fire Marshal's Office relies on third parties to perform annual testing of fire safety and fire prevention systems and equipment in commercial and other buildings. Additionally, third parties are hired by property owners to perform semi-annual testing of cooking hoods. The Fire Marshal's Office is required to maintain testing records outlining any deficiencies found in existing equipment. Without documented test results, the Fire Marshal's Office is unable to determine if re-testing is required, which could leave the safety of occupants at risk.

Criteria:
- COSO, Control Activities—Principle 7—The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.

- COSO, Control Activities—Principle 12—The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

- Metropolitan Nashville Codes of Law § 2.28.120 – *Fire Marshal*
- Metropolitan Nashville Codes of Law § 10.64 – *Fire Prevention Code*
- Metropolitan Board of Fire and Building Codes – *Rules and Regulations*

Assessed Risk Rating:
    High and **Medium**

Recommendations for management of the Metropolitan Nashville Fire Marshal Office:

1. Develop and disseminate standard operating procedures among all levels of staff and management. **(High Risk)**

2. Ensure policies are regularly reviewed, consistently followed, and the dates of revision or review are noted to ensure alignment with version changes in codes and industry standards. **(Medium Risk)**

3. Policies and standard operating procedures should emphasize follow-up inspections and supervisor review of sampled inspections, especially those related to high risk occupancies, to ensure that the reports include relevant and adequate inspection information. **(Medium Risk)**

4. Establish a complete list of inspectable occupancies by obtaining and comparing occupancy data from other departments and update the list periodically. **(Medium Risk)**

5. Establish a process for gathering and reviewing reports of third-party prevention testing performed. This will enable the Fire Marshal's to schedule follow-up inspections. **(Medium Risk)**

Observation B – Information Systems Administration Weaknesses

Improper user access to information systems

The information systems functions are not completely segregated from user departments. A user of the ImageTrend application also has administrative access without adequate compensating controls to mitigate the risk associated with the dual role. To mix critical IT duties with user departments increases the risk of errors or fraud.

Lack of standard industry codes and inspection checklists

The ImageTrend application does not have all the codes published by the National Fire Protection Association, including inspection checklists that are offered by competing applications. Some of the National Fire Protection Association codes are referenced by other industry standard setters as preferred codes. Management attributed this to the inability of the vendor to reach an agreement with the National Fire Protection Association. Inspectors currently must return to the office to research codes before completing reports instead of completing this task in the field. The lack of inspection checklists limits current inspection reports to only noted violations and no information about the condition of other items that were or were not inspected which can be crucial to investigators and insurance companies.

Missing audit trail of changes to information in ImageTrend

There is no audit trail of changes to information originally entered in ImageTrend. The vendor confirmed the current version of the system, which is still being upgraded by the Fire Marshal's Office, will capture only the user and time an inspection record is opened but not if the record is altered or what is altered. With the lack of audit trail and the segregation issue noted above, it is impossible to determine if information originally entered has been changed.

Insufficient ImageTrend user training

Staff needs additional training in using the ImageTrend application. Some inspectors stated they were unable to use their tablets during inspections at places where there is no internet access thereby causing them to return to the office to complete and send reports to property owners. However, the IT manager stated the tablets can be used to access the application during inspections even without internet access. This misunderstanding between parties may not exist if proper training on how to use the technology was taking place. Lack of proper training inhibits the use of the application, delays completing inspections, and causes inadequate documentation.

No request for service provider annual assessment report

The Fire Marshal's Office's IT department did not maintain a copy of annual assessment report of a third-party service provider as part of general controls over information systems. Metropolitan Nashville Government's ITS policy # ISM4 – *External Party Security* requires all vendors providing information technology and systems services to Metropolitan Nashville Government departments and agencies to adhere to security and compliance requirements at the same level required internally. Without reviewing the annual internal control assessment report, the Fire Marshal's Office is unable to determine the security of data being stored by ImageTrend.

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

- Metropolitan Nashville Codes of Law § 2.28.120 – *Fire Marshal*
- Metropolitan Nashville Codes of Law § 10.64 – *Fire Prevention Code*
- Metropolitan Board of Fire and Building Codes – *Rules and Regulations*

Assessed Risk Rating:
High and Medium

Recommendations for management of the Metropolitan Nashville Fire Marshal Office:

1. Review information systems' access privileges to ensure proper segregation of duties. Other compensating control measures should be established should the user identified maintain administrative access privileges. **(Medium Risk)**

2. Continue to pursue the inclusion of all National Fire Protection Association codes and checklists in ImageTrend while emphasizing the efficiencies to be derived. **(Medium Risk)**

3. Establish a policy and procedural statements to address the limited availability of audit trails in ImageTrend. The policy should state that periodic reviews of report openings dated after finalization will be conducted. Procedures should state the steps to follow if report changes are necessary. **(Medium Risk)**

4. Schedule and provide the additional training necessary for users to be able to maximize the full potential of ImageTrend, especially all inspectors knowing that it is possible to access the application even without internet access. **(Medium Risk)**

5. Ensure a current annual internal control assessment report from ImageTrend and other external information systems service providers is obtained, reviewed in consultation with Metro Chief Information Security Officer, and retained in the office. **(High Risk)**

GOVERNMENT AUDITING STANDARDS COMPLIANCE

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

METHODOLOGY

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

- Reviewed applicable Metropolitan Nashville Government Codes of law and ordinance, Metropolitan Nashville Board of Fire and Building Code Appeals' Rules and Regulations, general Metropolitan Nashville Government policies, and specific Fire Marshal's Office internal policies.

- Reviewed contracts with external service providers and researched competitors' service offerings.

- Interviewed key personnel within the Metropolitan Nashville Fire Marshal's Office and other units within the Metropolitan Nashville Fire Department.

- Reviewed reports of prior audits and reviews performed by Metropolitan Nashville Government and by other jurisdictions.

- Reviewed and analyzed relevant financial data to determine fiscal compliance.

- Evaluated internal controls currently in place.

- Observed an inspection performed at a school.

- Considered risk of fraud, waste, and abuse, and information technology risks.

- Detail-tested sampled inspections and other transactions.

AUDIT TEAM

Innocent Dargbey, CPA, CMFO - In-Charge Auditor

Lauren Riley, CPA, CIA, ACDA – Quality Assurance

Gina Pruitt, CPA, CITP, CISA, CHFP, CQA, CEMB, CGMA, CRISC, CCSFP, CHCO, Interim Metropolitan Auditor

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

Risk	Recommendation	Concurrence and Action Plan	Completion Date
Recommendations for management of the Metropolitan Nashville Fire Marshal's Office to:			
H	**A.1** Develop and disseminate standard operating procedures among all levels of staff and management.	**Accept** – The FMO is reviewing the existing policies that were put in place many years ago by previous Fire Marshal and updating those in our Operating Procedures and Guidelines. These will be posted on our Sharepoint site and available to the department.	October 2019
M	**A.2** Ensure policies are regularly reviewed, consistently followed, and the dates of revision or review are noted to ensure alignment with version changes in codes and industry standards.	**Accept** – as stated in A.1, the OPG's will be on our Sharepoint site for review. This tracks updates and rescinds to previous versions of OPGs. Deputy and Assistant Fire Marshals will be evaluated on structured reviews of policies and will ensure those policies meet current standards.	October 2019
M	**A.3** Policies and standard operating procedures should emphasize follow-up inspections and supervisor review of sampled inspections, especially those related to high risk occupancies, to ensure that the reports include relevant and adequate inspection information.	**Accept** – this will be incorporated into the OPGs. The Fire Marshal Office has included Supervisor Review of Inspections as criteria in evaluations for Deputy Fire Marshal and Assistant Fire Marshal positions.	October 2019
M	**A.4** Establish a complete list of inspectable occupancies by obtaining and comparing occupancy data from other departments and update the list periodically.	**Accept** – The Fire Marshal's office has already requested a list of "Establishment Addresses" from CityWorks data management team, managed by Metro IT. This list will allow us to fill in gaps we have in our list of inspectable occupancies. This will be reviewed on a regular basis to ensure the list is current.	August 2019
M	**A.5** Establish a process for gathering and reviewing reports of third-party prevention testing performed. This will enable the Fire Marshals to schedule follow-up inspections.	**Accept** - This will be a priority in the next few months. It will necessitate a contract at no cost to Metro with a third-party vendor that will ensure compliance with the code for notification of annual inspection, testing and maintenance of fire protection systems. The process if initiating an RFP and subsequent contract will take six months. The benefit will be to increase compliance, without having to assign FMO staff to the task.	March 2020.

Risk	Recommendation	Concurrence and Action Plan	Completion Date
M	**B.1** Review information systems' access privileges to ensure proper segregation of duties. Other compensating control measures should be established should the user identified maintain administrative access privileges.	**Accept** – We have completed a review of access changes and are confident that proper controls are in place. We will continue to review permissions and access to our records management programs to ensure control measures are working.	August 2019 and ongoing
M	**B.2** Continue to pursue the inclusion of all National Fire Protection Association codes and checklists in ImageTrend while emphasizing the efficiencies to be derived.	**Accept** – We are creating the checklists necessary for each type of occupancy inspected and will incorporate these into the updated version of ImageTrend going forward. This will be for both NFPA and ICC code sets.	October 2019
M	**B.3** Establish a policy and procedural statements to address the limited availability of audit trails in ImageTrend. The policy should state that periodic reviews of report openings dated after finalization will be conducted. Procedures should state the steps to follow if report changes are necessary.	**Accept** – This will be included in the OPGs.	October 2019
M	**B.4** Schedule and provide the additional training necessary for users to be able to maximize the full potential of ImageTrend, especially all inspectors knowing that it is possible to access the application even without internet access.	**Accept** – Training for outages of internet connectivity are in the planning stages now. Training for the updated version of ImageTrend software will begin September 2019, and will include contingency training for all aspects of field reporting.	January 2020
H	**B.5** Ensure a current annual internal control assessment report from ImageTrend and other external information systems service providers is obtained, reviewed in consultation with Metro Chief Information Security Officer, and retained in the office.	**Accept** – This has been accomplished for 2019. The Fire Marshal office will continue to request the annual internal control assessment report from ImageTrend,and submit for review with the Metro Chief Information Security Officer on an annual basis.	August 2019 and Annually

Date: October 26, 2018 (Revised March 8, 2019)

To: Mark Swann, Metropolitan Auditor

From: Seth Hatfield, Investigator

Subject: Collier Engineering, Inc. Investigation

Source of Allegation

The Mayor's Office received a complaint from an anonymous source. The complainant asserted that a vendor, Collier Engineering, Inc. had improperly entertained various officials within the Metropolitan Nashville Government. These Metropolitan Nashville Government officials were responsible for directing business to Collier Engineering, Inc. Several other complaints were also made related to Collier Engineering, Inc.'s working relationship with the Metropolitan Nashville Government. The complainant included documentation to support their assertions. On May 7, 2018, Mayor David Briley submitted a formal request for the Office of Internal Audit to conduct an independent investigation related to these allegations.

Investigators Assigned

Seth Hatfield, CPA, CIA, CFE
Laura Henry, CFE
Bill Walker, CPA, CIA, CFE (Quality Assurance)

This is an internal investigation report and should not be considered an audit report. Generally accepted government auditing standards were not used in the preparation of this report.

We conduct investigations and create reports using the Standards of the Association of Certified Fraud Examiners as a guide.

Purpose of Investigation

The Metropolitan Nashville Office of Internal Audit conducts internal investigations of potential violation of governance policies established for the Metropolitan Nashville Government or investigations of potential fraud, waste, and abuse. Investigation requests are received from the management of the Metropolitan Nashville Government or tips received from the Metropolitan Nashville Government fraud, waste, and abuse hotline.

Any findings or observations of potential fraud and other criminal acts would be referred to the 20th Judicial District Attorney Office, Metropolitan Nashville Police Department, or other appropriate agency. Any findings related to employee misconduct, waste, abuse; as well as process inefficiencies and

    G. Terri Troup, Senior Procurement Officer, has a conflict of interest as she is a former employee of both Collier Engineering, Inc. and Public Works and is processing contract amendments for Collier Engineering, Inc.

Emergent Allegation

    H. Collier Engineering, Inc. made mistakes on Metropolitan Nashville Public School sidewalk projects that resulted in repair costs being absorbed by the Metropolitan Nashville Government.

Summary and Outcome of Investigation

    A. After a thorough review of the matters related to Collier Engineering, Inc. and various Metropolitan Nashville Government employees, it was determined that Metropolitan Nashville Government employees Donald Reid, Phillip Jones, Charles Boddie, Thomas Jones, Richard Taylor, and Ricky Swift were entertained in the Collier Engineering, Inc. suite at Bridgestone Arena. Collier Engineering, Inc. also indicated that Metropolitan Nashville Government employees Grant Anderson and Lindsay Taylor were entertained in their suite. No evidence showed that Collier Engineering, Inc. received a benefit from any of this entertainment.

          The allegation that there is an *appearance* of preferential treatment being given to Collier Engineering, Inc. by Metropolitan Nashville Government employees in exchange for entertainment and gifts is **substantiated.**

          The allegation that there is preferential treatment being given to Collier Engineering, Inc. by Metropolitan Nashville Government employees in exchange for entertainment and gifts is **unsubstantiated** because there is no evidence Collier Engineering, Inc. received a benefit in exchange for the entertainment.

    B. The allegation that projects are being given to Collier Engineering, Inc. outside the scope of current contracts and when vendors are on contract for the same services is **substantiated**.

    C. The allegation that Collier Engineering, Inc. is submitting invoices with little supporting documentation, invoices are only being reviewed by Donald Reid, and employees who question the invoices are being taken out of the review process is **unsubstantiated** because invoices were found to have sufficient documentation, controls around billing at Collier Engineering, Inc. were reviewed by an independent certified public accounting firm with no issues noted, and no evidence could be obtained to show that Donald Reid was removing employees from the review process within Public Works.

    D. The allegation that only inspectors that are on good terms with Donald Reid are allowed to inspect paving projects for Public Works is **unsubstantiated** because no evidence could be obtained that Donald Reid is selecting which inspectors are assigned by Collier Engineering, Inc. to Public Works paving projects.

    E. The allegation that Public Works required Google Fiber to work with Collier Engineering, Inc. in order to expedite permitting is **unsubstantiated** because no evidence was obtained that Public Works made it a requirement for Google Fiber to work with Collier Engineering, Inc. and no work was completed for Google Fiber by Collier Engineering, Inc.

F. The allegation that Collier Engineering, Inc. is billing time for Marty Szeigis and Benny Word as project management, but they are not managing projects was **unsubstantiated** because work performed by Benny Word and Marty Szeigis can be classified as project management.

G. The allegation that Terri Troup, Senior Procurement Officer, has a conflict of interest as she is a former employee of both Collier Engineering, Inc. and Public Works and is processing contract amendments for Collier Engineering, Inc. is **unsubstantiated** because prior employment with a contractor is not specified in the Metro Code of Law as a conflict of interest, and Terri Troup did not approve any of the purchase orders or contract amendments included with the allegations.

Emergent Allegation

H. The allegation that Collier Engineering, Inc. made mistakes on Metropolitan Nashville Public School sidewalk projects that resulted in repair costs being absorbed by the Metropolitan Nashville Government is **unsubstantiated**. Although mistakes related to Americans with Disabilities standards were made by Collier Engineering, Inc., the square footage of rework represents a small percentage of the total installed square footage of sidewalks at Metropolitan Nashville Public Schools. Both Public Works and Collier Engineering, Inc. have agreed that Collier Engineering, Inc. will cover the costs of the rework.

Recommendations

1) The Metropolitan Nashville Governments' Director of Public Works, Director of Metro Water Services, and Director of Parks and Recreations should take appropriate administrative action to cure the appearance of preferential treatment being given to contractors. Administrative action should include reassigning involved personnel tasks so as they are not participating in Collier Engineering, Inc. related matters.

2) The Metropolitan Nashville Governments' Director of Public Works, Director of Metro Water Services, and Director of Parks and Recreations should provide training for employees on Metro Code of Law Sections 4.48.030 and 4.48.050 regarding ethics in public contracting and Metro Code of Law Section 2.222.020 general standards of ethical conduct, and conflict of interest.

3) Management of the Metropolitan Nashville Government Public Works Department should ensure that credit for all reworks for Metropolitan Nashville Public School Sidewalk Projects are received by Collier Engineering, Inc.

4) We concur with the Metropolitan Nashville Government Chief Compliance Officer's March 1, 2019, directive that the scope of work for current and future purchase orders released against contract 363266 should be limited to services related to the Department of Public Works Paving Program.

APPENDIX A – MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
Recommendation for management of Public Works to:		
A.1 Take appropriate administrative action to cure the appearance of preferential treatment being given to contractors. Administrative action should include reassigning involved personnel tasks so as they are not participating in Collier Engineering, Inc. related matters.	**Reject Due to**: • Public Works has accepted and complied with the initial audit findings presented to the Audit Committee in November 2018. (Reference A2 and A3 below) Public Works believes the actions we have already taken (see below) are the appropriate response to the appearance of preferential treatment. Public Works would take the step of reassigning employees if anything of this type should reoccur in the future after the employee had already received documented counseling regarding this issue and received ethics training. • The audit found no actual preferential treatment given to a contractor. Metro currently has procedures and processes designed to eliminate the possibility of preferential treatment. Contracts are awarded based on Procurement Code and procedures in accordance with Title IV using the RFP process. • In accordance with applicable Civil Service Rules and Policies, reassignment of duties would be warranted if violations and related discipline occurred. Because the audit yielded no such violation that would trigger this process, the current actions appropriately address the findings in the audit.	*N/A*
A.2 Provide training for employees on Metro Code of Law Sections 4.48.030 and 4.48.050 regarding ethics in public contracting and Metro Code of Law Section 2.222.020 general standards of ethical conduct, and conflict of interest.	**Accept:** These employees, as well as all Public Works employees, have either completed or are scheduled to receive training from the Metro HR department that covers all the Codes and issues listed. These employees have also been individually counseled and have formal documentation in their employee file acknowledging such.	*03/31/2019* For entire PW department employees. Affected employees completed training on 11/26/2018.
A.3 Ensure that credit for all reworks for Metropolitan Nashville Public School Sidewalk Projects are received by Collier Engineering, Inc.	**Accept:** Check from Collier Engineering for rework cost was received and deposited in November.	*11/2018*

APPENDIX A – MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS

Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
Recommendation for management of Metro Water Services to:		
B.1 Take appropriate administrative action to cure the appearance of preferential treatment being given to contractors. Administrative action should include reassigning involved personnel tasks so as they are not participating in Collier Engineering, Inc. related matters.	**Accept:** The assignment process for capital design projects is completed by an uninvolved employee. Projects are assigned on a rotating basis. Inspections conducted by Collier are assigned and monitored by an uninvolved employee. The Collier employee who had been in residence providing administrative support for SW projects has returned to the Collier Offices, reducing any appearance of preferential treatment. An advertisement for Financial Officer II closes 1-18-2019. Once a candidate is selected the need for the Collier employee will be eliminated.	*3-15-2018*
B.2 Provide training for employees on Metro Code of Law Sections 4.48.030 and 4.48.050 regarding ethics in public contracting and Metro Code of Law Section 2.222.020 general standards of ethical conduct, and conflict of interest.	**Accept**: All personnel involved in the RFP/ITB process and their supervisors have reread these code sections as well as the associated executive order. Additionally, Ethics training was conducted on December 13, 2018, by Terri Costonis (Legal) to our Process Owners Meeting which represents mid-level to senior management personnel.	*Completed*

APPENDIX A – MANAGEMENT RESPONSES AND CORRECTIVE ACTION PLANS

Recommendation for management of Parks and Recreations to:		
C.1 Take appropriate administrative action to cure the appearance of preferential treatment being given to contractors. Administrative action should include reassigning involved personnel tasks so as they are not participating in Collier Engineering, Inc. related matters.	**Partially Accept:** Appropriate administrative action has been taken to cure the appearance of preferential treatment being given to contractors. Corrective Action: The employee involved has been counseled with documentation placed in his personnel file and trained on Metro Code of Law Sections 4.48.030 and 4.48.050 regarding ethics in public contracting and Metro Code of Law Section 2.222.020 general standards of ethical conduct, and conflict of interest. Taking into consideration that the appearance of impropriety can be as negatively impactful as actual impropriety, the remorsefulness expressed by the employee for his error in judgment, the restitution made by the employee, the employee's performance and years of service to Metro, appropriate corrective action has been taken. While it is not feasible to reassign the employee at this time, there are controls innate to the procurement process to mitigate the risk of impropriety and/or preferential treatment. The employee has not and will not solely select contractors. Individuals independent of the Parks department will oversee the procurement process/activities to ensure fairness.	11/05/2018

C.2 Provide training for employees on Metro Code of Law Sections 4.48.030 and 4.48.050 regarding ethics in public contracting and Metro Code of Law Section 2.222.020 general standards of ethical conduct, and conflict of interest.	**Accept:** Metro Code of Law Section 2.222.020 general standards of ethical conduct, and conflict of interest was distributed to Parks staff both on July 6, 2018, and November 8, 2018. A training for senior staff employees on Metro Code of Law Sections 4.48.030 and 4.48.050 regarding ethics in public contracting and Metro Code of Law Section 2.222.020 general standards of ethical conduct and conflict of interest was conducted by the Metro Legal Department on November 8, 2018. Training for all appropriate staff will be ongoing.	12/31/2018 Ongoing

Metropolitan Nashville Office of Internal Audit

Executive Team

Gina Pruitt, Kraft CPAs
CPA|CITP, CISA, CHFP, CQA, CEMB, CGMA, CRISC, CCSFP, CHCO

Interim Metropolitan Auditor

Project and Office Management Leadership

Lauren Riley	William (Bill) Walker
MAcc, CPA, CIA, ACDA	CPA, CIA, CFE
Principal Auditor	Principal Auditor

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

Audit Talent Pool

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

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

Metropolitan Nashville Office of Internal Audit
Audit Project Status
As of September 4, 2019

Audit Plan Year February 2019 to January 2020				Report Phase	
Projects	Planning	Fieldwork	Report	Draft	Final
1) Barnes Fund - Affordable Housing					Jun-19
2) Oracle Enterprise Business System R12 (Interim)					Apr-19
3) Metro General Government Benefits Administration			✓	Jun-19	
4) Developer Conditions and Infrastructure Incentives					Jun-19
5) Arts Commission					May-19
6) Metro EEO-4 Reporting Process					Apr-19
7) Unusual Transactions			✓	Jun-19	
8) Metropolitan Clerk's Lobbyist Disclosures			✓	Jun-19	
9) Municipal Auditorium			✓	Sep-19	
10) Nashville Fire Department Fire Marshal's Office					Sep-19
11) A&E External Audit Support			✓	Jul-19	
12) Follow-Up Office of Fleet Management					Jun-19
13) Nashville General Hospital - Pharmacy Management			✓	Sep-19	
14) Cooperative Purchases Best Practices	✓				
15) State Trial Courts - Drug Court 4		✓			
16) General Services - Downtown Detention Center Construction	✓				
17) Metro Nashville Collaboration with Nonprofit Entities	✓				
Metro IntegrityLine Alerts - February 2019 to January 2020			Total	Closed	Pending
Metro Hotline Alerts (Fraud, Waste & Abuse)			3	2	1

Note: Goal to complete 27 audit projects for Plan Year 2019. Currently 7 audit projects are completed, and 6 audit projects are in the draft report phase.

Metropolitan Nashville Office of Internal Audit
2019 Approved Work Plan Status as of September 4, 2019

*Co-source	CY 2018 Audits In Progress	Budget	Actual
1	Planning Commission – Zoning Conditions Enforcement and Coordination with Public Works – Development Infrastructure Incentives (Issued Report)	200	401
2	General Government Employee Benefits Management (Reporting Phase)	550	602
3	Arts Commission (Issued Report)	200	476
4	Oracle R12 E-Business Suite / Taleo Implementation Project (Issued Report)	300	255
5	Metro General Government EEO-4 Diversity Regulatory Reporting (Issued Report)	100	277
6	Mayor's Office – Barnes Fund for Affordable Housing (Issued Report)	100	220
CY 2019 New Audit Areas			
1-4*	Architectural and Engineering Vendor Audits – Four Vendor Audits	1600	329
5	Performance Audit of Public Works – Best Practices for Sidewalk, Paving, Traffic Engineering, Waste Management, Closed Landfill Monitoring, etc.	400	
6	Nashville Fire Department Fire Marshal Office Inspection Service and Life Safety Plan Reviews	800	722
7	Lobbyist Annual Disclosure vs. Campaign Finance Disclosures	600	326
8	Metro General Government Capital Project Construction Program (Need, Estimates, Approval, Contracting, Monitoring)	800	
9	General Services – Downtown Detention Center and the Behavioral Care Center Construction Project	800	41
10	Election Commission Operations (See Information Technology Risk)	600	
11	Nashville General Hospital – Pharmacy Management	800	595
12	Municipal Auditorium	400	644
13	Hotel Occupancy Tax Audits – 2019	800	374
14	Metropolitan Nashville Government Unusual Fuel Card Transactions Review	600	730
15	Metropolitan Nashville Government Collaboration with Nonprofit Entities	800	
16	Treasury Department – Collections Office	800	
17	Cooperative Purchases Best Practices	400	50
18	Metropolitan General Government Infrastructure Participation Agreements Process	800	
19	State Trial Courts – Drug Court 4	600	297
Information Technology Risk			
20	Election Commission Information Systems	400	
21	Health Department – Information Technology Security Management and Governance	600	
Audit Recommendation Follow-up			
22	General Services Department - Fleet Management Audit Follow-Up	250	301
	Total Audit Services Budget	**14,300**	
	Total Audit Services Effort To Date		**6,640**

Metropolitan Nashville Office of Internal Audit
2019 Approved Work Plan Status as of September 4, 2019

Summary	Budget	Actual
Audit Services	14,300	**6,640**
Investigation Services	1,500	140
Special Projects	400	103
Total (43% of Budgeted Effort Used Toward Annual Plan)	**16,200**	**6,883**

Summary of Open Audit Recommendations
As of September 4, 2019

Project Number	Audit Department List	Mo.	Year	Total	Accepted	Rejected	Implemented	Accepts Risks	No Longer Applicable	Open
AU2011-007	ITS - Active Directory Services (CONFIDENTIAL)	4	2011	12	12	0	11	0	0	1
AU2012-005	General Services Fuel Management	10	2012	27	25.5	1.5	21.5	0	1	3
AU2013-005	Information Technology Services Telecom Services (CONFIDENTIAL)	7	2013	13	13	0	12	0	0	1
AU2013-022	Industrial Development Board	12	2013	6	6	0	2	0	0	4
AU2014-028	Assessor's Office	06	2014	15	14	1	10	0	1	3
AU2015-007	Historic Zoning and Historical Commission Work Force	1	2015	10	7	3	6	0	0	1
AU2015-024	General Services Radio Communication Division (CONFIDENTIAL)	11	2015	41	34	7	32	0	0	2
AU2015-031	Parks and Recreation Maintenance Division	11	2015	4	2.5	1.5	1.5	0	0	1
AU2016-019	MNPS Performance Reporting Process	12	2016	11	11	0	10	0	0	1
AU2017-001	Codes Short Term Rental Property Permit Process	8	2017	12	12	0	8	0	0	4
AU2017-008	Assessor of Property	5	2017	4	4	0	2	0	0	2
AU2017-017	General Government Occupational Safety Program	10	2017	24	24	0	1	0	0	23
AU2017-020	DCSO Information Technology Security Practices (CONFIDENTIAL)	10	2017	45	45	0	17	0	0	28
AU2017-022	Finance Department Procurement And Business Assistance Office	8	2018	13	13	0	9	0	0	4
AU2018-002	MDHA Development Incentives	3	2018	17	16	1	11	0	0	5
AU2018-003	Metropolitan Transit Authority Revenue Collection Process	3	2018	5	4	1	2	0	0	2
AU2018-004	ITS Software Asset Management	5	2018	4	4	0	2	0	0	2
AU2018-009	Nashville General Hospital Procurement-To-Pay	8	2018	11	11	0	0	0	0	11
AU2018-011	Metro Water Services Fire Hydrant Inspections	11	2018	10	10	0	6	0	0	4
AU2018-012	Metro Nashville Public Schools Financial Matters	8	2018	2	2	0	1	0	0	1
AU2018-014	Metro Water Services Process Control System Security (CONFIDENTIAL)	8	2018	12	12	0	7	0	0	5
AU2019-001	Register of Deeds	1	2019	10	8	2	3	0	0	5
AU2019-004	General Sessions Court - Traffic School	1	2019	10	10	10	2	0	0	8
AU2019-005	Arts Commission	7	2019	17	17	0	5	0	0	12
AU2019-006	Development Conditions	6	2019	5	5	0	0	0	0	5
AU2018-010	Barnes Fund	6	2019	8	8	0	7	0	0	1
CASE2018-006	Mayor's Office and MNPD Security Detail	3	2019	6	6	0	0	0	0	6
	Totals			354	336	28	189	-	2	145

Owner	Audit Name	Report Date	Recommendation	Estimated Date	Revised Date	Revised Age
			Open Audit Recommendations - Status as of September 4, 2019			
~ Information Technology Services	ITS - Active Directory Service	4/8/2011	C.4 – Improve Controls	2/5/2015	12/30/2019	-117
General Services	Fuel Supply Management	10/26/2012	A – Fuel Management Synergy	12/31/2012	6/7/2019	89
General Services	Fuel Supply Management	10/26/2012	B.3 – Monitoring of Fuel Tank Inventory	11/5/2012	6/7/2019	89
General Services	Fuel Supply Management	10/26/2012	E.2 – Motor Fuel Tracking System	11/5/2012	6/7/2019	89
~ Information Technology Services	ITS - Telecommunications Primary Government	7/12/2013	B.1 Document	6/30/2014	1/30/2019	217
Industrial Development Board	Industrial Development Board	12/16/2013	A.1 - Maintain a Tracking List of Economic Incentives	3/15/2014		1999
Industrial Development Board	Industrial Development Board	12/16/2013	B.1 - Request Written Job Specific Procedures	3/15/2014		1999
Industrial Development Board	Industrial Development Board	12/16/2013	B.2 - Develop a Set of Written Policies and Procedures	3/15/2014		1999
Industrial Development Board	Industrial Development Board	12/16/2013	D.1 - Ensure PILOT Agrmts are submitted Mayor & State Comptroller	3/15/2014		1999
Assessor of Property	Assessor of Property	6/24/2014	A.3 Application Controls over AssessPro	11/30/2014	12/31/2019	-118
Assessor of Property	Assessor of Property	6/24/2014	A.1 Application Controls over AssessPro	12/31/2015	5/1/2020	-240
Assessor of Property	Assessor of Property	6/24/2014	A.7 Application Controls over AssessPro	12/31/2015	5/1/2020	-240
Historical Commission	Historical Commission	1/26/2015	A.2.5 Record presentations	12/31/2015	12/31/2020	-484
~ General Services	Radio Shop Operations	11/2/2015	SME B.3 - Evaluate	5/1/2016	5/31/2019	96
~ General Services	Radio Shop Operations	11/2/2015	C.2 - Business	7/1/2016	4/30/2019	127
Parks and Recreation	Parks and Recreation Maintenance Operations	11/5/2015	B – Work Order System	1/31/2017	3/1/2020	-179
** Board of Education	MNPS Student Information Systems	12/14/2016	E.5	12/29/2017	7/1/2019	65
Codes Administration Department	Short Term Rental Permitting Process	8/30/2017	B.1–Verification of Taxes Paid	12/1/2017	6/1/2019	95
Codes Administration Department	Short Term Rental Permitting Process	8/30/2017	C.2–Review Process	12/1/2017	4/1/2019	156
Codes Administration Department	Short Term Rental Permitting Process	8/30/2017	C.1–Review Process	10/1/2017	6/1/2019	95
Codes Administration Department	Short Term Rental Permitting Process	8/30/2017	F.1–Written Policies and Procedures	10/1/2017	6/1/2019	95
Assessor of Property	Assessor of Property	5/1/2017	Final Observation A - TimeForce Cumulative Leave Balance Report	7/31/2017	12/31/2019	-118
Assessor of Property	Assessor of Property	5/1/2017	Final Observation C- Update Fixed Asset List	7/31/2017	2/19/2019	197
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.10 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	C.1 – Right Sizing Occupational Health and Safety Staff	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	B.4 – Enhancements to the Metro Safety Advisory Board	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	B.3 – Enhancements to the Metro Safety Advisory Board	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	B.2 – Enhancements to the Metro Safety Advisory Board	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	B.1 – Enhancements to the Metro Safety Advisory Board	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	A.1 – Lack of a Formal Occupl Health and Safety System Framework	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.13 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.12 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.11 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.09 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.14 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.07 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.06 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.05 - Prior Accepted Audit Recommendations Status	3/31/2018	1/5/2018	607
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.04 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.03 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.02 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	F.1– Monitoring and Inspections	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	E.2 – Training Requirements	3/31/2018	1/6/2029	-3412

*** Confidential Recommendation*

~ Confidential Criminal Justice Information System Recommendation

Owner	Audit Name	Report Date	Recommendation	Estimated Date	Revised Date	Revised Age
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	E.1 – Training Requirements	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	D.1 - Job Hazard Analysis	3/31/2018	1/6/2029	-3412
Law Department	Metro Nashville Occup Health and Safety Program	10/10/2017	G.08 - Prior Accepted Audit Recommendations Status	3/31/2018	1/6/2029	-3412
~ Sheriff's Office	DCSO Information Security	10/31/2017	IA-2(9): Implement	6/30/2018		431
~ Sheriff's Office	DCSO Information Security	10/31/2017	CP-2: Adopt	6/30/2018	6/30/2019	66
~ Sheriff's Office	DCSO Information Security	10/31/2017	IA-2(1): Implement	6/30/2018		431
~ Sheriff's Office	DCSO Information Security	10/31/2017	IA-2(11): Implement	6/30/2018		431
~ Sheriff's Office	DCSO Information Security	10/31/2017	IA-2(8): Implement	6/30/2018		431
~ Sheriff's Office	DCSO Information Security	10/31/2017	MA-1: Establish	6/30/2018	12/30/2019	-117
~ Sheriff's Office	DCSO Information Security	10/31/2017	CM-9: Establish	6/30/2018	6/30/2019	66
~ Sheriff's Office	DCSO Information Security	10/31/2017	SC-28: Consider	6/30/2018		431
~ Sheriff's Office	DCSO Information Security	10/31/2017	SI-11: Implement	6/30/2018		431
~ Sheriff's Office	DCSO Information Security	10/31/2017	SI-2(2): Participate	6/30/2018	12/30/2019	-117
~ Sheriff's Office	DCSO Information Security	10/31/2017	CM-4(1): Adopt	3/31/2018	6/30/2019	66
~ Sheriff's Office	DCSO Information Security	10/31/2017	CM-6: Adopt	3/31/2018		522
~ Sheriff's Office	DCSO Information Security	10/31/2017	SA-11: Develop	6/30/2018	6/30/2019	66
~ Sheriff's Office	DCSO Information Security	10/31/2017	CM-4: Establish	6/30/2018	6/30/2019	66
~ Sheriff's Office	DCSO Information Security	10/31/2017	AC-11: Put	6/30/2018		431
~ Sheriff's Office	DCSO Information Security	10/31/2017	AC-2(3): Disable	6/30/2018		431
~ Sheriff's Office	DCSO Information Security	10/31/2017	CM-3(1): Adopt	6/30/2018	6/30/2019	66
~ Sheriff's Office	DCSO Information Security	10/31/2017	A. Revise	6/30/2018	12/30/2019	-117
~ Sheriff's Office	DCSO Information Security	10/31/2017	IA-5(1): Strengthen	11/27/2017		646
~ Sheriff's Office	DCSO Information Security	10/31/2017	IA-5(8): Consider	11/27/2017		646
~ Sheriff's Office	DCSO Information Security	10/31/2017	AC-6: Enforce	1/1/2018		611
~ Sheriff's Office	DCSO Information Security	10/31/2017	AC-7: Enable	1/1/2018		611
~ Sheriff's Office	DCSO Information Security	10/31/2017	IA-2(5): Generic	11/17/2017		656
~ Sheriff's Office	DCSO Information Security	10/31/2017	IA-5(4): Strengthen	1/31/2018		581
~ Sheriff's Office	DCSO Information Security	10/31/2017	IA-5: Set	1/31/2018		581
~ Sheriff's Office	DCSO Information Security	10/31/2017	CA-3: Adopt	2/28/2018	6/30/2019	66
~ Sheriff's Office	DCSO Information Security	10/31/2017	AC-2(1): Consider	6/30/2018		431
~ Sheriff's Office	DCSO Information Security	10/31/2017	SC-2: Privileged	1/1/2018		611
Finance Department	Finance - Procurement Division	8/17/2018	A.3 Professional Accreditation	11/30/2019	6/30/2020	-300
Finance Department	Finance - Procurement Division	8/17/2018	F – Monitor Certificate of Insurance	6/30/2019	8/7/2019	28
Finance Department	Finance - Procurement Division	8/17/2018	C.1 Utilization of iProcurement Requisitions	4/30/2019	9/30/2019	-26
Finance Department	Finance - Procurement Division	8/17/2018	A.2 Staff Certification and Development	6/30/2019	6/30/2020	-300
MDHA	MDHA Development Incentives	3/30/2018	E.1 – Tax Increment Financing Loan Selection	5/1/2018		491
MDHA	MDHA Development Incentives	3/30/2018	A.4 - Development District Creation	5/1/2018		491
MDHA	MDHA Development Incentives	3/30/2018	C.1 - Land Incentives Not Transparent	5/1/2018		491
Finance Department	MDHA Development Incentives	3/30/2018	H.1 - Tax Increment Financing Funds Capture Process	10/31/2018	3/31/2019	157
Finance Department	MDHA Development Incentives	3/30/2018	H.2 - Tax Increment Financing Funds Capture Process	10/31/2018	3/31/2019	157
WeGo	MTA Revenue Collection Process	5/31/2018	A.1 – Custody of Cash Transfers	6/30/2018	4/30/2019	127
WeGo	MTA Revenue Collection Process	5/31/2018	A.2 – Custody of Cash Transfers	6/30/2018	4/30/2019	127
Information Technology Services	Software Asset Management Process	5/2/2018	Educate and train employees	1/30/2019	10/1/2019	-27
Information Technology Services	Software Asset Management Process	5/2/2018	Reconsider the long-term benefits of software asset mngnt system	1/30/2019	1/30/2021	-514
Nashville Hospital Authority	Nashville Hospital Authority Procurement to Pay	8/28/2018	B.1 - Vendor Master Controls	10/1/2018		338
Nashville Hospital Authority	Nashville Hospital Authority Procurement to Pay	8/28/2018	D.2 - Credit Card Controls	10/1/2018		338
Nashville Hospital Authority	Nashville Hospital Authority Procurement to Pay	8/28/2018	C.1 - Paragon Access Controls	10/1/2018		338

*** Confidential Recommendation*
~ Confidential Criminal Justice Information System Recommendation

Owner	Audit Name	Report Date	Recommendation	Estimated Date	Revised Date	Revised Age
Nashville Hospital Authority	Nashville Hospital Authority Procurement to Pay	8/28/2018	B.2 - Vendor Master Controls	10/1/2018		338
Nashville Hospital Authority	Nashville Hospital Authority Procurement to Pay	8/28/2018	E.3 - Invoice and Payment Approvals	8/31/2018		369
Nashville Hospital Authority	Nashville Hospital Authority Procurement to Pay	8/28/2018	E.1 - Invoice and Payment Approvals	8/31/2018		369
Nashville Hospital Authority	Nashville Hospital Authority Procurement to Pay	8/28/2018	D.1 - Credit Card Controls	11/5/2018		303
Nashville Hospital Authority	Nashville Hospital Authority Procurement to Pay	8/28/2018	A.3 - Bidding Requirements	11/5/2018		303
Nashville Hospital Authority	Nashville Hospital Authority Procurement to Pay	8/28/2018	A.2 - Bidding Requirements	11/5/2018		303
Nashville Hospital Authority	Nashville Hospital Authority Procurement to Pay	8/28/2018	A.1 - Bidding Requirements	11/5/2018		303
Nashville Hospital Authority	Nashville Hospital Authority Procurement to Pay	8/28/2018	E.2 - Invoice and Payment Approvals	8/31/2018		369
Mayor's Office	Barnes Housing Trust Fund	6/27/2019	A.1 Program Success Criteria	9/1/2019		3
Metro Water Services	Fire Hydrant Inspection and Maintenance Process	12/17/2018	C.3 Sample and Review Information in Hansen	6/30/2019		66
Metro Water Services	Fire Hydrant Inspection and Maintenance Process	12/17/2018	C.2 Ensure Adequate Documentation	6/30/2019		66
Metro Water Services	Fire Hydrant Inspection and Maintenance Process	12/17/2018	A.3 Review Repair Data and Priority Codes	6/30/2019		66
Metro Water Services	Fire Hydrant Inspection and Maintenance Process	12/17/2018	B.1 Re-establish Agreement with Nashville Fire Department	6/30/2019		66
MNPS	MNPS Financial Matters	8/28/2018	A.2 – Differentiate btw Central Office & Centralized Services Costs	6/30/2019	6/30/2020	-300
** Metro Water Services	MWS Infrastructure Security	8/20/2018	CM-2 Procedure	12/31/2019		-118
** Metro Water Services	MWS Infrastructure Security	8/20/2018	RA-1 Risk	12/31/2019		-118
** Metro Water Services	MWS Infrastructure Security	8/20/2018	AU-6 Policy	7/1/2019		65
** Metro Water Services	MWS Infrastructure Security	8/20/2018	PM-3 Centralized	7/1/2019		65
** Metro Water Services	MWS Infrastructure Security	8/20/2018	AU-8 Template	3/1/2019		187
Register of Deeds	Register of Deeds	1/24/2019	C.2 Supervisor Reconciliation	5/9/2019		118
Register of Deeds	Register of Deeds	1/24/2019	Conduct Compensation Study	12/31/2020		-484
Register of Deeds	Register of Deeds	1/24/2019	C.1 Two Employee Mail Opening	12/31/2020		-484
Register of Deeds	Register of Deeds	1/24/2019	E.1 Ensure Employee Salaries Conform to Letter of Agreement	8/31/2019		4
Register of Deeds	Register of Deeds	1/24/2019	B.1 Review the user rights in Business Information System	2/1/2019		215
General Sessions Court	General Sessions Court - Traffic School	1/19/2019	F.1 - OTS Privileged User Access	3/1/2019		187
General Sessions Court	General Sessions Court - Traffic School	1/19/2019	H.1-Multiple Timekeeping Applications	3/1/2019		187
General Sessions Court	General Sessions Court - Traffic School	1/19/2019	A.3 - Fee Waiver Management	4/1/2019		156
General Sessions Court	General Sessions Court - Traffic School	1/19/2019	E.1 - Employee Cross-Training	4/1/2019		156
General Sessions Court	General Sessions Court - Traffic School	1/19/2019	C.1 - Cashier Accountability	2/1/2019		215
General Sessions Court	General Sessions Court - Traffic School	1/19/2019	A.1 - Fee Waiver Management	2/15/2019		201
General Sessions Court	General Sessions Court - Traffic School	1/19/2019	B.1 - Physical Security of Cash	2/15/2019		201
General Sessions Court	General Sessions Court - Traffic School	1/19/2019	G.1 - Expense Management	2/15/2019		201
Planning Commission	Development Conditions	6/12/2019	A.1 Lack of Communication between Departments	12/31/2020		-484
Planning Commission	Development Conditions	6/12/2019	A.2 Lack of Communication between Departments	12/31/2020		-484
Planning Commission	Development Conditions	6/12/2019	B.1 No clearly defined responsibilities	12/31/2019		-118
Planning Commission	Development Conditions	6/12/2019	C.1 Lack of Accountability	12/31/2020		-484
Public Works	Development Conditions	6/12/2019	D.1 No Clearly Defined Financial Responsibility for Infrastructure	12/31/2020		-484
Finance Department	Mayor's Office and MNPD Security Detail	3/11/2019	B.1 Finance Department	12/31/2018		247
Finance Department	Mayor's Office and MNPD Security Detail	3/11/2019	B.2 Finance Department	12/31/2018		247
Mayor's Office	Mayor's Office and MNPD Security Detail	3/11/2019	C.2 Mayor's Office	1/31/2019		216
Mayor's Office	Mayor's Office and MNPD Security Detail	3/11/2019	C.1 Mayor's Office	3/31/2019		157
Human Resources Department	Mayor's Office and MNPD Security Detail	3/11/2019	D.1 Human Resources Department	3/31/2019		157
Finance Department	Mayor's Office and MNPD Security Detail	3/11/2019	B.3 Finance Department	5/31/2019		96
Art's Commission	Art's Commission	7/5/2019	A.1 - Public Art Program Administration	7/1/2020		-301
Art's Commission	Art's Commission	7/5/2019	A.2 - Public Art Program Administration	7/1/2020		-301
Art's Commission	Art's Commission	7/5/2019	A.3 – Public Art Program Administration	7/1/2020		-301

*** Confidential Recommendation*
~ Confidential Criminal Justice Information System Recommendation

Owner	Audit Name	Report Date	Recommendation	Estimated Date	Revised Date	Revised Age
Art's Commission	Art's Commission	7/5/2019	A.4 – Public Art Program Administration	7/1/2020		-301
Art's Commission	Art's Commission	7/5/2019	B.1 – Grants Administration Program	7/1/2020		-301
Art's Commission	Art's Commission	7/5/2019	B.2 – Grants Administration Program	7/1/2020		-301
Art's Commission	Art's Commission	7/5/2019	B.3 – Grants Administration Program	7/1/2020		-301
Art's Commission	Art's Commission	7/5/2019	C.1 – THRIVE Programs	7/1/2020		-301
Art's Commission	Art's Commission	7/5/2019	C.2 – THRIVE Programs	7/1/2020		-301
Art's Commission	Art's Commission	7/5/2019	D.2 – Donated Artwork	12/31/2019		-118
Art's Commission	Art's Commission	7/5/2019	D.3 – Donated Artwork	12/31/2019		-118
Art's Commission	Art's Commission	7/5/2019	E.1 – Fiscal Management	7/1/2020		-301

** Confidential Recommendation
~ Confidential Criminal Justice Information System Recommendation

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METROPOLITAN NASHVILLE AUDIT COMMITTEE
2019 MEETING PLAN

Meeting Date	Proposed Agenda Topics
February 12, 2019 (Tuesday)	• Office of Internal Audit Annual Performance Report • Internal Audit Annual Work Plan approval • Internal Audit issued report discussion • Open Audit Recommendations Status
April 9, 2019 (Tuesday)	• Election of Chairman and Vice Chairman • External Audit Single Audit and Management Letter presentation • Information Security Program Update • Internal Audit issued report discussion
June 25, 2019 (Tuesday)	• FY2018 External Audit plan and required communications • Internal Audit issued report discussion • Metropolitan Auditor performance review
September 10, 2019 (Tuesday)	• Metropolitan Audit Committee self-assessment • Bylaws annual review • Internal Audit issued report discussion • Open Audit Recommendations Status • External Audit Comprehensive Annual Financial Report Audit Progress Executive Session
November 26, 2019 (Tuesday)	• Internal Audit issued report discussion • External Audit Comprehensive Annual Financial Report Audit Progress Executive Session
December 10, 2019 (Tuesday)	• External Audit Comprehensive Annual Financial Report • Internal Audit issued report discussion

Metropolitan Nashville Audit Committee

Executive Session Checklist

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

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

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

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

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

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

Permissible Executive Session Subject Matter

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