

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



June 10, 2011

Daron Hall, Sheriff  
**Davidson County Sheriff's Office**  
506 Second Avenue North  
Nashville, Tennessee 37201

Dear Sheriff Hall:

Please find attached the Monitoring Report for the Davidson County Sheriff's Office. This report explains the results of the monitoring review of the agency's federal and state grants and other financial assistance for the fiscal year ending June 30, 2010. Staff from the Office of Financial Accountability began conducting the fieldwork for this review on April 25, 2011.

Please review and respond to each finding on or by **Friday June 24, 2011**. Each response should include a statement of agreement or disagreement, indicated by stating one of the following: "**We concur,**" "**We concur in part,**" or "**We do not concur.**" Upon receipt in our office, these responses will be incorporated in the final report in the section entitled "Management's Comments."

We appreciate the cooperation and assistance provided us during the course of the review. If you have any questions, please call me at (615) 880-1035.

Sincerely,

Fred Adom, CPA  
Director

OFFICE OF FINANCIAL ACCOUNTABILITY

cc: Richard M. Riebeling, Director of Finance  
Talia Lomax-O'dneal, Deputy Director of Finance  
Kim McDoniel, Assistant to the Director of Finance  
Mark Swann, Internal Audit  
Pete Lutz, Davidson County Sheriff's Office  
Kevin Brown, Office of Financial Accountability  
Essie Robertson, Office of Financial Accountability  
Brad Thompson, Office of Financial Accountability



**Metropolitan Government of Nashville and Davidson County**

◆ **Grants Monitoring Report of** ◆

# **Davidson County Sheriff's Office**



**Conducted by**



## **Office of Financial Accountability**

June 10, 2011

**FINANCIAL ACCOUNTABILITY**

D AVENUE SOUTH, SUITE 201 NASHVILLE, TN 37210

Phone: 615-880-1035  
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**MONITORING REPORT**  
**FOR THE**  
**DAVIDSON COUNTY SHERIFF'S OFFICE**

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## OBJECTIVES, SCOPE AND METHODOLOGY

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The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of the Federal and State grants and contracts administered by the Davidson County Sheriff’s Office (hereinafter referred to as “Sheriff’s Office”, DCSO, or “department”). The monitoring process included a review of those contracts in effect during the fiscal year ending June 30, 2010. The contracts reviewed are listed in Appendix A. The OFA conducted its monitoring review along the major compliance areas identified in the Office of Management and Budget (OMB) Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations.” The review was performed in accordance with Generally Accepted Government Auditing Standards and in compliance with the OMB Circular A-87, “Cost Principles for State, Local and Indian Tribal Governments.”

### **Overview of the Department**

The mission of the Sheriff’s Office is “we strive to be the leader in the field of corrections, service of civil process, and innovative community based programs, emphasizing accountability, diversity, integrity and professionalism”. The Sheriff’s Office primary duties are to house inmates and to process and serve civil warrants. The office is not responsible for enforcing criminal law enforcement duties as this function is the responsibility of the Metro Police Department. The DCSO remains the only system wide agency fully accredited by the American Correctional Association.

In addition to the transportation and care of inmates, the Sheriff’s Office is responsible for the accounting of and the distribution of inmate funds to outside agencies, individuals and to the inmate themselves. During the year ending June 30, 2010, the DCSO had operating expenditures of \$73,337,600.

We selected and reviewed 2 grants with total financial awards of approximately \$273,000. The grants reviewed included the following:

### **Litter 10**

The Sheriff’s Office was awarded the Litter 10 grant in the amount of \$163,077 from the Tennessee Department of Transportation. The objectives of the Litter 10 grant was for litter pickup along county roads as well as preventive education

services. The DCSO utilized the grant funding to assist in supporting the salaries of employees who supervise the litter pickup crews and the Metro Public Works department utilized the funding earmarked for preventive education services.

### **Cosmetology and Manicuring Program 08-09**

The Sheriff's Office was awarded \$110,000 from the Cal Turner Family Foundation to provide cosmetology and manicuring programs for both male and female inmates.

### **Objectives, Scope, and Methodology**

A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements for the Davidson County Sheriff's Office and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Sheriff's Office or the Metropolitan Government of Nashville and Davidson County (hereinafter referred to as "Metro"). 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 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 overall monitoring objective was to determine the department's compliance with grantor guidelines, rules, and regulations. Specifically, we reviewed for the following objectives:

- To determine whether the activities and costs of the programs are allowable under the program regulations and provisions of the grant agreement
- To determine whether costs reported under the grant program are consistent with provisions of grantor guidelines and OMB Circular A-87
- To determine whether civil rights requirements are met
- To determine whether the minimum requirements for local matching contributions and/or adequate level of expenditures by other sources of funds are met
- To determine whether the department adheres to grantor guidelines for equipment purchases
- To determine whether grant funds were used exclusively during the period in which the funds were authorized

## OBJECTIVES, SCOPE AND METHODOLOGY

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- To determine whether purchases were made in accordance with OMB Circular A-87, the minimum federal, state and local requirements, and grantor guidelines
- To determine whether grant financial reports are reliable and timely
- To determine whether Federal compliance requirements regarding subrecipient oversight were met and whether the subrecipient performed in accordance with the contract terms.

The scope of the work included the grants listed in Appendix A. The grant period was July 1, 2009 through June 30, 2010. Although the review focused on this specific time period, certain analyses required the consideration of financial transactions outside of this time period.

The methodology adopted by the OFA encompassed various interviews and an objective review of fiscal files, including:

- Financial transactions and supporting documentation,
- Contract agreements and related amendments,
- Federal and/or State financial reports, and
- Internal and external correspondence.

## RESULTS OF MONITORING REVIEW

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### Overall Findings and Major Review Highlights

Our review revealed two discrepancies with policies and grant requirement guidelines.

1. The Davidson County Sheriff's Office should improve its sub-recipient monitoring plan of the Metro Public Works Department.
2. The Davidson County Sheriff's Office should improve its grants reporting efforts.

The section that follows provides more detailed information for each of the above findings. Management is given an opportunity to respond to each finding.

**1. The Davidson County Sheriff's Office should improve its sub-recipient monitoring plan of Metro Public Works.**

**FINDING**

The Davidson County Sheriff's Office was awarded the Litter 10 grant in the amount of \$163,077 by the Tennessee Department of Transportation (TDOT) for the collection of litter and trash along county, state, and interstate roads and highways within the respective counties and for the purpose of the litter abatement and prevention education.

The DCSO utilized \$114,177 to cover salaries and benefits of Sheriff's Office employees who were responsible for the supervision of the litter pick up work crews. The remaining \$48,900 was dedicated to non-personnel expenditures for educational expenses including student, public, media, business and government education, training and travel expenses. The DCSO delegated the operation of the educational prevention program to the Metro Public Works Department, thereby creating a sub-recipient relationship. As the primary recipient of the grant, the Sheriff's Office was charged with the responsibility of monitoring the sub-recipient for compliance with the terms of the grant.

Test revealed that the DSCO failed to adequately monitor the Public Works Department for compliance with the financial requirements of the grant contract. Specifically, the Public Works continuously reported cost to the grantor through the Sheriff's Office on a monthly basis for which the Tennessee Department of Transportation (TDOT) deemed unallowable and therefore, TDOT continually reduced the monthly reimbursement request. Though neither the Sheriff's Office nor Public Works received payments for unallowable expenses, it demonstrated that the Sheriff's Offices failed to monitor work and reports submitted by the Public Works Department.

**RECOMMENDATION**

The Davidson County Sheriff's Office should develop and implement a monitoring process that ensures the Metro Public Works Department complies with both programmatic and financial requirements set forth in the grant contract.

## FINDINGS, RECOMMENDATIONS AND MANAGEMENT'S COMMENTS

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### MANAGEMENT'S COMMENTS

<INSERT MGMT. COMMENTS HERE>

2. The Davidson County Sheriff's Office should improve its grants reporting efforts.

### FINDING

The Davidson County Sheriff's Office failed to submit the required monthly reports by the 15<sup>th</sup> of each month. Per the grant contract, under the scope of services A.3, "the grantee shall submit monthly progress reports to the State by the fifteenth (15<sup>th</sup>) of each month to accompany the monthly invoice." Tests revealed that the all twelve (12) of the required monthly reports were submitted beyond the fifteenth of the month.

### RECOMMENDATION

The Davidson County Sheriff's Office should take the necessary steps to ensure that all programmatic and financial reports are completed and submitted in accordance to the grant contracts.

### MANAGEMENT'S COMMENTS

<INSERT MGMT. COMMENTS HERE>

*Appendix A*

<b>FEDERAL &amp; STATE GRANTS AND FINANCIAL ASSISTANCE</b>						
<b>Grantor</b>	<b>Grant</b>	<b>Contract Number</b>	<b>Grant Period</b>		<b>Grant Award</b>	<b>Findings</b>
TN Dept. of Transportation	Litter 10	GG7-16-09	07/01/2009	06/30/2010	\$163,077.00	YES
Cal Turner Family Foundation	Cosmetology and Manicuring Program 08-09	NA	02/01/2008	13/31/2010	\$110,000.00	NO