

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



June 10, 2016

Jon Cooper – Director
Department of Law
Metro Courthouse Suite 108
P.O. Box 196300
Nashville, TN 37219-6300

Dear Mr. Cooper:

Please find attached the report on the Department of Law's use of Metro credit cards conducted by the Office of Financial Accountability. This report explains the results of our review of the department's delegated purchasing authority and VISA and MasterCard credit card transactions from July 1, 2012 through February 29, 2016. Staff from the Office of Financial Accountability began the fieldwork for this review on May 10, 2016.

We appreciate your cooperation and assistance during the review. If you have any questions, please call me at (615) 880-1035.

Sincerely,

Fred Adom, CPA, CGMA, CICA
Director, Office of Financial Accountability

cc: Talia Lomax-O'dneal, Director of Finance, Department of Finance
Gene Nolan, Deputy Director of Finance, Department of Finance
Kim McDoniel, Chief of Accounts, Department of Finance
Tom Eddlemon, Metropolitan Treasurer, Department of Finance
Mark Swann, Metropolitan Auditor, Office of Internal Audit
Kevin Brown, CMFO, CICA, Office of Financial Accountability
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability

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◆ Monitoring Report of ◆

Department of Law

Conducted by



Office of Financial Accountability

June 10, 2016

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a credit card review of the Department of Law’s compliance with the *Metro Code of Law Title 4, Procurement Code* and compliance with the *Metro Finance Policy #19: Credit Card Policy*.

A review is substantially less in scope than an audit. The OFA did not audit the financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of Metro or any of its component units.

The OFA is responsible for the internal monitoring of Metro agencies that receive federal and state financial assistance, including cooperative agreements and non-profit organizations that receive appropriations from Metro government. The OFA also conducts prompt pay performance, delegated purchasing authority, and procurement reviews, including credit card usage by Metro departments. In summary, any agreement that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

This review was conducted as part of the comprehensive review of credit cards use by all Metro Departments as requested by the Metro Council. At the conclusion of the review of all applicable Metro departments, the OFA will compile a summary report of the results of the review of all departments.

Agency Background

The Department of Law’s mission is “to provide legal and risk management services to the departments, boards, commissions, agencies, and officials of the Metropolitan Government so they can protect public resources and perform their responsibilities within the law.” Per the Fiscal Year 2016 Operating Budget Book, the Department of Law had 48 total budgeted positions and an operating budget of \$5,492,800.

OBJECTIVES, SCOPE AND METHODOLOGY

The scope of the credit card review period covered July 1, 2012 through February 29, 2016. There were three (3) cardholders in the Department of Law during the review period. See the table below for details:

Cardholder Name	Number of Transactions	Dollar Value of Transactions
Cardholder A	45	\$9,333.36
Cardholder B	1	\$71.00
Cardholder C	1	\$84.00
Totals	47	\$9,488.36

The Office of Financial Accountability reviewed 64% of the credit card activity.

The objectives of our review were:

- 1) To determine the agency's compliance with M.C.L. Title 4, Procurement Code.
- 2) To determine the agency's compliance with Metro Finance Policy #19: Credit Cards.
- 3) To determine whether credit card expenditures were allowable and necessary.
- 4) To determine whether purchasing transactions were authorized and sufficiently documented.
- 5) To determine whether the agency has adequate and effective internal controls over its credit card program.

Our review procedures included meeting with agency management and staff, reviewing internal controls over credit card use, and examining certain financial records and supporting documentation to ensure compliance with requirements set forth in Metro's official procurement policies. Specific procedures included:

- Comparing credit card charges with original receipts, supporting documentation and travel authorizations.
- Reviewing supporting documentation for accuracy, necessity and reasonableness.
- Identifying split purchases and unauthorized or fraudulent transactions.
- Investigating discrepancies and following up as necessary.

RESULTS OF REVIEW

Our review did not reveal any instances of non-compliance with M.C.L. Title 4, Procurement Code and Metro Finance Policy #19: Credit Card.