



**A Report to the
Audit Committee**

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Metropolitan
Nashville
Office of
Internal Audit

**Audit Recommendations Follow-Up –
Audit of the Property Standards
Complaints Process**
(Initial Report Issued October 18, 2021)

August 30, 2024

EXECUTIVE SUMMARY

August 30, 2024



Why We Did This Audit

To evaluate management's implementation of previous audit recommendations as of June 30, 2024.

What We Recommend

Management should continue efforts to implement the remaining open recommendations.

Audit Recommendations Follow-Up – Audit of the Property Standards Complaints Process

BACKGROUND

On October 18, 2021, the Metropolitan Office of Internal Audit issued an audit of the Department of Codes and Building Safety's Property Standards Complaints Process. The audit report included eight recommendations. All eight recommendations were accepted by management for implementation. The Office of Internal Audit guidelines require monitoring and follow-up to ensure that the recommendations assessed as high or medium risk are appropriately considered, effectively implemented, and yield intended results.

OBJECTIVES AND SCOPE

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

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

WHAT WE FOUND

Of the eight recommendations, five recommendations were fully implemented, and three recommendations were partially implemented. Details of the implementation status can be seen in **Appendix A**.

AUDIT FOLLOW-UP RESULTS

The initial audit report encompassed all property standards violation complaint cases between April 1, 2019, and March 31, 2021. The audit report included eight recommendations, all of which were accepted by management for implementation.

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

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- Circumstances have so changed that the recommendation is no longer valid.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

The scope of the follow-up audit included the eight accepted recommendations that management reported as implemented. Of the eight recommendations, five recommendations were fully implemented, and three recommendations were partially implemented. Details of the implementation status and an updated implementation date can be seen in **Appendix A**.

METHODOLOGY

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

- Reviewed policies and procedures.
- Reviewed property standards complaints in the Cityworks system.
- Evaluated internal controls currently in place.
- Tested a sample of property standards complaints.
- Considered risk of fraud, waste, and abuse and information technology risks.

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

AUDIT TEAM

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

Bill Walker, CPA, CIA, CFE, CCFO, Audit Manager

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

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

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

Table 1

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

The following are the audit recommendations made in the original audit report dated October 8, 2021, and the current implementation status of each recommendation based on our review of information and documents provided by the Department of Codes and Building Safety.

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>A.1 Establish and document a process to follow-up on cases that are not moving due to inability to serve a warrant or send an abate notice. Determine a way in CityWorks to designate those cases that are unable to be served to ensure they can be monitored.</p> <p>Assessed Risk Level: High</p>	<p>Recommendation was considered. Alternate procedures were implemented. Procedures to identify and resolve unfinished cases were implemented during scheduled meetings. Additionally, Metro Codes is funding a position within the Department of Law. This attorney is dedicated to monitoring complaints.</p>	<p>Documentation of the monitoring process and applicable meetings should be retained. Status reports for cases that could not be served should be generated. Action steps should be noted and retained.</p>	<p style="text-align: center;">Partially Implemented</p> <p><i>Expected implementation: June 30, 2025</i></p>
<p>A.2 Implement formal process to search for alternative addresses to send abate notices and serve Environmental Court warrants. Utilize other Metropolitan Nashville Government departments and methods in the process.</p> <p>Assessed Risk Level: High</p>	<p>Recommendation was considered. Alternate procedures were implemented. Procedures to identify and resolve unfinished cases were implemented during scheduled meetings. Additionally, Metro Codes is funding a position within the Department of Law. This attorney is dedicated to monitoring complaints.</p>	<p>Specific process of how the search for alternative addresses is implemented but needs to be formally documented in applicable policies and procedures.</p>	<p style="text-align: center;">Partially Implemented</p> <p><i>Expected implementation: June 30, 2025</i></p>

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>A.3 Explore working with Metropolitan Council Members to change the Metropolitan Code of Laws to better suit serving and notifying property owners about property standards violations.</p> <p>Assessed Risk Level: High</p>	<p>Recommendation was considered. Alternate procedures were implemented. Procedures to identify and resolve unfinished cases were implemented during scheduled meetings. Additionally, Metro Codes is funding a position within the Department of Law. This attorney is dedicated to monitoring complaints.</p>	<p>None</p>	<p>Implemented</p>
<p>B. Establish supervisory review procedures to periodically ensure cases have timelines and efforts are still being made to resolve the complaint.</p> <p>Assessed Risk Level: High</p>	<p>Alternate procedures on identifying and resolving unfinished cases were implemented with scheduled meetings with metro legal and a dedicated attorney was added. It is not practical to have a firm deadline for cases to be finalized due to the voluminous number of external factors that Codes cannot control.</p>	<p>None</p>	<p>Implemented</p>
<p>C.1. Establish documented procedures and goals for initial inspection timelines and determination of floater assignment.</p> <p>Assessed Risk Level: Medium</p>	<p>Management implemented a policy to perform initial inspections within 48 hours. A sample was taken and revealed that initial inspections were hours. However, the goal was not formally documented in policies and procedures.</p>	<p>Document the formal policy for inspection timing.</p>	<p>Partially Implemented</p> <p><i>Expected implementation: June 30, 2025</i></p>
<p>C.2. Implement regularly documented supervisor reviews of team queues to ensure all cases are being inspected in a timely manner.</p> <p>Assessed Risk Level: Medium</p>	<p>Weekly meetings of inspector caseloads are conducted by management to ensure cases are being worked as intended and in a timely manner. There is no documented evidence of these meetings. Management explored this and believed it was not necessary or an efficient use of time. Management has accepted the risk of not documenting the meetings.</p>	<p>None</p>	<p>Implemented</p>

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>D.1. Utilize hubNashville for initial complaint intake information for all submission types instead of directly entering cases into CityWorks.</p> <p>Assessed Risk Level: Medium</p>	<p>The Metropolitan Codes Department’s website shows various options to communicate citizen complaints. This includes hubNashville.</p>	<p>None</p>	<p>Implemented</p>
<p>D.2. Continue to promote and encourage all residents to submit complaints through hubNashville.</p> <p>Assessed Risk Level: Medium</p>	<p>hubNashville was relatively new at the time of the prior audit and needed to be publicized. The use of hubNashville is not something the department directly controls.</p>	<p>None</p>	<p>Implemented</p>