



**A Report to the  
Audit Committee**

**Mayor**  
Freddie O'Connell

**Director of Schools**  
Dr. Adrienne Battle

**Audit Committee Members**

Burkley Allen  
Tom Bates  
Kevin Crumbo  
Angie Henderson  
Courtney Johnston  
Matthew Scanlan

Metropolitan  
Nashville  
Office of  
Internal Audit

# Recommendations Follow-Up – Audit of Metropolitan Nashville Public Schools Capital Projects Process

January 24, 2024

## EXECUTIVE SUMMARY

January 24, 2024



### Why We Did This Audit

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

### What We Recommend

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

# Audit Recommendations Follow-Up – Audit of Metropolitan Nashville Public Schools Capital Projects Process

## BACKGROUND

---

On September 29, 2020, the Office of Internal Audit issued an audit of the Metropolitan Nashville Public Schools Capital Projects Process. The audit report included five recommendations. Four of the five recommendations were accepted by management for implementation. 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 four accepted recommendations that management reported as implemented.

## WHAT WE FOUND

---

Metropolitan Nashville Public Schools has fully implemented all four recommendations. Details of the implementation statuses can be seen in **Appendix A**.

## AUDIT FOLLOW-UP RESULTS

---

The initial audit report encompassed the capital spending plans for 2017, 2018, and 2019. The audit report included five recommendations. Four recommendations were accepted by management for implementation. One recommendation was rejected by management.

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- Circumstances have so changed that the recommendation is no longer valid.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 the four accepted recommendations that management reported as implemented. Of the four accepted recommendations, all four 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, auditors performed the following steps:

- Reviewed project management invoices
- Reviewed solicitation documentation, bids, score sheets and COI forms
- Evaluated internal controls currently in place.
- Considered risk of fraud, waste, and abuse and information technology risks.

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

---

Elizabeth Andrews, 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	
<b>Implemented / Closed</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 / Open</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 / No Longer Applicable</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 the original audit report dated September 29, 2020, and the current implementation status of each recommendation based on our review of information and documents provided by Metro Nashville Public Schools.

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p><b>A.1</b> Ensure all contractors for capital projects are procured through a public solicitation process and with the involvement of the Procurement Department.</p> <p><b>Assessed Risk Level: High</b></p>	<p>MNPS Procurement is now responsible for handling all solicitations. The Office of Internal Audit reviewed a sample of solicitations and confirmed Procurement is handling all solicitations.</p>	<p>None</p>	<p><b>Implemented / Closed</b></p>
<p><b>A.2</b> Ensure the person who tallies score sheets is not a member of the evaluation committee.</p> <p><b>Assessed Risk Level: High</b></p>	<p>An independent member of Procurement compiles all scoring. The Office of Internal Audit reviewed a sample of bids and score sheets and confirmed scores are being compiled by a member of Procurement.</p>	<p>None</p>	<p><b>Implemented / Closed</b></p>

## APPENDIX A – PRIOR RECOMMENDATIONS AND IMPLEMENTATION STATUS

Recommendation	Implementation Actions	Outstanding Issues	Implementation Status
<p><b>C.1</b> Ensure all projects have estimated budgets for project management costs. Allocate invoiced project management costs to appropriate projects based on actual hours worked to ensure project costs are accurately evaluated compared to the budget.</p> <p><b>Assessed Risk Level: Medium</b></p>	<p>Each project has its own budget, and invoices are being charged to the correct project associated with that budget.</p> <p>The Office of Internal Audit selected a sample of invoices and traced them to individual project budgets to ensure correct project application.</p>	<p>None</p>	<p><b>Implemented / Closed</b></p>
<p><b>C.2</b> Consider implementing the use of a project management software to organize, track, and maintain documentation across various capital projects.</p> <p><b>Assessed Risk Level: Medium</b></p>	<p>MNPS has given consideration to this recommendation. Currently there is no funding. MNPS continues to consider this each year depending on funding.</p>	<p>None</p>	<p><b>Implemented / Closed</b></p>