

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



February 9, 2010

Jack McKenzie, Board Chair  
Tennessee Voices for Children  
701 Bradford Ave.  
Nashville, TN 37204

Dear Mr. McKenzie:

Please find attached the Monitoring Report of Tennessee Voices for Children relating to the contract it has with the Metropolitan Government of Nashville and Davidson County for the fiscal year ending June 30, 2009.

The Office of Financial Accountability (OFA) is charged with the responsibility of monitoring grant funds, including Community Enhancement Funds (CEF), from Metropolitan Nashville Government to any nonprofit organization. The OFA is also responsible for monitoring the federal and state grants to departments within the Metropolitan Nashville Government. Staff from the OFA conducted the review on October 12, 2009.

We appreciate the assistance provided by your agency during the course of the review. If you have any questions, please call me at 615-880-1035.

Sincerely,

Fred Adom, CPA  
Director

cc: Charlotte Bryson, Executive Director

Richard M. Riebeling, Director of Finance  
Talia Lomax-O'dneal, Deputy Director of Finance  
Gene Nolan, Deputy Director of Finance  
Kim McDoniel, Chief of Accounts  
Mark Swann, Internal Audit  
Kevin Brown, Office of Financial Accountability  
Laura Cowan, Office of Financial Accountability  
Essie Robertson, Office of Financial Accountability  
Brad Thompson, Office of Financial Accountability



◆ Monitoring Report of ◆

# Tennessee Voices for Children



Conducted by



## Office of Financial Accountability

February 9, 2010

MONITORING REPORT

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## INTRODUCTION

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The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of Tennessee Voices for Children. A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Metropolitan Government of Nashville and Davidson County (hereinafter referred to as “Metro”) or any of its component units. The OFA is responsible for the internal monitoring of Metro agencies that receive federal and state financial assistance, including cooperative agreements and non-profit organizations that receive appropriations and Community Enhancement Funds from Metro government. In summary, any agreement(s) that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

The purpose of this review was to assess the agency’s compliance with contractual requirements set forth in the following contract with Metro Government:

<b>Contract</b>	<b>Type</b>	<b>Grantor</b>	<b>Amount</b>	<b>Term</b>	<b>Use</b>
L-2107	Community Enhancement Funds (CEF)	Metro Government	\$93,000	July 1, 2008 to July 30, 2009	Salary and Benefits & Misc. Operating Expenses

### **Agency Background**

Tennessee Voices for Children is a statewide, non-profit organization which serves as an advocacy organization for the development of family driven children’s mental health policies and services. Services are provided in a way that is child-centered, family-driven, community-based and culturally and linguistically competent. TVC offers support and advocacy for parents, provides resources for families of children with mental health and emotional issues, and encourages research to help diagnose and treat children with mental health problems. The mission of Tennessee Voices for Children is to speak out as active advocates for the emotional and behavioral well-being of children and their families. In addition to its main office in Nashville, the agency has offices in Columbia, Jackson, Knoxville, and Memphis.

## OBJECTIVES, SCOPE AND METHODOLOGY

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The objectives of our review were:

- 1) To determine whether the agency has the resources and capacity to administer the grant funds.
- 2) To determine if costs and services are allowable and eligible.
- 3) To verify that program objectives are being met.
- 4) To test the reliability of the financial and programmatic reporting.
- 5) To verify contractual compliance.

The scope of our review was limited to the contract term July 1, 2008 through June 30, 2009.

Audit procedures included meeting with agency management and staff, reviewing the design of internal controls as a basis for establishing our testwork, reviewing Board minutes and obtaining written representations from management. In addition, we examined certain financial records and supporting documentation necessary to ensure compliance with contractual requirements set forth in Contract L-2107. Specific procedures included:

- Interviewing the employees responsible for grant management, financial reporting, and accountability.
- Reviewing supporting documentation of expenditures for allowability, necessity and reasonableness.
- Reviewing the agency's General Ledger and verifying the accuracy of all invoices submitted to Metro.
- Reviewing documentation to determine that funds were used for intended beneficiaries and expended in accordance with the Spending Plan of the contract.
- Reviewing documentation to support program activities for consistency with grant requirements.
- Assessing the financial stability of the agency and its ability to continue to administer the grant program funded by Metro.

## RESULTS OF REVIEW

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### Summary of Results

Criteria	Yes	No
Agency in Compliance with Contract Requirements?	✓	
Sufficient Resources and Capacity to Administer Funds?	✓	
Costs and Services are Allowable and Eligible?	✓	
Program Objectives being Met?		✓
Reporting Requirements Met?	✓	
Sufficient Internal Control Environment?	✓	
Compliance with Civil Rights Requirements?	✓	

## **RESULTS OF REVIEW**

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The overall results of the monitoring review are provided in this section. Results are based on testwork performed and include conclusions regarding specific review objectives and, if applicable, recommendations for improvement and an action plan for implementation. Where applicable, the Findings and Recommendations section of this report provides more insight into any issues identified below.

### **1. Sufficient Resources and Capacity to Administer Grant Funds**

Our review of the agency's accounting system and the qualifications of the individuals assigned to manage the accounting records indicate that the agency possesses the necessary resources and professional expertise to effectively administer the grant funds.

### **2. Allowable and Eligible Costs and Services**

Our review covered all of the core compliance areas identified by OMB Circular A- 133: *Audit of States, Local Government, and Non-Profit Organizations*. Based on our test work, costs and services during the period were allowable and eligible. Costs incurred by the agency complied with applicable guidelines stated in OMB Circular A-122.

Additionally, the Metro Grants Manual requires separate accounting of the Metropolitan Nashville Government grant funds to prevent co-mingling of Metro Funds with other sources of funding. The agency is in compliance with this requirement. Different revenue classes as well as expenditure classes have been established to separately track the sources and amounts of funding. Also, the agency can easily and accurately report their expenses supported by the Metro Appropriation.

### **3. Program and Performance Objectives**

The agency reported the following quantifiable outcomes and objectives in their interim and final program report:

## **RESULTS OF REVIEW**

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- 80% of youth served will improve their performance in school and home, as demonstrated through improved academic and behavioral performance per teacher and parent report.
- 80% of youth served will exhibit decreased interaction with the court system as evidenced by parent report, completion of probation/court-ordered consequences, and no accrual of new charges (recidivism).
- 80% of the caregivers will report an increased ability to manage child behavior as evidenced by a retrospective survey given at the time of discharge and changes in ratings on the Parent Stress Index given at enrollment and discharge.

Based on our review of program documentation, completed surveys and client files, we found that documentation was insufficient to support the performance data reported in the agency's Final Program Report and some documentation directly contradicted the performance data reported. As a result, it is our conclusion that these program performance objectives were both unmet and inaccurately reported in the Final Program Report. Please see finding #1 for detailed information regarding program and performance objectives.

### **4. Reliability of Financial and Programmatic Reporting**

The contract requires submission of an annual audit report performed by a Certified Public Accountant. The contract also requires the agency to submit to Metro year end reports of the program outcome and a final expenditures report, no more than 45 days after the close of the contract. We reviewed all applicable financial and programmatic reports required by the contract, including audited financial statements. Based on our review, the agency complied with all financial and programmatic reporting requirements.

## RESULTS OF REVIEW

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### **5. Internal Control Environment**

In order to determine the adequacy of the design of internal controls, we obtained and reviewed an independent auditor's report on internal control over financial reporting and/or a completed internal control questionnaire. This audit procedure was performed solely as a basis for determining our testwork and to assist us in making suggestions for improvement to management. We did not evaluate the operating effectiveness of internal controls over financial reporting.

Our review of the design of the agency's internal controls did not reveal any control deficiencies. Further, nothing came to our attention that would necessitate suggestions for improvement in internal control activities to management.

### **6. Civil Rights Requirements**

Our review did not reveal anything to indicate that the agency was noncompliant with civil rights requirements. The agency also has necessary written policies and procedures relating to civil rights.

## FINDINGS AND RECOMMENDATIONS

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### **1. Inaccurate Performance Data on Final Program Report**

The agency reported in the Final Program Report that 22 of 25 (88%) of youth served improved their performance in both the school and home setting. 23 of 25 (92%) have improved both behaviorally and academically in their school setting. 24 of 25 (96%) have improved in their school attendance.

Based on our testing, we found this information to be inaccurate. According to agency documentation, only 83% of youth did not require a booster session. Further, the fact that a child does not need a booster session does not necessarily indicate the child improved their school attendance. Nor does it necessarily indicate the child showed improved performance both behaviorally *and* academically. After reviewing extensive documentation including completed surveys, a summary worksheet and client files, we found that documentation was insufficient to support the performance data reported in the Final Program Report.

The agency also reported in the Final Program Report that 23 of 25 (92%) of youth served have shown a decrease in the interactions with the court system, and no accrual of new charges (recidivism). Based on our testing, we found that program objectives regarding recidivism have not been met and information in the Final Program Report is inaccurate. According to agency documentation, only 71% of youth did not incur new charges. An Excel spreadsheet and completed client surveys provided to us by the program manager revealed that 17 of 24 individuals (71%) did not re-offend, as of the two scheduled follow-up dates.

The agency also reported in the Final Program Report that 24 of 25 (96%) of caregivers served have reported an increase in their ability to manage their child's behavior. Based on our testing, we found that program objectives regarding this measure have not been met and information in the Final Program Report is inaccurate. Of the 25 youth served during the period, only 9 clients actually completed a survey, 8 of whom reported additional skills as a result of being enrolled in the Family Connection Program.

## FINDINGS AND RECOMMENDATIONS

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**Recommendation:** Information pertaining to program objectives in the Final Program Report should be based on actual results and supported by written documentation. In addition, management should review the achievement of those objectives before they are reported to the Metro Office of Grants Coordination, in order to ensure their accuracy.

### **Corrective Action Plan Required**

Please submit a corrective action plan indicating the actions the agency intends to take to correct the findings identified in this report. The corrective action plan should be submitted within 30 days from the report date to Ms. Tiffy Barnett at the address below:

Tiffy Barnett  
Division of Grants Coordination  
222 Third Avenue North, Suite 501  
Nashville, TN 37201