



**A Report to the
Audit Committee**

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Audit of the Metropolitan Council Office Staff

February 28, 2023

Metropolitan
Nashville
Office of
Internal Audit

Audit of the Metropolitan Council Office Staff

EXECUTIVE SUMMARY

February 28, 2023



Why We Did This Audit

The audit was conducted due to the importance of providing quality services, support, and assistance to the Metropolitan Council.

What We Recommend

- Develop metrics for employee performance evaluations.
- Improve documentation of the legislation preparation process.

BACKGROUND

The Metropolitan Council Office, under the leadership of the Director and Special Counsel, supports the needs of the Metropolitan Council to achieve its mission and goals. The Metropolitan Council is the legislative authority of the Metropolitan Nashville Government. The Metropolitan Council has 40 council members plus the Vice Mayor, who is the chair of the Council. Metropolitan Council members represent 35 districts, and 5 members are at-large and represent the whole county. All Council members are considered part time employees of the Metropolitan Nashville Government.

OBJECTIVES AND SCOPE

The objectives of this audit are to determine if:

- The Metropolitan Council Office has a methodology in place to ensure that services provided are meaningful and best conform to the needs of the Metropolitan Council.
- Services provided are done so timely, accurately, and measured to ensure the operational objectives are being met.

The scope of this audit included Metropolitan Council Office operations between July 1, 2020, and September 14, 2022.

WHAT WE FOUND

The Metropolitan Council Office is effectively managing the daily operations to support the Metropolitan Council. The department has policies and procedures in place to ensure quality internal services are provided. Strategic goals and new policies are being developed and implemented under the new leadership.

However, employee evaluations and performance metrics were not established to ensure consistent expectations and communication with staff. Documentation of legislation request details was lacking to ensure timely response.

GOVERNANCE

The Metropolitan Council Office was established by Metropolitan Code 2.04.030, which sets up the roles and responsibilities of the office in supporting the Metropolitan Council. The Vice Mayor and the Metropolitan Council Executive Committee oversee the operations of the Metropolitan Council Office. The Director and Special Counsel of the Metropolitan Council Office reports to the Vice Mayor and Metropolitan Council. The Director and Special Counsel has the authority and control to operate the Metropolitan Council Office, subject only to policies adopted or orders issued by the Metropolitan Council. The Director is required to be an attorney. Currently there are 11 staff in the Council Office including the Director.

BACKGROUND

The Metropolitan Council Office performs several processes. The office handles legislation, complaints, outreach, orientations, and other miscellaneous tasks.

The Metropolitan Council Office assists in the drafting and processing of legislation to be presented to the Metropolitan Council for vote. The Council Office follows Metro Council Rules of Procedure for filing and publicizing legislation. The Council Office processed 497 requests for legislation which were ultimately filed during the audit scope. Requests come from Metropolitan Council Members or other Metropolitan Nashville Government departments, particularly the Metropolitan Planning Department. Legislation requests from Councilmembers are recorded and tracked in an internal excel document. All legislation drafts are reviewed by the Metropolitan Council Office's legal team and are stored in Sharepoint whether they are ultimately filed or not. Completed legislation is uploaded and filed in the Legistar system.

The Metropolitan Council Office assists in the handling of citizen complaints. Complaints may be received directly from citizens or from Metropolitan Council Members on behalf of their constituency. Council Office staff use the HubNashville portal to enter constituent requests or complaints. The HubNashville system routes the complaint to the applicable department. A Constituent Services coordinator monitors complaints to ensure complaints have been properly closed. The Metropolitan Council Office tracks, monitors, and generates monthly reports to monitor complaint activity.

The Metropolitan Council Office performs miscellaneous tasks on behalf of Metropolitan Council Members. Tasks include new member orientation, community outreach, hosting public meetings, providing slide shows on software use, following up with constituents, and facilitating communication between Metropolitan Council Members and their constituents. The Metropolitan Council Office also advises Metropolitan Council Members on conflict of interest and ethical issues.

OBJECTIVES AND CONCLUSIONS

1. *Does the Metropolitan Council Office have a methodology in place to ensure that services provided are meaningful and best conform to the needs of Metropolitan Council?*

Yes. The Metropolitan Council Office has established practices and service delivery goals to support the Metropolitan Council. A survey to all Metropolitan Council members was done in early 2022.

The purpose of the survey was to gain input regarding the type of services the Metropolitan Council preferred. Additionally, the survey inquired about the quality of services already provided. The survey was a mix of yes and no questions and open-ended questions. Survey results showed Metropolitan Council needs were being addressed, and the Metropolitan Council Office plans to continue to reach out and ensure service delivery is acceptable. Meetings between the Director and the Metropolitan Leadership occur as needed.

2. *Are services provided by the Metropolitan Council Office done timely, accurately, and measured to ensure the operational objectives are being met?*

Generally, yes. The Metropolitan Council Office follows the Rules of Procedure of the Metropolitan Council for filing and publicizing legislation. Escalated constituent requests were entered into HubNashville timely and followed up on appropriately. However, an opportunity exists to implement an employee performance evaluation process. (See Observation A).

Additionally, a sample of legislation prepared by the Metropolitan Council Office was reviewed. Average time to drafting and processing legislation appeared reasonable. However, a sample of 25 legislation requests revealed 5 items (20 percent) did not record the initial date of the legislation request. Processing time could not be determined due to the missing date. (See Observation B).

AUDIT OBSERVATIONS

Internal control helps entities achieve important objectives to sustain and improve performance. The Committee of Sponsoring Organizations of the Treadway Commission (COSO), Internal Control – Integrated Framework, enables organizations to effectively and efficiently develop systems of internal control that adapt to changing business and operating environment, mitigate risks to acceptable levels, and support sound decision-making and governance of the organization. See **Appendix B** for a description of the observation *Assessed Risk Rating*.

Observation A – Performance Evaluations

Performance evaluations on Metropolitan Council staff were not being conducted during the scope of the audit. It should be noted that the Metropolitan Council Office developed performance evaluations in 2022. The implementation date will begin in 2023. Establishing and tracking performance measures and evaluations increase the risk of underperforming and unfair treatment of employees. Well established policies and procedures on employee evaluation and practical performance metrics decreases these risks.

Criteria:

- COSO, Control Activities—Principle 10—The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
- COSO, Control Activities—Principle 12—The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Assessed Risk Rating:

Medium

Recommendation for management of the Metropolitan Council Office to:

Develop and routinely communicate performance expectations and measurements on employee performance.

Observation B – Tracking of Legislation Preparation

Recording of legislation preparation request details was not always complete. A sample of 25 legislation drafting requests was reviewed, and 5 requests did not identify the request received date. Incomplete service request dates enhance the risk of delay and disruption in the legislation preparation process. Incomplete documentation also makes performance measures difficult to evaluate.

Criteria:

- *Rules of Procedure of the Council of the Metropolitan Government of Nashville and Davidson County 2019-2023.*
- COSO, Control Activities—Principle 12—The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

Assessed Risk Rating:

Low

Recommendation for management of the Metropolitan Council Office to:

Ensure request documentation is complete in legislation preparation and processing.

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 accomplish our audit objectives, we performed the following steps:

- Reviewed Metropolitan Council Rules and Procedures.
- Interviewed key personnel within the Metropolitan Council Office.
- Evaluated internal controls currently in place.
- Performed analysis on the Metropolitan Council Member survey.
- Reviewed sample selections to evaluate the effectiveness of internal controls.
- Considered risk of fraud, waste, and abuse.

AUDIT TEAM

Nan Wen, CPA, In-Charge Auditor

Bill Walker, CPA, CIA, CFE, CCFO, Quality Assurance

Lauren Riley, CPA, CIA, CFE, CMFO, ACDA, Metropolitan Auditor

APPENDIX A – MANAGEMENT RESPONSE AND RISK ASSESSMENT

We believe that operational management is in a unique position to best understand their operations and may be able to identify more innovative and effective approaches, and we encourage them to do so when providing their response to our recommendations.

	Recommendation	Concurrence and Corrective Action Plan	Proposed Completion Date
<i>Risk</i>	<i>Recommendations for the management of the Metropolitan Council Office to:</i>		
M	A.1 Develop and routinely communicate performance metrics and measurements on employee performance as well as the Council Office as a whole.	Accept – The Director has reformatted the annual employee evaluations effective 01/23/2023 that will be instituted going forward and will be reviewed for improvement annually.	The employee evaluation form was reformatted in 2022 to be utilized on an annual basis starting 01/01/2023.
L	B.1 – Ensure request documentation is complete in legislation preparation and processing.	Accept - The Council Office works very closely with Councilmembers regarding each and every request for legislation received, regardless of whether the date of receipt is entered into the internal confidential tracking system. Every effort is made to ensure a timely response for each request for legislation. The Director will ensure that the users of the confidential tracking system input the necessary information.	Immediately

APPENDIX B – ASSESSED RISK RATING

Observations identified during the course of the audit are assigned a risk rating, as outlined in the table below. The risk rating is based on the financial, operational, compliance or reputational impact the issue identified has on the Metropolitan Nashville Government. Items deemed “Low Risk” will be considered “Emerging Issues” in the final report and do not require a management response and corrective action plan.

Rating	Financial	Internal Controls	Compliance	Public
HIGH	Large financial impact >\$25,000 Remiss in responsibilities of being a custodian of the public trust	Missing, or inadequate key internal controls	Noncompliance with applicable Federal, state, and local laws, or Metro Nashville Government policies	High probability for negative public trust perception
MEDIUM	Moderate financial impact \$25,000 to \$10,000	Partial controls Not adequate to identify noncompliance or misappropriation timely	Inconsistent compliance with Federal, state, and local laws, or Metro Nashville Government policies	The potential for negative public trust perception
LOW/ Emerging Issues	Low financial impact <\$10,000	Internal controls in place but not consistently efficient or effective Implementing / enhancing controls could prevent future problems	Generally complies with Federal, state, and local laws, or Metro Nashville Government policies, but some minor discrepancies exist	Low probability for negative public trust perception
Efficiency Opportunity	An efficiency opportunity is where controls are functioning as intended; however, a modification would make the process more efficient			