



**A Report to the
Audit Committee**

Mayor
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Metropolitan
Nashville
Office of
Internal Audit

**Audit Recommendations Follow-up –
Audit of the Barnes Fund**

November 2, 2023

EXECUTIVE SUMMARY

November 2, 2023



Why We Did This Audit

To evaluate management's implementation of previous audit recommendations as of June 30, 2023.

What We Recommend

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

Audit Recommendations Follow-Up - Audit of the Barnes Fund

BACKGROUND

On May 12, 2022, the Metropolitan Nashville Office of Internal Audit issued an audit report on the Barnes Fund. The audit scope for this engagement was between July 1, 2019, and October 31, 2021. The audit report included two recommendations. All recommendations were accepted by management. The 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 objectives of this follow-up audit were to determine if the recommended actions or an acceptable alternative were implemented.

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

WHAT WE FOUND

The Housing Division within the Metro Nashville Planning Department has fully implemented both recommendations. Details of the implementation statuses can be seen in **Appendix A**.

AUDIT FOLLOW-UP RESULTS

The initial audit report encompassed the operations of the Barnes Fund for the period between July 1, 2019, and October 31, 2021. The audit report included two 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- Circumstances have so changed that the recommendation is no longer valid.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 both accepted recommendations that management reported as implemented. Of the two accepted recommendations, both recommendations were fully implemented. Details of the implementation status and updated implementation dates, if applicable, can be seen in **Appendix A**.

METHODOLOGY

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

- Reviewed applicable policies and procedures.
- Obtained and reviewed Conflict of Interest forms for the Housing Trust Fund Commission.

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

Seth Hatfield, CPA, CIA, CFE, CCFO, 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 Implemented	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 for the Barnes Fund made in the original audit report dated May 12, 2022, and the current implementation status of each recommendation based on our review of information and documents provided by the Housing Division within the Metropolitan Nashville Planning Department.

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
A.1 Develop procedures that reflect current operations of the Housing Division staff. Ensure policies and procedures are reviewed and revised annually. Assessed Risk Level: Medium	Standard Operating Procedures were completed and supplied to the Office of Internal Audit for review.	None.	Implemented / Closed
B.1 Complete the implementation of the recommendations from the June 2019 <u>Audit of the Barnes Fund</u> . Assessed Risk Level: Medium	Standard Operating Procedures address the process for obtaining and maintaining conflict of interest forms for the Housing Trust Fund Commission. Conflict of interest forms for all Housing Trust Fund members were provided to the Office of Internal Audit for review.	None.	Implemented / Closed



October 31, 2023

Lauren Riley,
Metropolitan Auditor
Office of Internal Audit
PO Box 196300
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Ms. Riley,

This letter acknowledges that the Nashville Planning Department and the Metropolitan Housing Trust Fund Commission have received the follow-up report on the audit of the Barnes Fund. We have reviewed the report and are confirming that both recommendations have been fully implemented. We have no further questions or concerns and thank the Office of Internal Audit for its assistance.

Sincerely,
Angela C. Hubbard
Angela C. Hubbard,
Housing Director
Nashville Planning Department