



*METROPOLITAN GOVERNMENT OF NASHVILLE  
AND DAVIDSON COUNTY*

*INTERNAL AUDIT SECTION*

**Professional Audit, Advisory, and Consulting Services**

## **AUDIT COMMITTEE REPORT TO COUNCIL 2007**

Date Issued: June 25, 2007

Office Location and Phone Number

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*METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON  
COUNTY*

*OFFICE OF INTERNAL AUDIT*

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**BILL PURCELL  
MAYOR**

**DEPARTMENT OF FINANCE  
INTERNAL AUDIT SECTION**

**METROPOLITAN  
GOVERNMENT OF  
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COUNTY**

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June 25, 2007

Members of the Metropolitan Council  
Metropolitan Government of Nashville and Davidson County  
Metro Courthouse  
Nashville, TN 37201

### **Annual Report to Council**

Dear Members of the Metropolitan Council:

The Metropolitan Government Audit Committee is presenting its condensed annual report to the Metropolitan Council highlighting some of the audit work completed during the 2007 fiscal year as well as the implementation status of previously completed projects. This year the Audit Committee was comprised of Vice Mayor Howard Gentry, Council Members Michael Craddock and Jim Gotto, 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**

Prior to last year this report included brief comments about the status of implementing audit recommendations issued in previous years as reported by departments. In order to provide you with more information about the benefits Metro continues to receive from Internal Audit, we are forwarding an attachment that includes a one-page summary for each performance 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.

June 25, 2007  
Council Members

We are also continuing to provide you with a summary of the ‘return on investment’ from the cost of audits performed by consultants directed by Internal Audit. We compared this cost to the actual savings and/or additional revenues realized through implementation of audit recommendations. The return on investment of over 1,200 percent was based on cumulative actual savings and additional revenues of over \$62 million realized since 2001.

### **Performance Audit and Other Projects Completed in Fiscal Year 2007**

Internal Audit managed the performance audits performed by consultants and issued reports of Radio Communications Services, Occupational Health and Safety, and the Juvenile Court System. We have also completed the following financial control and compliance audits, which follow the procedural standards of performance audits:

- Planning Department Follow-Up of the Cash Receipting Process
- Metro Water Services
- Mayor’s Office
- Finance Department
- Office of Emergency Management
- Social Services Procurement Card Process and Related Transactions
- Wave Country at Parks and Recreation
- Parthenon at Parks and Recreation
- Animal Control
- Library

These reports, along with other reports issued in this and previous years, can be found at Internal Audit’s web site at [Nashville.gov](http://Nashville.gov).

The Charter Amendment requested by the Audit Committee, which was unanimously approved by the Audit Committee and had the support of Mayor Purcell, was approved by the voters of Davidson County in the August 2006 general election. This created Metropolitan Government’s first truly independent audit function. This independent Department of Audit will become effective July 1, 2007 and could be the most important accomplishment in the history of the audit function.

June 25, 2007  
Council Members

### **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 Waste Management Division of Public Works, District Energy System, Emergency Medical Services Transport, and Historical Commission.

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

Sincerely,

*Robert Brannon*

Robert C. Brannon, Chair  
Metropolitan Government Audit Committee

Copy: Mayor Bill Purcell  
David Manning, Finance Director  
Don Dodson, Director of Internal Audit  
Richard Norment, Assistant to the State Comptroller

# Return on Investment

## Performance Audit Return on Investment

Fiscal Year Ending June 30, 2006 Actual Results

Updated May 2007

			Actual Results Achieved									
Performance Audits	Report Issue Date	Cost of Consultants	Cumulative Recommended Savings/Rev Through June 30, 2006	Cost Savings/Rev During June 30, 2001	Cost Savings/Rev During June 30, 2002	Cost Savings/Rev During June 30, 2003	Cost Savings/Rev During June 30, 2004	Cost Savings/Rev During June 30, 2005	Cost Savings/Rev During June 30, 2006	Cumulative Through June 30, 2006	Cumulative Over/(Under) Recommended	
<b>Completed FY 2001:</b>												
Benefit Board - Investments	March 2000	\$ 213,616	\$ 12,525,000	\$ 4,018,660	\$ 12,618,663	\$ 4,693,445	\$ 4,296,732	\$ 3,174,202	\$ 2,004,662	\$ 30,806,364	\$ 18,281,364	
Benefit Board - Operations	Dec 2000	105,718	6,900,000	773,000	265,092	87,000	1,185,500	1,666,952	1,467,579	5,445,123	(1,454,877)	
Schools	Jan 2001	499,570	36,549,100	-	1,544,287	1,254,313	1,488,934	1,570,570	1,844,388	7,702,492	(28,846,608)	
Bordeaux Hospital	April 2001	174,692	20,536,000	-	2,600,000	1,636,000	1,756,074	-	-	5,992,074	(14,543,926)	
E-911 System	April 2001	235,000	-	-	-	-	-	-	-	-	-	
MTA	May 2001	158,184	500,000	-	-	-	-	-	-	-	(500,000)	
<b>Completed FY 2002:</b>												
Fleet Management	Nov 2001	367,202	3,711,648	-	124,730	181,000	251,850	272,813	302,761	1,133,154	(2,578,494)	
Beer Board (100% staffed by IA)	April 2002	-	-	-	-	-	-	-	-	-	-	
Public Works	May 2002	189,500	8,441,685	-	-	181,917	304,053	389,053	389,053	1,264,076	(7,177,609)	
State Taxes	May 2002	80,000	2,400,000	-	2,364,000	491,993	-	-	-	2,855,993	455,993	
Police Department	May 2002	462,000	-	-	-	-	-	-	-	-	-	
<b>Completed FY 2003:</b>												
Disability Monitoring - Kroll	Sept 2002	309,000	1,350,000	-	-	-	-	-	-	-	(1,350,000)	
Convention Center / CVB	Feb 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	-	130,000	-	-	-	-	-	-	-	(130,000)	
Codes Administration	June 2003	127,000	4,232,500	-	-	-	-	2,464,090	2,537,565	5,001,655	769,155	
<b>Completed FY 2004:</b>												
Juvenile Court Clerk (100% IA)	Aug 2003	-	-	-	-	-	-	-	-	-	-	
Sheriff's Office (100% IA)	Aug 2003	-	580,000	-	-	-	-	-	-	-	(580,000)	
Planning Department	Dec 2003	166,000	412,500	-	-	-	-	212,987	250,000	462,987	50,487	
Printing and Postal	April 2004	144,750	377,000	-	-	-	-	-	-	-	(377,000)	
Teachers Pension Investments	Jan 2004	100,000	220,000	-	-	-	-	-	-	-	(220,000)	
Cell Phones (100% IA)	March 2004	-	360,000	-	-	-	-	370,000	351,000	721,000	361,000	
Vehicle Utilization	May 2004	168,410	525,000	-	-	-	-	-	-	-	(525,000)	
Social Services	May 2004	197,000	-	-	-	-	-	-	-	-	-	
<b>Completed FY 2005:</b>												
Nashville Gas (100% IA)	Aug 2004	-	3,000,000	-	-	-	-	-	-	-	(3,000,000)	
Nashville Speedway Review	Aug 2004	60,000	250,000	-	-	-	-	-	-	-	(250,000)	
Water Cost of Service Study	Sept 2004	153,000	6,000,000	-	-	-	-	-	-	-	(6,000,000)	
General Hospital (addl TennCare)	Feb 2005	504,000	7,633,000	-	-	-	-	1,126,999	-	1,126,999	(6,506,001)	
<b>Completed FY 2006:</b>												
Juvenile Court (100% IA)	July 2005	-	-	-	-	-	-	-	-	-	-	
TN State Fair (100% IA)	July 2005	-	-	-	-	-	-	-	-	-	-	
Farmer's Market (100% IA)	Aug 2005	-	-	-	-	-	-	-	-	-	-	
Radio Communications Services	Dec 2005	56,884	-	-	-	-	-	-	-	-	-	
Occupational Health & Safety	Jan 2006	54,743	-	-	-	-	-	-	-	-	-	
Juvenile Court System	March 2006	138,780	-	-	-	-	-	-	-	-	-	
Building Maintenance	June 2006	114,942	-	-	-	-	-	-	-	-	-	
<b>Totals - Through Fiscal Year 2006</b>		<b>\$ 4,944,991</b>	<b>\$ 110,418,033</b>	<b>\$ 4,791,660</b>	<b>\$ 19,516,772</b>	<b>\$ 8,530,268</b>	<b>9,283,143</b>	<b>11,247,666</b>	<b>9,147,008</b>	<b>62,516,517</b>	<b>\$ (54,121,516)</b>	

*METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY*

*OFFICE OF INTERNAL AUDIT*

**Audit Implementation Status Summaries**

**Audit Implementation Status Summaries June 2007**

<u>Department and Subject</u>	<u>Issue Date</u>
Beer Board	April 2002
Building & Grounds Maintenance	June 2006
Codes Administration	June 2003
Convention Center / CVB Board	February 2003
Emergency Communications	April 2001
Farmer's Market	August 2005
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
Juvenile Court	March 2006
Juvenile Court Clerk	March 2006
Metro Transit Authority	May 2001
Municipal Auditorium	March 2003
Occupational Health & Safety	January 2006
Parks and Recreation	June 2003
Planning Department	December 2003
Police Department	May 2002
Public Works	May 2002
Radio Communications Services Division	December 2005
Schools	January 2001
Sheriff's Department	August 2003
Social Services	May 2004
Sports Authority - Gaylord Entertainment Center	March 2003
TN State Fair	July 2005

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Beer Board**  
**April 2002**

Consultants Used	100% - IA
Cost of Consultants        \$	-
Number of Recommendations:	
Implemented	4
In Process	1
Not Implemented	0

Cumulative Operating Financial Impact		
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

- » Implementing automatic late penalties for delinquent payment of annual privilege tax. Beer Board is working with Metro Legal on this implementation.

Significant Recommendations Not Implemented

- » N/A

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:** Building and Grounds Maintenance  
**Date Issued:** June 2006

Consultants Used		Matrix
Cost of Consultants	\$	114,942
Number of Recommendations:		
Implemented		6
In Process		23
Not Implemented		6

Cumulative Operating Financial Impact			
Financial Impact Began			FY 2007 - 2008
Recommended Spending	\$		-
Recommended Savings	\$		-
Actual Spending	\$		-
Actual Savings	\$		-

Significant Recommendations Implemented

- » Building Operations Support Services Division should assume responsibility for minor renovation projects.
- » Costs of construction guidelines should be developed and utilized to document project management and officer staffing requirements for the design and construction management of building capital improvement projects.
- » Building Operations Support Services Division should be provided with the opportunity for input and critique of plans and specifications at 30%, 60%, at 90% completion.

Significant Recommendations in Process of Implementation

- » RPS should develop a formal building equipment standardization policy.
- » Consolidate the responsibility for buildings and grounds maintenance, custodial maintenance, and security management management in the BOSS Division of General Services Department. Exclude General Hospital and MNPS.

Significant Recommendations Not Implemented

- » RPS should enhance its capital project management practices.
- » RPS and BOSS should develop a formal written commissioning policy for buildings.

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Codes Administration**  
**June 2003**

Consultants Used	Maximus
Cost of Consultants	\$ 127,000
Number of Recommendations:	
Implemented	11
In Process	6
Not Implemented	2

Cumulative Operating Financial Impact		
Financial Impact Began		FY 2003 - 2004
Recommended Spending	\$	-
Recommended Savings	\$	4,232,500
Actual Spending	\$	-
Actual Savings	\$	5,001,655

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 (implemented 4-24-04 and additional revenue of \$2.4 million collected for FYE 6-30-05).
- » 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.

Significant Recommendations Not Implemented

- » Utilization of multi-disciplinary inspectors for all final inspections (\$150,000 savings starting in FY 2004 - 2005).

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:** Convention Center Board / CVB Board  
**Date Issued:** February 2003

Consultants Used	KPMG
Cost of Consultants	\$ 70,000
Number of Recommendations:	
Implemented	20
In Process	0
Not Implemented	0

Cumulative Operating Financial Impact		
Financial Impact Began		None
Recommended Spending	\$	-
Recommended Savings	\$	-
Actual Spending	\$	-
Actual Savings	\$	-

<u>Significant Recommendations Implemented</u>
<ul style="list-style-type: none"> <li>» Improve lost business tracking at Convention Center.</li> <li>» Conduct market study and identify funding sources for convention space expansion consideration.</li> <li>» Establish a single governing body for the CVB.</li> <li>» Develop a strategic plan for the CVB.</li> <li>» Enhance CVB stakeholder communication, performance tracking, and marketing.</li> </ul>
<u>Significant Recommendations in Process of Implementation</u>
<ul style="list-style-type: none"> <li>» N/A</li> </ul>
<u>Significant Recommendations Not Implemented</u>
<ul style="list-style-type: none"> <li>» N/A</li> </ul>

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**E 911 Audit**  
**April 2001**

Consultants Used	Gartner
Cost of Consultants	\$ 235,000
Number of Recommendations:	
Implemented	12
In Process	2
Not Implemented	0

Cumulative Operating Financial Impact		
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.
- » Measure service delivery standards.

Significant Recommendations in Process of Implementation

- » Consider a specialized dispatcher configuration.
- » Consider alternatives for a new facility (initial cost estimate - \$10 million; current cost estimate - \$40 million)

Significant Recommendations Not Implemented

- » N/A

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Farmer's Market**  
**August 2005**

Consultants Used	100% - IA
Cost of Consultants        \$	-
Number of Recommendations:	
Implemented	15
In Process	0
Not Implemented	1

Cumulative Operating Financial Impact		
Financial Impact Began		None
Recommended Spending	\$	-
Recommended Savings	\$	-
Actual Spending	\$	-
Actual Savings	\$	-

Significant Recommendations Implemented

- » Farmers Market should make every effort to collect outstanding balances from current and former vendors.
- » Farmers Market is working with Real Property Services to plan for exterior building repairs.

Significant Recommendations in Process of Implementation

- » N/A

Significant Recommendations Not Implemented

- » Segregation of duties involving receipting, collecting, depositing, recording, and reporting of revenue.

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department: MEBB Pension Investments - Treasurer**  
**Date Issued: March 2000**

Consultants Used		KPMG
Cost of Consultants	\$	213,616
Number of Recommendations:		
Implemented		38
In Process		0
Not Implemented		0

Cumulative Operating Financial Impact		
Financial Impact Began		FY 2001 - 2002
Recommended Spending	\$	-
Recommended Savings	\$	12,525,000
Actual Spending	\$	-
Actual Savings	\$	30,806,364

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 2007 for Fiscal Year Ended June 30, 2006**

**Department:** Teachers Pension Investments - Treasurer  
**Date Issued:** January 2004

Consultants Used	KPMG
Cost of Consultants	\$ 100,000
Number of Recommendations:	
Implemented	10
In Process	2
Not Implemented	0

Cumulative Operating Financial Impact		
Financial Impact Began		FY 2005 - 2006
Recommended Spending	\$	-
Recommended Savings	\$	220,000
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.
- » Revise the investment policy.
- » Enhance investment performance monitoring.

Significant Recommendations in Process of Implementation

- » Negotiate lower investment manager fees.
- » Manager contracts should be based on Teacher's Pension template.

Significant Recommendations Not Implemented

- » N/A

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:** Cell Phones - General Services  
**Date Issued:** March 2004

Consultants Used	100% - IA
Cost of Consultants	\$ -
Number of Recommendations:	
Implemented	10
In Process	0
Not Implemented	0

Cumulative Operating Financial Impact			
Financial Impact Began		FY 2004 - 2005	
Recommended Spending	\$		-
Recommended Savings	\$		360,000
Actual Spending	\$		-
Actual Savings	\$		721,000

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

- » N/A

Significant Recommendations Not Implemented

- » N/A

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:** Fleet Management - General Services  
**Date Issued:** November 2001

Consultants Used		TCI
Cost of Consultants	\$	367,202
Number of Recommendations:		
Implemented	\$	50
In Process	\$	10
Not Implemented	\$	5

Cumulative Operating Financial Impact			
Financial Impact Began			FY 2002 - 2003
Recommended Spending	\$		-
Recommended Savings	\$		3,711,648
Actual Spending	\$		-
Actual Savings	\$		1,133,154

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

- » Review parts outsourcing possibilities.
- » Develop a contract for oil analysis.

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department: Printing and Postal Services - General Services**  
**Date Issued: April 2004**

Consultants Used		Maximus
Cost of Consultants	\$	144,750
Number of Recommendations:		
Implemented	\$	8
In Process	\$	6
Not Implemented	\$	-

Cumulative Operating Financial Impact			
Financial Impact Began			FY 2004 - 2005
Recommended Spending	\$		-
Recommended Savings	\$		377,000
Actual Spending	\$		-
Actual Savings	\$		-

Significant Recommendations Implemented

- » Printing Services is being operated as a fully contracted printing operation effective 7/1/2004.
- » Redesign postal delivery routes.
- » Develop and manage a central printing contract or contracts.

Significant Recommendations in Process of Implementation

- » Use a single postal address. Approximately 55% of all Metro mail has been converted to a single PO Box address.

Significant Recommendations Not Implemented

- » N/A

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:** Vehicle Utilization - General Services  
**Date Issued:** May 2004

Consultants Used	TCI
Cost of Consultants	\$ 168,410
Number of Recommendations:	
Implemented	6
In Process	3
Not Implemented	1

Cumulative Operating Financial Impact		
Financial Impact Began		FY 2004 - 2005
Recommended Spending	\$	-
Recommended Savings	\$	525,000
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.

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

- » Create vehicle pools where it is cost effective to do so.

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:** Bordeaux Hospital - Hospital Authority  
**Date Issued:** April 2001

Consultants Used		KPMG
Cost of Consultants	\$	174,692
Number of Recommendations:		
Implemented		8
In Process		0
Not Implemented		0

Cumulative Operating Financial Impact			
Financial Impact Began			FY 2001 - 2002
Recommended Spending	\$		-
Recommended Savings	\$		20,536,000
Actual Spending	\$		-
Actual Savings	\$		5,992,074

Significant Recommendations Implemented

- » Implement cost savings identified in staffing an 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 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Benefit Board Operations**  
**December 2000**

Consultants Used	KPMG
Cost of Consultants	\$ 105,718
Number of Recommendations:	
Implemented	38
In Process	2
Not Implemented	2

Cumulative Operating Financial Impact		
Financial Impact Began		FY 2001 - 2002
Recommended Spending	\$	-
Recommended Savings	\$	6,900,000
Actual Spending	\$	-
Actual Savings	\$	5,445,123

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).

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:** Disability Pension Monitoring - HR Benefit Board  
**Date 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		
Financial Impact Began		FY 2003 - 2004
Recommended Spending	\$	-
Recommended Savings	\$	1,350,000
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 capacity.
- » Eliminate requirement that three jobs be turned down before losing pension benefits.

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Juvenile Court**  
**March 2006**

Consultants Used	National Center for State Courts	
Cost of Consultants*	\$	138,780
Number of Recommendations:		
Implemented		30
In Process		25
		7
Not Implemented		0

Cumulative Operating Financial Impact		
Financial Impact Began		FY 2007 - 2008
Recommended Spending	\$	-
Recommended Savings	\$	-
Actual Spending	\$	-
Actual Savings	\$	-

\*Includes Juvenile Court Clerk

Significant Recommendations Implemented

- » The Juvenile Court should ensure that staff responsible for supervising juveniles in custody are properly trained and equipped to perform this function.
- » The Court should review the current procedures to initiate a violation of probation hearing to ensure that unnecessary steps and complexities are eliminated.

Significant Recommendations in Process of Implementation

- » Decisions to release a juvenile from probation should be made by a judicial officer at the recommendation of the Probation Officer. The District Attorney's Office should be provided with notice of the recommendation and opportunity to request a hearing if it has an objection.

Significant Recommendations Not Implemented

- » The Juvenile Court should contact parties prior to settlement hearing to determine whether a potential settlement has been reached in the case.
- » The Juvenile Court should make resources available to allow the Drug Court staff to conduct home visits.

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:** Juvenile Court Clerk  
**Date Issued:** March 2006

Consultants Used	Matrix
Cost of Consultants	See Juvenile Court
Number of Recommendations:	
Implemented	17
In Process	20
Not Implemented	9

Cumulative Operating Financial Impact		
Financial Impact Began		FY 2007 - 2008
Recommended Spending	\$	-
Recommended Savings	\$	-
Actual Spending	\$	-
Actual Savings	\$	-

Significant Recommendations Implemented

- » The Clerk should conduct monthly supervisors meeting to determine progress in meeting goals and objectives, review performance measure reports, and discuss service delivery issues that have arisen.
- » At least one representative from the Juvenile Clerk's Office should attend the monthly meetings held by the Juvenile Court to increase the exchange of information between the parties.

Significant Recommendations in Process of Implementation

- » The Minute Clerk Manager should develop a monthly activity report that tracks key performance data for each Minute Clerk and Courtroom.
- » The Juvenile Court Clerk should establish a strategic planning process.

Significant Recommendations Not Implemented

- » The Juvenile Court Clerk's office should provide coverage for every courtroom, regardless of absences due to illness or vacations.
- » The Clerk should standardize the classification developed and utilized for all individuals performing the Minute Clerk function.

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**MTA**  
**May 2001**

Consultants Used		Doolittle
Cost of Consultants	\$	158,184
Number of Recommendations:		
Implemented		45
In Process		0
Not Implemented		3

Cumulative Operating Financial Impact			
Financial Impact Began			FY 2001 - 2002
Recommended Spending	\$		-
Recommended Savings	\$		500,000
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 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Municipal Auditorium**  
**March 2003**

Consultants Used		KPMG
Cost of Consultants	\$	35,000
Number of Recommendations:		
Implemented		10
In Process		0
Not Implemented		0

Cumulative Operating Financial Impact			
Financial Impact Began			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

- » N/A

Significant Recommendations Not Implemented

- » N/A

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:** Occupational Health and Safety  
**Date Issued:** January 2006

Consultants Used		Matrix
Cost of Consultants	\$	54,743
Number of Recommendations:		
Implemented		0
In Process		0
Not Implemented		38

Cumulative Operating Financial Impact			
Financial Impact Began			FY 2007 - 2008
Recommended Spending	\$		-
Recommended Savings	\$		-
Actual Spending	\$		-
Actual Savings	\$		-

Significant Recommendations Implemented

- »
- »
- »
- »

Significant Recommendations in Process of Implementation

- »
- »
- »

Significant Recommendations Not Implemented

- » The Director of Safety was recently employed and they have not had time to implement the recommendations before this report was issued.
- »

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Board of Parks and Recreation**  
**June 2003**

Consultants Used	100% - IA
Cost of Consultants        \$	-
Number of Recommendations:	
Implemented	15
In Process	2
Not Implemented	0

Cumulative Operating Financial Impact			
		FY 2004 - 2005	
Financial Impact Began			
Recommended Spending	\$		-
Recommended Savings	\$		130,000
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.
- » Improve timeliness of submitting revenue collection information to Metro Finance.

Significant Recommendations in Process of Implementation

- » Work with Metro Finance to eliminate duplicate accounting system.

Significant Recommendations Not Implemented

- » N/A

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Planning Department**  
**December 2003**

Consultants Used		Maximus
Cost of Consultants	\$	166,000
Number of Recommendations:		
Implemented		12
In Process		4
Not Implemented		4

Cumulative Operating Financial Impact			
Financial Impact Began			FY 2004 - 2005
Recommended Spending	\$		-
Recommended Savings	\$		412,500
Actual Spending	\$		-
Actual Savings	\$		462,987

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 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Police Department**  
**May 2002**

Consultants Used	MGT
Cost of Consultants      \$	462,000
Number of Recommendations:	
Implemented	95
In Process	8
Not Implemented	4

Cumulative Operating Financial Impact		
Financial Impact Began		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.
- » Officers' performance evaluations should address crime reduction and other measures.

Significant Recommendations in Process of Implementation

- » Phase investigations to non-sworn professional personnel.
- » Automation of file management, payroll, and scanning is needed.

Significant Recommendations Not Implemented

- » The use of tachographs should be evaluated for elimination.

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Public Works**  
**May 2002**

Consultants Used	Maximus
Cost of Consultants	\$ 189,500
Number of Recommendations:	
Implemented	56
In Process	10
Not Implemented	2

Cumulative Operating Financial Impact		
Financial Impact Began		FY 2003 - 2004
Recommended Spending	\$	-
Recommended Savings	\$	8,441,685
Actual Spending	\$	-
Actual Savings	\$	1,264,076

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 grapppler 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.
- » Collect all fees (\$106,000 annual revenue collection deferred). Permitting system is nearing completion.

Significant Recommendations Not Implemented

- » Utilize time reporting system to capture staff costs associated with capital projects.

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Radio Communications Services Division**  
**December 2005**

Consultants Used		Matrix
Cost of Consultants	\$	56,884
Number of Recommendations:		
Implemented		19
In Process		15
Not Implemented		0

Cumulative Operating Financial Impact		
Financial Impact Began		None
Recommended Spending	\$	-
Recommended Savings	\$	-
Actual Spending	\$	-
Actual Savings	\$	-

Significant Recommendations Implemented

- » Conduct skills assessment of employees to ensure training dollars are spent effectively.
- » The annual tower inspections should be expanded.
- » Conduct a needs assessment to identify and document the mobile computing needs of the Police Department.

Significant Recommendations in Process of Implementation

- » Conduct user surveys to assess the adequacy of training and the understanding of the 800MHz radio system by end users.
- » Establish service level agreements with major customers.

Significant Recommendations Not Implemented

- » N/A
- »
- »

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Metropolitan Nashville Public Schools**  
**January 2001**

Consultants Used	MGT
Cost of Consultants	\$ 499,570
Number of Recommendations:	
Implemented	205
In Process	5
Not Implemented	20

Cumulative Operating Financial Impact		
Financial Impact Began		FY 2001 - 2002
Recommended Spending	\$	24,480,000 *
Recommended Savings	\$	36,549,100
Actual Spending	\$	17,836,000 *
Actual Savings	\$	7,702,492

\* Spending numbers not updated for FYE 6-30-05,06

Significant Recommendations Implemented

- » Improve lines of accountability and communication among grades, clusters, and 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.
- » Improve bank reconciliation and payroll controls.

Significant Recommendations in Process of Implementation

- » Link the SIMS substitute system with payroll.
- » Implement system-wide homework policies and teacher lesson plans.
- » Implement energy management program (potential \$1 million annual savings delayed).
- » Implement building usage fees (\$516,000 annual revenue).
- » reduce teacher absenteeism (\$300,000 annual savings).

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).
- » Eliminated instructional preparation pay (\$442,000 annual savings).
- » Evaluate tenured teachers every three years.
- » Implement maintenance productivity standards (\$500,000 annual savings).
- » Allocate central costs to food services (\$526,000 annual revenue).

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Sheriff's Department**  
**August 2003**

Consultants Used	100% - IA
Cost of Consultants        \$	-
Number of Recommendations:	
Implemented	24
In Process	0
Not Implemented	0

Cumulative Operating Financial Impact			
Financial Impact Began		FY 2004 - 2005	
Recommended Spending	\$		-
Recommended Savings	\$		580,000
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

- » N/A

Significant Recommendations Not Implemented

- » N/A

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Social Services**  
**May 2004**

Consultants Used	Maximus
Cost of Consultants        \$	197,000
Number of Recommendations:	
Implemented	9
In Process	0
Not Implemented	2

Cumulative Operating Financial Impact		
Financial Impact Began	Savings 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.
- » Discontinue child care.
- » Transition transportation to MTA.
- » Enhance planning capacity and contract other direct services.

Significant Recommendations in Process of Implementation

- » N/A

Significant Recommendations Not Implemented

- » Adult Homemaker Services program should be contracted on a competitive proposal basis.
- » The Nutrition program could either be assigned to Metro Action Commission as an expansion of that agency's mission or contracted to a private not-for-profit provider.

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:** Gaylord Entertainment Center  
**Date Issued:** March 2003

Consultants Used		KPMG
Cost of Consultants	\$	60,000
Number of Recommendations:		
Implemented		21
In Process		6
Not Implemented		0

Cumulative Operating Financial Impact		
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

**Audit Implementation Status Summary**  
**Updated April 2007 for Fiscal Year Ended June 30, 2006**

**Department:**  
**Date Issued:**

**Tennessee State Fair**  
**July 2005**

Consultants Used	100% - IA
Cost of Consultants      \$	-
Number of Recommendations:	
Implemented	8
In Process	0
Not Implemented	0

Cumulative Operating Financial Impact		
Financial Impact Began		None
Recommended Spending	\$	-
Recommended Savings	\$	-
Actual Spending	\$	-
Actual Savings	\$	-

Significant Recommendations Implemented

- » Vendor contract terms are being followed by new Executive Director.
- » Metro cell phone policy should be used by the TN State Fair.
- » Special rental agreements should be approved by the Board.

Significant Recommendations in Process of Implementation

- » N/A

Significant Recommendations Not Implemented

- » N/A