

**BILL PURCELL
MAYOR**



**DEPARTMENT OF FINANCE
INTERNAL AUDIT SECTION**

**METROPOLITAN
GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY**

**222 3RD AVENUE NORTH, SUITE 401
NASHVILLE, TENNESSEE 37201
Telephone: (615) 862-6110
FAX Number: (615) 862-6425**

May 23, 2005

Members of the Metropolitan Council
Metropolitan Government of Nashville and
Davidson County
Metro City Hall
225 Polk Avenue
Nashville, TN 37203

Dear Members of the Metropolitan Council:

The Metropolitan Council Audit Committee is presenting its brief annual report to the Metropolitan Council highlighting some of the audit and other work done during the 2004-2005 fiscal year, and reporting the implementation status of previously completed projects. This year the Audit Committee has included Vice Mayor Howard Gentry, Council Members Michael Craddock and Jim Shulman, and Brack Reed, who represents the Chamber of Commerce. I have continued to represent the Tennessee State Society of CPA's. Please feel free to contact any Audit Committee member about the contents of this report or about any audit matter.

Performance Audits Completed in Previous Years

In previous years this report included brief comments about the status of implementing audit recommendations issued in prior years. In order to provide you with more information about the benefits Metro continues to receive as a result of the performance audit program, we are forwarding an attachment that includes a one-page summary for each audit issued since 2001. These implementation summaries include a brief description of the more significant recommendations implemented, in process of being implemented, or not implemented, as well as a summary of the recommended and actual financial impact.

We are also continuing to provide you with a summary of the 'return on investment' on the cost of audits outsourced as compared to the actual savings and/or additional revenues realized through implementation of audit recommendations. This return of over 900% is based on cumulative actual savings and revenues of over \$42 million realized since 2001.

Performance Audit and Other Projects Completed in Fiscal Year 2005

In addition to issuing a major performance audit on General Hospital this year, Internal Audit managed the Convention Center study addressing the marketability and financial implications of potentially expanding convention space in Nashville. Internal Audit also issued a study of costs associated with certain water and sewerage contracts, which was the first step toward a more thorough analysis that is currently ongoing. These reports, along with other reports issued in this and previous years, can be found at Internal Audit's web site at Nashville.gov.

In February the Audit Committee requested the Charter Revision Commission to consider recommending a Charter Amendment that would create the Metropolitan Government's first truly independent audit function. This followed several months of work the Audit Committee began in July 2004 that culminated in a draft of proposed Charter language submitted to the Charter Revision Commission for consideration. Among this year's Audit Committee and Internal Audit accomplishments, this Charter Amendment recommendation, which was unanimously approved by the Metropolitan Council Audit Committee and has the support of Mayor Purcell, could prove to be the most important accomplishment this year if passed in an upcoming election.

Other Audit Work in Process

Internal Audit has several audits and other projects currently underway, some of which are near completion and some of which are just beginning. These include audits of the radio communication system, employee safety, Juvenile Court, Finance Department and Mayor's office. Staff is also assigned to ensure appropriate internal controls are established during the implementation of the new enterprise business system.

May 23, 2005
Council Members
Page 3

We hope you find this report informative and that you will contact us with any questions or issues related to Internal Audit.

Sincerely,

Robert C. Brannon, Chair
Metropolitan Council Audit Committee

Attachments

Copy: Mayor Bill Purcell
David Manning
Kim McDoniel
Richard Norment, Assistant to the State Comptroller

Performance Audit Return on Investment
Fiscal Year Ending June 30, 2004 Actual Results

Update May 2005

Performance Audits	Report Issue Date	Cost of Consultants	Cumulative Recommended Savings/Revenue Through June 30, 2004	Actual Results Achieved					
				Cost Savings/Revenue During June 30, 2001	Cost Savings, Revenue, Recovery During June 30, 2002	Cost Savings/Revenue During June 30, 2003	Cost Savings/Revenue During June 30, 2004	Cumulative Through June 30, 2004	Cumulative Over/(Under) Recommended
Completed FY 2001:									
Benefit Board - Investments	March 2000	\$ 213,616	\$ 7,515,000	\$ 4,018,660	\$ 12,618,663	\$ 4,693,445	4,296,732	\$ 25,627,500	\$ 18,112,500
Benefit Board - Operations	December 2000	105,718	3,700,000	773,000	265,092	87,000	1,185,500	2,310,592	(1,389,408)
Schools	January 2001	499,570	19,155,517	-	1,544,287	1,254,313	1,588,934	4,387,534	(14,767,983)
Bordeaux Hospital	April 2001	174,692	12,718,000	-	2,600,000	1,636,000	1,756,074	5,992,074	(6,725,926)
E-911 System	April 2001	235,000	-	-	-	-	-	-	-
MTA	May 2001	158,184	300,000	-	-	-	-	-	(300,000)
Completed FY 2002:									
Fleet Management	November 2001	367,202	974,337	-	124,730	181,000	251,850	557,580	(416,757)
Beer Board (100% staffed by IA)	April 2002	-	-	-	-	-	-	-	-
Public Works	May 2002	189,500	2,943,579	-	-	181,917	304,053	485,970	(2,457,609)
State Taxes	May 2002	80,000	2,100,000	-	2,364,000	491,993	-	2,855,993	755,993
Police Department	May 2002	462,000	-	-	-	-	-	-	-
Completed FY 2003:									
Disability Monitoring - Kroll	September 2002	309,000	450,000	-	-	-	-	-	(450,000)
Convention Center / CVB	February 2003	70,000	-	-	-	-	-	-	-
Gaylord Entertainment Center	March 2003	60,000	-	-	-	-	-	-	-
Municipal Auditorium	March 2003	35,000	4,600	-	-	4,600	-	4,600	-
Parks (100% staffed by IA)	June 2003	-	-	-	-	-	-	-	-
Codes Administration	June 2003	127,000	750,000	-	-	-	-	-	(750,000)
Completed FY 2004:									
Juvenile Court Clerk (100% IA)	August 2003	-	-	-	-	-	-	-	-
Sheriff's Office (100% IA)	August 2003	-	-	-	-	-	-	-	-
Planning Department	December 2003	166,000	-	-	-	-	-	-	-
Printing and Postal	April 2004	144,750	-	-	-	-	-	-	-
Teachers Pension Investments	January 2004	100,000	-	-	-	-	-	-	-
Cell Phones (100% IA)	March 2004	-	-	-	-	-	-	-	-
Vehicle Utilization	May 2004	168,410	-	-	-	-	-	-	-
Social Services	May 2004	197,000	-	-	-	-	-	-	-
Completed FY 2005 to date:									
Nashville Gas (100% IA)	August 2004	-	-	-	-	-	-	-	-
Nashville Speedway Review	August 2004	60,000	-	-	-	-	-	-	-
Water Cost of Service Study	September 2004	153,000	-	-	-	-	-	-	-
General Hospital (addl TennCare)	February 2005	504,000	-	-	-	-	-	-	-
Totals - Through Fiscal Year 2004		\$ 4,579,642	\$ 50,611,033	\$ 4,791,660	\$ 19,516,772	\$ 8,530,268	9,383,143	\$ 42,221,843	\$ (8,389,190)

Cumulative Return on Investment - All Performance Audits

922%

Audit Implementation Status Summaries

**Presented to Audit Committee
May 2005**

<u>Department - Subject</u>	<u>Issue Date</u>
Beer Board	April 2002
Codes Administration	June 2003
Convention Center / CVB Board	February 2003
Emergency Communications	April 2001
Finance / Treasury - MEBB Pension Investments	March 2000
Finance / Treasury - Teachers Pension Investments	January 2004
General Services - Cell Phones	March 2004
General Services - Fleet Management	November 2001
General Services - Printing & Postal Services	April 2004
General Services - Vehicle Utilization	May 2004
Hospital Authority - Bordeaux	April 2001
Human Resources / Benefit Board – Benefit Board Operations	December 2000
Human Resources / Benefit Board – Disability Pensions	September 2002
Metro Transit Authority	May 2001
Municipal Auditorium	March 2003
Parks and Recreation	June 2003
Planning Department	December 2003
Police Department	May 2002
Public Works	May 2002
Schools	January 2001
Sheriff's Department	August 2003
Social Services	May 2004
Sports Authority - Gaylord Entertainment Center	March 2003

Audit Implementation Status Summary
Updated April 2005

Beer Board
Issued April 2002

Consultants Used	100%	IA
Cost of Consultants	\$	-
Number of Recommendations:		
Implemented		4
In Process		-
Not Implemented		1

Cumulative Operating Financial Impact Through FY 2003-2004			
Financial Impact Began			None
Recommended Spending	\$		-
Recommended Savings	\$		-
Actual Spending	\$		-
Actual Savings	\$		-

Significant Recommendations Implemented

- > Establish performance measures and periodic reporting to board.
- > Enhance coordination with other Metro-wide initiatives, including web based customer information.
- > Publish procedures providing information to assist businesses prior to construction.
- > Streamline the inspection process.

Significant Recommendations In Process of Implementation

- > None

Significant Recommendations Not Implemented

- > Implementing automatic late penalties for delinquent payment of annual privilege tax.

Audit Implementation Status Summary
Updated April 2005

Codes Administration
Issued June 2003

Consultants Used	Maximus
Cost of Consultants	\$ 127,000
Number of Recommendations:	
Implemented	7
In Process	9
Not Implemented	4

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Began	FY 2003-2004
Recommended Spending	\$ -
Recommended Savings	\$ 750,000
Actual Spending	\$ -
Actual Savings	\$ -

Significant Recommendations Implemented

- > Discontinue the use of demolition funds for operational purposes.
- > Property Standards inspectors should begin the notation of code violations in the field.
- > The Department should increase and/or re-examine many of its fees for services (implementing 1 year later).
- > Codes should implement certain improvements in customer service.
- > Inspections should implement changes in the reporting of work efforts to establish performance standards.

Significant Recommendations In Process of Implementation

- > Acquisition of electronic data capturing equipment for inspectors.
- > Create a Property Standards Division as the fourth division of the Department.

Significant Recommendations Not Implemented

- > Utilization of multi-disciplinary inspectors for all final inspections (\$150,000 savings starting FY 04-05).

Audit Implementation Status Summary
Updated April 2005

Convention Center Board / CVB Board
Convention Center/CVB Audit - Issued February 2003

Consultants Used	KPMG
Cost of Consultants	\$ 70,000
Number of Recommendations:	
Implemented	20
In Process	-
Not Implemented	-

Cumulative Operating Financial Impact Through FY 2003-2004			
Financial Impact Began			None
Recommended Spending	\$		-
Recommended Savings	\$		-
Actual Spending	\$		-
Actual Savings	\$		-

Significant Recommendations Implemented

- > Improve lost business tracking at Convention Center.
- > Conduct market study and identify funding sources for convention space expansion consideration.
- > Establish a single governing body for the CVB.
- > Develop a strategic plan for the CVB.
- > Enhance CVB stakeholder communication, performance tracking, and marketing.

Significant Recommendations In Process of Implementation

- > N/A

Significant Recommendations Not Implemented

- > N/A

Audit Implementation Status Summary
Updated April 2005

Emergency Communications Board
E911 Audit - Issued April 2001

Consultants Used	Gartner
Cost of Consultants	\$ 235,000
Number of Recommendations:	
Implemented	10
In Process	3
Not Implemented	-

Cumulative Operating Financial Impact Through FY 2003-2004			
Financial Impact Began			None
Recommended Spending	\$		-
Recommended Savings	\$		-
Actual Spending	\$		-
Actual Savings	\$		-

Significant Recommendations Implemented

- > Reorganize for a single point of responsibility.
- > Obtain a back-up facility, and develop a disaster recovery plan.
- > Monitor call transfers more closely.
- > Apply uniform procedures.

Significant Recommendations In Process of Implementation

- > Consider a specialized dispatcher configuration.
- > Measure service delivery standards.
- > Consider alternatives for a new facility (initial cost estimate - \$10 million, current estimate - \$40 million).

Significant Recommendations Not Implemented

- > N/A

Audit Implementation Status Summary
Updated April 2005

Finance Department - Treasurer
MEBB Pension Investments - Issued March 2000

Consultants Used	KPMG
Cost of Consultants	\$ 213,000
Number of Recommendations:	
Implemented	38
In Process	-
Not Implemented	-

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Began	FY 2001-2002
Recommended Spending	\$ -
Recommended Savings	\$ 7,515,000
Actual Spending	\$ -
Actual Savings	\$ 25,627,500

Significant Recommendations Implemented

- > A qualified Chief Investment Officer should report to the Investment Committee.
- > Independent investment advice should replace the soft dollar commission arrangement.
- > A formal risk policy should be adopted.
- > Investment manager fees should be evaluated and negotiated.
- > The Investment Committee should be responsible for monitoring and analyzing the 457 plan.
- > Fund performance and asset allocation should be measured against objective criteria.

Significant Recommendations In Process of Implementation

- > N/A

Significant Recommendations Not Implemented

- > N/A

Audit Implementation Status Summary
Updated April 2005

Finance Department - Treasurer
Teachers Pension Investments - Issued January 2004

Consultants Used	KPMG
Cost of Consultants	\$ 100,000
Number of Recommendations:	
Implemented	3
In Process	9
Not Implemented	-

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Begins	Savings begin FY 04-05
Recommended Spending	\$ -
Recommended Savings	\$ -
Actual Spending	\$ -
Actual Savings	\$ -

Significant Recommendations Implemented

- > Do an RFP for independent investment advice.
- > Obtain in-house investment expertise to report to the Administrative Retirement Committee.

Significant Recommendations In Process of Implementation

- > Revise the investment policy.
- > Negotiate lower investment manager fees.
- > Enhance investment performance monitoring.

Significant Recommendations Not Implemented

- > N/A

Audit Implementation Status Summary
Updated April 2005

Department of General Services
Cell Phones - Issued March 2004

Consultants Used	100%	IA
Cost of Consultants	\$	-
Number of Recommendations:		
Implemented		10
In Process		-
Not Implemented		-

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact to Begin	Savings begin FY 04-05
Recommended Spending	\$ -
Recommended Savings	\$ -
Actual Spending	\$ -
Actual Savings	\$ -

Significant Recommendations Implemented

- > Obtain contract for unlimited local calling for a fixed charge without the possibility of long distance charges.
- > All pagers should be the digital type and issued to certain employees instead of cell phones.
- > Department funding requests for each cell phone should be justified based on existing policies.
- > Individual departments should not be allowed to procure separate wireless communication devices.

Significant Recommendations In Process of Implementation

- > None

Significant Recommendations Not Implemented

- > None

Audit Implementation Status Summary
Updated April 2005

General Services Department
Fleet Management - Issued November 2001

Consultants Used	TCI
Cost of Consultants	\$ 367,000
Number of Recommendations:	
Implemented	45
In Process	16
Not Implemented	4

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Began	FY 2002-2003
Recommended Spending	\$ -
Recommended Savings/Revenue	\$ 974,337
Actual Spending	\$ -
Actual Savings	\$ 557,580

Significant Recommendations Implemented

- > Purchase regular unleaded fuel instead of premium.
- > Further explore the costs & benefits associated with alternative fuel options.
- > Initiate vehicle utilization and fuel studies.
- > All fleet areas should strive for 40 hours per mechanic per year of training.
- > Stress certification and reimburse mechanics for tests.

Significant Recommendations In Process of Implementation

- > Implementation of fleet management system.
- > Review parts outsourcing possibilities and develop a contract for oil analysis.

Significant Recommendations Not Implemented

- > N/A

Audit Implementation Status Summary
Updated April 2005

General Services Department
Printing and Postal Services - Issued April 2004

Consultants Used	Maximus
Cost of Consultants	\$ 144,750
Number of Recommendations:	
Implemented	1
In Process	14
Not Implemented	-

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Will Begin	Savings begin FY 04-05
Recommended Spending	\$ -
Recommended Savings/Revenue	\$ -
Actual Spending	\$ -
Actual Savings	\$ -

Significant Recommendations Implemented

- > Printing Services is being operated as a fully contracted printing operation effective 7/1/2004.

Significant Recommendations In Process of Implementation

- > Develop and manage a central printing contract or contracts.
- > Redesign postal delivery routes.

Significant Recommendations Not Implemented

- > None

Audit Implementation Status Summary
Updated April 2005

General Services Department
Vehicle Utilization - Issued May 2004

Consultants Used	TCI
Cost of Consultants	\$ 168,000
Number of Recommendations:	
Implemented	3
In Process	7
Not Implemented	-

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Will Begin	Savings begin FY 04-05
Recommended Spending	\$ -
Recommended Savings/Revenue	\$ -
Actual Spending	\$ -
Actual Savings	\$ -

Significant Recommendations Implemented

- > Reduce the fleet by 193 vehicles, which is approximately 6% of the current fleet.
- > Limit the number of vehicles assigned to one person exclusively.
- > Establish vehicle pools in various locations to better serve various departments.

Significant Recommendations In Process of Implementation

- > Develop and implement vehicle utilization standards.
- > Strive to make no new net additions to the fleet after a base-line fleet is established.

Significant Recommendations Not Implemented

- > None

Audit Implementation Status Summary
Updated April 2005

Hospital Authority
Bordeaux Hospital - Issued April 2001

Consultants Used	KPMG
Cost of Consultants	\$ 174,000
Number of Recommendations:	
Implemented	8
In Process	-
Not Implemented	-

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Began	FY 2001-2002
Recommended Spending	\$ -
Recommended Savings	\$ 12,718,000
Actual Spending	\$ -
Actual Savings	\$ 5,992,074

Significant Recommendations Implemented

- > Implement cost savings identified in staffing and certain operational areas (some savings not achieved).
- > Explore revenue opportunities through payor mix and increased usage of long-term acute care space.
- > Funding should be based on cash flow needs (implementation delayed).
- > Improve controls in identified areas.

Significant Recommendations In Process of Implementation

- > N/A

Significant Recommendations Not Implemented

- > N/A

Audit Implementation Status Summary
Updated April 2005

Human Resources/Benefit Board
Benefit Board Operations - Issued December 2000

Consultants Used	KPMG
Cost of Consultants	\$ 105,000
Number of Recommendations:	
Implemented	38
In Process	2
Not Implemented	2

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Began	FY 2001-2002
Recommended Spending	\$ -
Recommended Savings	\$ 3,700,000
Actual Spending	\$ -
Actual Savings	\$ 2,310,592

Significant Recommendations Implemented

- > Execute Benefit Board staff functions through Human Resources and Finance.
- > Complete pension recalculations for errors discovered under 'Project '87'.
- > Establish a Study and Formulating Committee.
- > Enhance disability monitoring and IOD management.
- > Reconcile health insurance records, and address coverage for pensioners.
- > Reduce reliance on general consultant.
- > Address mandatory health coverage and revise voluntary insurance offerings.

Significant Recommendations In Process of Implementation

- > Develop consistent credited/connection of service definitions with Civil Service.

Significant Recommendations Not Implemented

- > Address non-taxable portion of active IOD payments (\$700,000 annual savings not achievable).
- > Make police and fire return to work requirements less restrictive (\$250,000 annual savings not implemented).
- > Require case management for all disability cases.

Audit Implementation Status Summary
Updated April 2005

Human Resources/Benefit Board
Disability Pension Monitoring - Issued September 2002

Consultants Used	Kroll
Cost of Consultants	\$ 309,000
Number of Recommendations:	
Implemented	4
In Process	7
Not Implemented	6

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Began	FY 2003-2004
Recommended Spending	\$ -
Recommended Savings	\$ 450,000
Actual Spending	\$ -
Actual Savings	\$ -

Significant Recommendations Implemented

- > Suspend benefits of pensioners who fail to complete annual questionnaires.
- > Discontinue annual review of pensioners who are permanently disabled.

Significant Recommendations In Process of Implementation

- > Enforce charging departments for medically able employees not returned to work.
- > Discontinue benefits of pensioners who have defrauded the system (\$450,000 annual savings delayed).

Significant Recommendations Not Implemented

- > Require disability pensioners to submit tax returns to verify lack of income producing capability.
- > Eliminate requirement that 3 jobs be turned down before losing pension benefits.

Audit Implementation Status Summary
Updated April 2005

MTA - Issued May 2001

Consultants Used	Doolittle
Cost of Consultants	\$ 158,000
Number of Recommendations:	
Implemented	45
In Process	-
Not Implemented	3

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Begins	FY 2001-2002
Recommended Spending	\$ -
Recommended Savings	\$ 300,000
Actual Spending	\$ -
Actual Savings	\$ -

Significant Recommendations Implemented

- > Hire an independent executive director to manage the operating contract, and hire other key managers.
- > Develop a comprehensive strategic plan.
- > Work with Metro to address working cash needs.
- > Develop a bus replacement capital plan, and ensure operating and capital funds are segregated.
- > Enhance customer service and route planning.

Significant Recommendations In Process of Implementation

- > N/A

Significant Recommendations Not Implemented

- > Change Charter to change make-up of Board.
- > Accelerate grant draw-downs (\$100,000 annual savings not achievable - grantor timing issues).

Audit Implementation Status Summary
Updated April 2005

Municipal Auditorium - Issued March 2003

Consultants Used	KPMG
Cost of Consultants	\$ 35,000
Number of Recommendations:	
Implemented	9
In Process	1
Not Implemented	-

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Begins	FY 2002-2003
Recommended Spending	\$ -
Recommended Savings	\$ 4,600
Actual Spending	\$ -
Actual Savings	\$ 4,600

Significant Recommendations Implemented

- > Enhance marketing efforts.
- > Enhance monitoring of event activities.
- > Enhance contract monitoring prior to payment.

Significant Recommendations In Process of Implementation

- > Establish a system for the Commission to do period self-examinations.

Significant Recommendations Not Implemented

- > N/A

Audit Implementation Status Summary
Updated April 2005

Board of Parks and Recreation
Issued June 2003

Consultants Used	100%	IA
Cost of Consultants	\$	-
Number of Recommendations:		
Implemented	11	
In Process	6	
Not Implemented	-	

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Will Begin	Savings begin FY 04-05
Recommended Spending	\$ -
Recommended Savings	\$ -
Actual Spending	\$ -
Actual Savings	\$ -

Significant Recommendations Implemented

- > Eliminate free rounds of golf and evaluate fees.
- > Property rental rates should be reviewed on an annual basis.
- > Transition the storeroom to a primary receiving-distribution function.
- > Developed a security plan for the expanding greenway system.

Significant Recommendations In Process of Implementation

- > Improve timeliness of submitting revenue collection information to Metro Finance.
- > Work with Metro Finance to eliminate duplicate accounting system.

Significant Recommendations Not Implemented

- > None

Audit Implementation Status Summary
Updated April 2005

Planning Department
Issued December 2003

Consultants Used	Maximus
Cost of Consultants	\$ 166,000
Number of Recommendations:	
Implemented	11
In Process	3
Not Implemented	6

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Will Begin	Savings begin FY 04-05
Recommended Spending	\$ -
Recommended Savings/Revenue	\$ -
Actual Spending	\$ -
Actual Savings	\$ -

Significant Recommendations Implemented

- > Conduct a detailed cost of service analysis.
- > Increase fees to achieve 100% recovery of costs of services.
- > Improve department management policies and practices.
- > Reduce backlog of property records updating.
- > Develop formal mechanism for interdepartmental coordination of growth management issues.

Significant Recommendations In Process of Implementation

- > Planning should institute effort reporting systems.
- > Make enforcement ordinances and the general plan mutually consistent.

Significant Recommendations Not Implemented

- > Establish a position responsible for coordination of application review.
- > Metro should adopt a formal policy stating its development philosophy.

Audit Implementation Status Summary
Updated April 2005

Police Department - Issued May 2002

Consultants Used	MGT
Cost of Consultants	\$ 462,000
Number of Recommendations:	
Implemented	86
In Process	17
Not Implemented	4

Cumulative Operating Financial Impact Through FY 2003-2004			
Financial Impact to Begin			None
Recommended Spending	\$		-
Recommended Savings	\$		-
Actual Spending	\$		-
Actual Savings	\$		-

Significant Recommendations Implemented

- > MNPD should develop a formal strategic plan.
- > Further studies are needed in the areas of staffing, facilities, IT strategy, and training.
- > Budget development and monitoring should be improved and include supervisors' involvement.
- > The department should be reorganized with more resources allocated to the precincts.
- > Additional MNPD sworn personnel should be allocated to patrol to support community policing.
- > Performance measures assessing the effectiveness of services aligned to goals should be developed.

Significant Recommendations In Process of Implementation

- > Officers' performance evaluations should address crime reduction and other measures.
- > Phase investigations to non-sworn professional personnel.
- > The backlog of warrants should be addressed.
- > Automation of file management, payroll, and scanning is needed.

Significant Recommendations Not Implemented

- > The promotional process should be restructured to depend less on exam scores.
- > The use of tachographs should be evaluated for elimination.

Audit Implementation Status Summary
Updated April 2005

Public Works Department
Issued May 2002

Consultants Used	Maximus
Cost of Consultants	\$ 189,500
Number of Recommendations:	
Implemented	54
In Process	12
Not Implemented	2

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Began	FY 2003-2004
Recommended Spending	\$ -
Recommended Savings/Revenue	\$ 2,943,579
Actual Spending	\$ -
Actual Savings	\$ 485,970

Significant Recommendations Implemented

- > Implement a Slurry seal-based roadway resurfacing program (\$2 million annual savings delayed).
- > Compare in-house milling costs to costs of private providers.
- > Compare in-house paving costs to costs of private providers.
- > Convert chipper service to fleet of grappler trucks in tandem with trailers (\$85,000 annual savings used to increase service levels).
- > Develop traffic engineering requirements integrated by developers in preliminary plats.

Significant Recommendations In Process of Implementation

- > The capability to track signal operations & reasons for system failure should be developed.
- > Establish Public Works as the sole agency for repairing all road way damages.

Significant Recommendations Not Implemented

- > Utilize time reporting system to capture staff costs associated with capital projects.
- > Collect all fees (\$106,000 annual revenue collection deferred).

Audit Implementation Status Summary
Updated April 2005

Metropolitan Nashville Public Schools - Issued January 2001

Consultants Used	MGT
Cost of Consultants	\$ 499,570
Number of Recommendations:	
Implemented	186
In Process	24
Not Implemented	20

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Began	FY 2001-2002
Recommended Spending	\$ 24,480,000
Recommended Savings	\$ 19,155,000
Actual Spending	\$ 17,836,000
Actual Savings	\$ 4,387,000

Significant Recommendations Implemented

- > Improve lines of accountability and communication among grades, clusters, programs.
- > Increase media materials budget.
- > Increase psychologists, social workers and guidance counselors.
- > Align school plans with system-wide plan.
- > Link staff development to system-wide priorities.
- > Implement a new financial management system.
- > Increase custodial staffing levels.
- > Enhance custodial training and supervision.
- > Adjust mechanic staffing levels.
- > Implement computerized bus routing.
- > Develop a technology strategic plan.
- > Implement basic technology levels for each school.
- > Implement e-mail for administrative and instructional personnel.
- > Implement a new student information system.
- > Continue schools for thought program.
- > Increase technology teachers.
- > Increase computer repair technicians.

Significant Recommendations In Process of Implementation

- > Improve student performance on standardized tests.
- > Implement system-wide homework policies and teacher lesson plans.
- > Improve bank reconciliation and payroll controls.
- > Increase maintenance funding levels to standard.
- > Implement energy management program (Potential \$1 million annual savings delayed).

Significant Recommendations Not Implemented

- > Assign assistant principals based on adopted formula (\$416,000 annual savings).
- > Provide incentives for highly qualified teachers to stay in lower performing schools.
- > Obtain Medicaid reimbursement (\$1.1 million annual revenue).
- > Eliminate instructional preparation pay (\$442,000 annual savings).
- > Reduce teacher absenteeism (\$300,000 annual savings).
- > Evaluate tenured teachers every three years.
- > Implement maintenance productivity standards (\$500,000 annual savings).
- > Implement building usage fees (\$516,000 annual revenue).
- > Allocate central costs to food services (\$526,000 annual revenue).

Audit Implementation Status Summary
Updated April 2005

Sheriff's Department
Issued August 2003

Consultants Used	100%	IA
Cost of Consultants	\$	-
Number of Recommendations:		
Implemented	12	
In Process	12	
Not Implemented	-	

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact Will Begin	Should begin FY 04-05
Recommended Spending	\$ -
Recommended Savings	\$ -
Actual Spending	\$ -
Actual Savings	\$ -

Significant Recommendations Implemented

- > Contract signed with CCA which addresses allowable expenses for inmates.
- > One division makes changes to TOMIS & JMS for locally sentenced felons.
- > Created operating procedures for all positions that account for or handle cash.

Significant Recommendations In Process of Implementation

- > Working with Metro Legal to verify which date on judgment order used for accruing inmate days.
- > Implementing basic internal accounting controls.

Significant Recommendations Not Implemented

- > None

Audit Implementation Status Summary
Updated April 2005

Social Services Audit - Issued May 2004

Consultants Used	Maximus
Cost of Consultants	\$ 197,000
Number of Recommendations:	
Implemented	3
In Process	8
Not Implemented	-

Cumulative Operating Financial Impact Through FY 2003-2004	
Financial Impact to Begin	Savings will be used for new programs
Recommended Spending	\$ -
Recommended Savings	\$ -
Actual Spending	\$ -
Actual Savings	\$ -

Significant Recommendations Implemented

- > Transition Knowles and adult day programs to Bordeaux.
- > Transition disability services to ADA.

Significant Recommendations In Process of Implementation

- > Discontinue child care.
- > Transition transportation to MTA.
- > Enhance planning capacity and contract other direct services.

Significant Recommendations Not Implemented

- > N/A

Audit Implementation Status Summary
Updated April 2005

Sports Authority
Gaylord Entertainment Center - Issued March 2003

Consultants Used	KPMG
Cost of Consultants	\$ 60,000
Number of Recommendations:	
Implemented	19
In Process	8
Not Implemented	-

Cumulative Operating Financial Impact Through FY 2003-2004			
Financial Impact Began			None
Recommended Spending	\$		-
Recommended Savings	\$		-
Actual Spending	\$		-
Actual Savings	\$		-

Significant Recommendations Implemented

- > Improve monitoring of contracts and coordination with Finance.
- > Develop uniform budgeting and financial reporting formats.
- > Develop a mission statement.
- > Improve capital budget control.
- > Develop and monitor a co-promotion policy.

Significant Recommendations In Process of Implementation

- > Consider developing more definitive goals and objectives.
- > Enhance marketing coordination with other Metro facilities.
- > Maximize rent revenue.

Significant Recommendations Not Implemented

- > N/A