

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



November 1, 2016

Mike Jameson  
Metropolitan Council  
One Public Square, Suite 204  
P.O. Box 196300  
Nashville, TN 37219

Dear Mr. Jameson:

Please find attached the final report on the Metropolitan Council use of Metro credit cards conducted by the Office of Financial Accountability. This report explains the results of our review of delegated purchasing authority and VISA and MasterCard credit card transactions from July 1, 2012 through February 29, 2016. You previously reviewed and responded to the preliminary report. Your responses to the preliminary report have been incorporated into this final report.

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

Sincerely,

Fred Adom, CPA, CGMA, CICA  
Director, Office of Financial Accountability

cc: Roseanne Hayes, Metropolitan Council  
Talia Lomax-O'dneal, Director of Finance, Department of Finance  
Gene Nolan, Deputy Director of Finance, Department of Finance  
Kim McDoniel, Deputy Director of Finance, Department of Finance  
Phil Carr, Chief Accountant, Department of Finance  
Tom Eddlemon, Metropolitan Treasurer, Department of Finance

Jeff Gossage, Purchasing Agent, Department of Finance  
Mark Swann, Metropolitan Auditor, Office of Internal Audit  
Kevin Brown, CMFO, CICA, Office of Financial Accountability  
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability  
Matthew Fouad, Office of Financial Accountability



◆ Monitoring Report of ◆

# Metropolitan Council

Conducted by



Office of Financial Accountability

November 1, 2016

MONITORING REPORT

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## INTRODUCTION

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The Office of Financial Accountability (hereinafter referred to as "OFA") has completed a credit card review of the Metropolitan Council compliance with the *Metro Code of Law Title 4, Procurement Code* and compliance with the *Metro Finance Policy #19: Credit Card Policy*.

A 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 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 from Metro government. The OFA also conducts prompt pay performance, delegated purchasing authority, and procurement reviews, including credit card usage by Metro departments. In summary, any agreement that imposes performance and/or financial requirements on Metro government is subject to review by the OFA.

This review was conducted as part of the comprehensive review of credit cards use by all Metro Departments as requested by the Metro Council. At the conclusion of the review of all applicable Metro departments, the OFA will compile a summary report of the results of the review of all departments.

### **Agency Background**

The Metropolitan Council's mission is "to enact ordinances and resolutions that set the public policy for the Metropolitan Government." Per the Fiscal Year 2016 Operating Budget Book, the Metropolitan Council had 49 budgeted positions an operating budget of \$1,822,000.00.

## OBJECTIVES, SCOPE AND METHODOLOGY

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The scope of the credit card review period covered July 1, 2012 through February 29, 2016. There was one (1) cardholder in the Metropolitan Council as during the review period. See the table below for details:

<b>Cardholder Name</b>	<b>Time Period</b>	<b>Number of Transactions</b>	<b>Dollar Value of Transactions</b>
Cardholder A	07/2012 – 2/2016	225	\$113,995.30
<b>Totals</b>		<b>225</b>	<b>\$113,995.30</b>

The Office of Financial Accountability reviewed 39 transactions (17%) of the credit card activity.

The objectives of our review were:

- 1) To determine the agency's compliance with M.C.L. Title 4, Procurement Code.
- 2) To determine the agency's compliance with Metro Finance Policy #19: Credit Cards.
- 3) To determine whether credit card expenditures were allowable and necessary.
- 4) To determine whether purchasing transactions were authorized and sufficiently documented.
- 5) To determine whether the agency has adequate and effective internal controls over its credit card program.

Our review procedures included meeting with agency management and staff, reviewing internal controls over credit card use, and examining certain financial records and supporting documentation to ensure compliance with requirements set forth in Metro's official procurement policies. Specific procedures included:

- Comparing credit card charges with original receipts, supporting documentation and travel authorizations.
- Reviewing supporting documentation for accuracy, necessity and reasonableness.
- Identifying split purchases and unauthorized or fraudulent transactions.
- Investigating discrepancies and following up as necessary.

## RESULTS OF REVIEW

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Our review did not reveal any instances of non-compliance with M.C.L. Title 4, Procurement Code and Metro Finance Policy #19: Credit Card.