



**A Report to the
Audit Committee**

Mayor
John Cooper

**Department of Codes and
Building Safety Director**
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Audit Committee Members
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**Audit Recommendations Follow-up –
Audit of the Department of Codes
and Building Safety Fuel Transactions
(Initial Report Issued January 6, 2020)**

November 5, 2021

**Metropolitan
Nashville
Office of
Internal Audit**

EXECUTIVE SUMMARY

November 5, 2021



Why We Did This Audit

To evaluate management's implementation of previous audit recommendations as of September 30, 2021.

What We Recommend

There are no recommendations as management successfully implemented the initial audit recommendations.

Audit Recommendations Follow-up – Audit of the Department of Codes and Building Safety Fuel Transactions

BACKGROUND

On January 6, 2020, the Office of Internal Audit issued an audit of the Department of Codes and Building Safety Fuel Transactions. The audit report included two recommendations for improving the operations related to fuel management. Both recommendations were accepted by management for implementation. 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 objective of this follow-up audit is to determine whether management's action plans for the prior audit report recommendations are completed.

The audit scope covers the status for the two accepted recommendations included in the January 6, 2020, Audit of the Department of Codes and Building Safety Fuel Transactions.

WHAT WE FOUND

The Department of Codes and Building Safety has implemented both recommendations made in the initial audit report. Details of the implementation status can be seen in **Appendix A**.

RECOMMENDATIONS AND IMPLEMENTATION STATUS

The audit report resulted in two recommendations, both of which were accepted by management for implementation. Out of the accepted recommendations, both have been fully implemented.

Details of the implementation status and updated implementation dates, if applicable, can be seen in **Appendix A**.

GOVERNMENT AUDITING STANDARDS COMPLIANCE

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.

METHODOLOGY

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

- Reviewed the documentation provided by management as evidence of completion.
- Examined data within the Oracle R12 accounting system.
- Interviewed key personnel within the Department of Codes and Building Safety.

AUDIT TEAM

James Carson, CIA, CFE, In-Charge Auditor
Bill Walker, CPA, CIA, CFE, Principal Auditor
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.

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 our original audit report dated January 6, 2020 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 Ensure adequate segregation of duties exist regarding the requisition, approval, physical receipt and payment of fuel cards.</p> <p>Assessed Risk Level: Medium</p>	<p>The Finance Manager hired in September reviews all WEX fuel card invoices for accuracy and reasonableness along with approving WEX fuel card invoices for payment in Oracle R12. Second level of invoice review and approval in Oracle R12 are required. The Assistant Director is also monitoring and reviewing fuel card payments. Accounts Payable staff for the department via Metro Payment Services also reviews all invoices for duplication, sales tax, and other disallowed items before initiating payment in Oracle R12.</p>	None	Fully Implemented/ Closed
<p>A.2 Ensure documentation is generated and retained for the monthly reviews conducted on fuel card related activity.</p> <p>Assessed Risk Level: Medium</p>	<p>The Fleet Coordinator maintains monthly files for WEX fuel card invoices. Moving forward, the Fleet Coordinator will sign all WEX fuel card invoices upon completion of review to ensure adequate documentation. Finance Manager also keeps monthly files for all WEX fuel card invoices sent to Metro Payment Services for payment initiation.</p>	None	Fully Implemented/ Closed