



**A Report to the
Audit Committee**

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Metropolitan
Nashville
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Internal Audit

**Audit Recommendations Follow-up –
Audit of Development Conditions**
(Initial Report Issued June 12, 2019)

September 15, 2022

EXECUTIVE SUMMARY

September 15, 2022



Why We Did This Audit

To evaluate management's implementation of previous audit recommendations as of June 2022.

What We Recommend

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

Audit Recommendations Follow-Up - Audit of Development Conditions

BACKGROUND

On June 12, 2019, the Office of Internal Audit issued an audit of Development Conditions. The audit report included five recommendations for improving the operations surrounding the enforcement of development plan conditions for specific plan districts. All 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 five accepted recommendations included in the June 12, 2019, *Audit of Development Conditions*.

WHAT WE FOUND

Of the initial five recommendations made, the Planning Department and the Nashville Department of Transportation have fully implemented all five recommendations. Details of the implementation statuses can be seen in **Appendix A**.

AUDIT FOLLOW-UP STATUS

The initial audit report included all specific plan zonings approved between January 2014 and October 2018. The audit report included five recommendations, all of which were accepted by management for implementation.

The Office of Internal Audit will close a recommendation only for one of the following reasons:

- The recommendation was effectively implemented.
- An alternative action was taken that achieved the intended results.
- Circumstances have so changed that the recommendation is no longer valid.
- The recommendation was not implemented despite the use of all feasible strategies or due to lack of resources. When a recommendation is closed for these reasons, a judgment is made on whether the objectives are significant enough to be pursued later in another assignment.

The scope of the follow-up audit included all five accepted recommendations that management implemented and reported to our office. Of the five accepted recommendations, the Planning Department and the Nashville Department of Transportation fully implemented all five recommendations. Details of the implementation status and updated implementation dates can be seen in **Appendix A**.

METHODOLOGY

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

- Reviewed the documentation provided by management as evidence of completion.
- Interviewed key personnel within the Planning Department.

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

Laura Henry, CFE, 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	
Implemented / Closed	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 / Open	The department or agency provided some evidence to support implementation progress but not of all elements of the recommendation were implemented.
Not Implemented or 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 the original audit report dated June 12, 2019, and the current implementation status of each recommendation based on our review of information and documents provided by the Planning Department and Nashville Department of Transportation.

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
A.1 – Utilize the CityWorks and ePermits system to ensure the conditions and their explanations are available to inspectors on site during physical inspections. Assessed Risk Level: Medium	Changes were made in CityWorks to track conditions as a data group on Final SP applications. These conditions will be available to the inspectors in the field. Bluebeam is utilized for plan review. Conditions are required to be on the plans.	None	Implemented / Closed
A.2: Include all parties responsible for enforcing conditions in the process of writing the conditions. Assessed Risk Level: Medium	Staff members involved in enforcement of the conditions are in close communication with staff planners who make condition recommendations to the Metro Planning commission. Enforcement staff members consult with staff planners to gain clarity on conditions when needed.	None	Implemented / Closed

APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p>B.1: Implement written policies and procedures that define enforcement responsibilities and reporting structures.</p> <p>Assessed Risk Level: High</p>	<p>Written rules and procedures have been developed and will continue to be updated as the department continues to grow and evaluate the program.</p>	<p>None</p>	<p>Implemented / Closed</p>
<p>C.1: Establish a central process owner to oversee projects from start to finish, hold the various departments accountable, and update the progress of the project in CityWorks, as needed.</p> <p>Assessed Risk Level: Medium</p>	<p>Planning has become the central process holder and enforcement for Council Conditions. Planning oversees the SP process from start to project Use and Occupancy approval. CityWorks has been updated to include Council Conditions for Final SP applications and inspection signoffs.</p>	<p>None</p>	<p>Implemented / Closed</p>
<p>E.1: Create a written policy that outlines the acceptable infrastructure spending amounts by Metropolitan Nashville Government departments to implement conditions within specific plans. Document required steps to take if expected spending exceeds the acceptable range.</p> <p>Assessed Risk Level: High</p>	<p>Written policy put in place June 1, 2021.</p>	<p>None</p>	<p>Implemented / Closed</p>