

MARK S. SWANN
METROPOLITAN AUDITOR



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**METROPOLITAN GOVERNMENT
OF NASHVILLE AND DAVIDSON
COUNTY**

April 18, 2008

Mr. Warner Hassell, Court Administrator
Metropolitan General Sessions Court
Justice A.A. Birch Building
408 2nd Avenue North
Nashville, TN 37219

**INDEPENDENT METROPOLITAN AUDITOR'S REPORT ON APPLYING AGREED-
UPON PROCEDURES (AU2008-006)**

Mr. Hassell:

The office of Internal Audit (IA) has performed the procedures described in Attachment I. These procedures were agreed to by yourself and management of the DUI Safety Center in order to assist you in determining the propriety of recorded revenues and expenditures of the DUI Safety Center. This agreed-upon procedures engagement was performed in accordance with generally accepted government auditing standards which incorporates Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely your determination. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment I for the purpose for which this report has been requested or for any other purpose.

We were not engaged to, and did not perform an audit or an examination, the objective of which would be the expression of an opinion on the specified elements, accounts, items, or efficiency and effectiveness of government service delivery. Accordingly, we do not express such an opinion here. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the specified users above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Management is responsible for the DUI Safety Center risk management and internal control responses.

Mr. Warner Hassell, Court Administrator
April 16, 2008
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I appreciate the courtesies and cooperation extended to us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mark S. Swann".

MARK S. SWANN, CPA - Texas, CIA, CISA

Copy: Honorable Mayor Karl Dean
Metropolitan Audit Committee

ATTACHMENT I
DUI Safety Center Detailed Agreed-Upon Procedures, Observations, And
Recommendations

The following observations were noted during the agreed-upon procedures engagement for the DUI Safety Center. These observations were obtained through interviews with staff, a walk-through of processes and limited testing. The scope was for the period July 1, 2005 through February 29, 2008.

Agreed-Upon Procedure

A limited review of the processes used and related internal controls in place for recording revenue and expenditures at the DUI Safety Center.

Detailed Procedures Performed

- Out of 791 revenue transactions totaling \$1,007,787, we tested a sample of 41 transactions totaling \$55,867. Transactions were tested to ascertain that they were properly supported and complied with Metro financial procedures related to cash receipts.
- We tested a sample of 51 out of 4,138 case files and traced the participants to the attendance rosters and corresponding payment records.
- Out of 367 expenditure transactions totaling \$152,059, we tested a sample of 37 transactions totaling \$10,967. Transactions were tested to determine that the expenditure was a necessity for the mission of the DUI Safety Center, properly supported, and acknowledged by the DUI Safety Center Office Manager.
- We tested the propriety of expenditures made using procurement cards by testing all transactions from May 2007 through February 2008, totaling \$6,090.
- We verified employee leave balances and accrual calculations for all eight employees for fiscal year 2007.

Criteria

- Prudent business practices
- Department of Finance Office of the Treasurer Treasury Policy #9 – Cash Deposits
- Department of Finance Financial Policy for Procurement Regulations
- Department of Finance Financial Policy for Procurement Card
- Metro Civil Service Rules for Attendance and Leave (Chapter 4)

Conclusion

During our testing, we did not observe any significant exceptions concerning revenue recognition internal controls.

During our testing, we did not observe any significant exceptions concerning expenditures process internal controls.

During our testing, we did not observe any significant exceptions concerning employee leave balances and accrual calculations.

ATTACHMENT I
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Recommendations

Agreed-Upon Procedure

A comparison of monthly reports provided to the general sessions court administrator to determine if they adequately represent information in the official accounting system.

Detailed Procedures Performed

We independently reconciled the daily transaction totals for the Justice Information System (JIS) records and the Enterprise Business Systems Enterprise One (EBS) accounting records for all months between July 2005 and February 2008.

Criteria

Prudent business practice of performing periodic reconciliations when separate computer systems share related information.

Conclusion

During our testing, we did not observe any significant exceptions concerning financial information shared between the JIS and the EBS accounting system.

All months reconciled except for transactions from December 2007 which showed an overage of \$80. Management explained that the overage may have resulted from not providing change or a receipt to a client, or a clerical error could have occurred in recording the transaction.

Agreed-Upon Procedure

Interviews with the DUI Safety Center personnel to accurately review the processes and provide an opportunity for them to communicate concerns.

Criteria

Prudent business practice to communicate with staff to capture any known concerns regarding the daily operation of the DUI Safety Center.

Detailed Procedures Performed

Interviews with six of eight DUI Safety Center personnel provided adequate insight into the processes within the DUI Safety Center.

Conclusion

No other concerns or issues were raised during the interviews.

Agreed-Upon Procedure

A verification of fixed assets records and minor property records.

Criteria

Department of Finance Division of Accounts Policy #14, Capital Assets

Detailed Procedures Performed

We physically observed the DUI Safety Center's EBS accounting fixed assets, those with values exceeding \$5,000. Additionally, we conducted a "blind" inventory of assets with values under \$5,000 and compared the inventory to the listing maintained by the General Sessions Court for the DUI Safety Center.

ATTACHMENT I
DUI Safety Center Detailed Agreed-Upon Procedures, Observations, And
Recommendations

Conclusion

During our testing, we did not observe any significant exceptions concerning fixed assets with values under or over \$5,000.