



**A Report to the  
Audit Committee**

**Mayor**  
John Cooper

**Presiding Judge of the  
20<sup>th</sup> Judicial District**  
Judge Joe P. Binkley, Jr.

**Criminal Court, Division IV**  
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Metropolitan  
Nashville  
Office of  
Internal Audit

**Audit Recommendations Follow-up –  
Audit of State Trial Court Drug Court**

November 18, 2021

## EXECUTIVE SUMMARY

November 18, 2021



### Why We Did This Audit

To evaluate management's implementation of previous audit recommendations as of November 3, 2021.

### What We Recommend

Management should continue efforts to fully implement the remaining one recommendation issued.

# Audit Recommendations Follow-Up - Audit of the State Trial Court Drug Court

## BACKGROUND

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On February 20, 2020, the Metropolitan Nashville Office of Internal Audit issued an audit report on the State Trial Court Drug Court between July 1, 2016, and June 30, 2019. The audit report included 16 recommendations, all of which 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

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The objectives of this follow-up audit were to determine if the recommended action or an acceptable alternative was implemented.

The scope of the follow-up audit included all 16 accepted recommendations that management reported as implemented or accepted.

## WHAT WE FOUND

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Of the initial 16 recommendations made, State Trial Court Drug Court has implemented 15 recommendations. One recommendation related to deposits being made within 24 hours was partially implemented due to an ongoing staffing shortage.

## **AUDIT FOLLOW-UP RESULTS**

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The initial audit report encompassed operational and financial activities within the State Trial Court Drug Court between July 1, 2016, and June 30, 2019. The audit report included 16 recommendations, all of which were accepted by management for implementation.

The scope of the follow-up audit included all 16 accepted recommendations that management reported as implemented. Of the 16 accepted recommendations, 15 recommendations were fully implemented, and 1 recommendation was partially implemented. Details of the implementation status and updated implementation dates can be seen in Appendix A.

## **METHODOLOGY**

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

- Reviewed policies and procedures for the operation of Drug Court.
- Obtained and reviewed vehicle mileage and fuel purchases report.
- Obtained and reviewed a sample of timecards for payroll processing.
- Obtained and reviewed a sample of credit card purchase receipts.
- Reviewed logs for woodwork inventory and money transfers in applicable processes.

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.

## **AUDIT TEAM**

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Nan Wen, CPA, In-Charge 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.

**Table 1**

Recommendation Implementation Status	
<b>Implemented</b>	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.
<b>Partially Implemented</b>	The department or agency provided some evidence to support implementation progress but not of all elements of the recommendation were implemented.
<b>Not Implemented</b>	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 February 20, 2020 and the current implementation status of each recommendation based on our review of information and documents provided by the Drug Court.

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<b>A.1</b> Deposit the money orders received within one business day and remove the Metropolitan Nashville Government’s bank account number from the endorsement.	Most of the deposits were made within 24 hours of receipt, and State Trial Court Drug Court no longer places the Metropolitan Nashville Government’s bank account number on the deposited money orders.	Due to an ongoing staff shortage, this has not been fully implemented. When staffing levels return to normal, this will be implemented as there will be someone on staff to do a daily deposit.	<b>Partially Implemented/ Open</b>
<b>A.2</b> Rewrite the Client Management Fee part of the Administrative Policies and Procedures to require that two employees open the mail and log the money orders received.	The client management fee policy was revised to reflect that two employees shall open the mail and verifying all funds upon receipt.	None	<b>Fully Implemented/ Closed</b>
<b>A.3</b> Add a sign-off requirement for the transfer of assets within the resident program fee collection process and other applicable processes.	A detailed ledger of all monies exchanged was signed by both parties at the time of the transfer. A review of the ledger verified this is occurring.	None	<b>Fully Implemented/ Closed</b>

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Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p><b>B.1</b> Ensure prenumbered receipt books are used, tracked, and reviewed in the cash collections process.</p>	<p>Unnumbered receipt books were no longer used. A receipt book ledger has been created which documents the receipt books' numbers, owners, and dates distributed/returned. A review of the receipt book ledger verified implementation.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>
<p><b>B.2</b> Establish a wood works inventory system to ensure the costs and revenues are tracked.</p>	<p>An inventory system of all woodworks is tracked to ensure cost and revenues are accurately recorded. The inventory log was reviewed for verification.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>
<p><b>C.1</b> Establish policies and procedures for wood works revenue collections, deposits into the Metropolitan Nashville Government's bank account, and recording transactions in the Metropolitan Nashville Government's financial system.</p>	<p>Policies and procedures were established for monies accumulated by the sale of woodwork or other vocational activities and transactions were recorded and deposited in the Metropolitan Nashville Government's financial system.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>
<p><b>C.2</b> Utilize Metropolitan Nashville Government credit cards for goods and services unavailable from authorized vendors.</p>	<p>Metro credit card is used when goods and services are unavailable from other authorized vendors. A review of credit card transactions from was performed to verify the implementation.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>
<p><b>C.3</b> Work with the Metropolitan Nashville Government's Treasurer and Chief Accountant to establish a petty cash fund based on the unique situation of the Drug Court.</p>	<p>Discussions have been made to reinstate a petty cash fund under Metro guidelines. The first petty cash fund was received by State Trial Court Drug Court in June 2020.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>

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Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p><b>D.1</b> Establish a retention schedule and maintain supporting purchasing documentation for the required period.</p>	<p>The State Trial Court Drug Court follows Metro Records Management’s policy on purchasing documentation retention period (GRS217).</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>
<p><b>D.2</b> Ensure employees provide the local sales tax exemption and are instructed not to pay local sales tax on purchases.</p>	<p>Tax exemption forms were given to designated staff and distributed to vendors as required. Tax exemption cards for non-vendors were obtained. A review of credit card transactions from was performed to verify the implementation.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>
<p><b>E.1</b> Establish policies and procedures for a designated Agency Fleet Coordinator to be responsible for randomly monitoring fuel key and fuel card usage through the FuelMaster System.</p>	<p>The State Trial Court Drug Court has access to WEX to monitor all vehicles’ mileage and fuel purchases. Mileage forms in vehicles have been amended to include refueling (eff. 12/01/2019). A review of vehicle mileage and purchase logs was provided for verification.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>
<p><b>E.2</b> Ensure the Fleet Coordinator and applicable employees obtain FuelMaster account access for monitoring fuel card activities.</p>	<p>The State Trial Court Drug Court has access to WEX, vehicle mileage and fuel purchases are monitored. A review of vehicle mileage and purchase logs was provided for verification.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>
<p><b>F.1</b> Ensure any timecard changes are reviewed and signed by a supervisor before being processed for payroll.</p>	<p>Supervisors sign all timecards for part-time employees. A review of timecards from September 2019 to August 2021 was performed to verify implementation.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>
<p><b>F.2</b> Refine procedures in the Administrative Guide to add detailed instructions on payroll processing for both part-time and full-time employees.</p>	<p>Revisions to policies and procedures were made by designated staff regarding instructions for payroll processing for all employees.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>

**APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS**

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p><b>G.1</b> Explore the possibility of leveraging technology in payroll and leave time management.</p>	<p>The State Trial Court Drug Court researched affordable software in the area of payroll and leave time management.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>
<p><b>H.1</b> Reevaluate client record procedures and communicate to case managers the client record requirements to ensure the policy is enforced.</p>	<p>Records management procedures for retention were followed. Files were internally audited for accuracy and completion.</p>	<p>None</p>	<p><b>Fully Implemented/ Closed</b></p>