



**METROPOLITAN GOVERNMENT OF  
NASHVILLE AND DAVIDSON COUNTY  
OFFICE OF INTERNAL AUDIT**

**Professional Audit and Advisory Service**

**FINAL REPORT**

**Audit of the  
District Attorney General, 20<sup>th</sup> Judicial District  
Compliance with Financial and Operational Policies**

Date Issued: September 21, 2011

Office Location and Phone Number

222 3<sup>rd</sup> Avenue North, Suite 401  
Nashville, Tennessee 37201  
615-862-6110

*The Metropolitan Nashville Office of Internal Audit is an independent audit agency  
reporting directly to the Metropolitan Nashville Audit Committee*

# EXECUTIVE SUMMARY

September 21, 2011

## Background

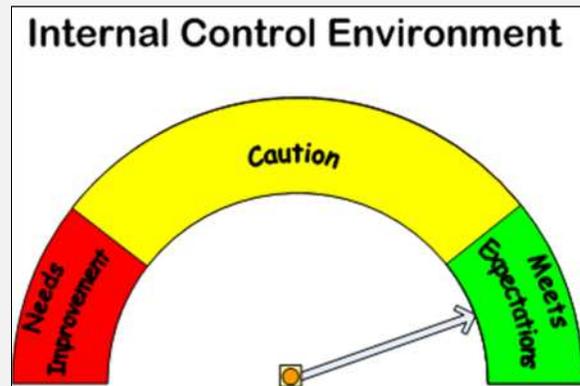
The position of the District Attorney General is established by Article IV, Section 5, of the Constitution of the State of Tennessee. The powers and duties of the office, to prosecute in the courts of the district all violations of the state criminal statutes, are outlined in Title 8, Chapter 7 of Tennessee Code Annotated. The District Attorney General is elected, for an eight year term, by qualified voters of the judicial district. Victor S. (Torry) Johnson III is serving his third term as District Attorney General of the 20<sup>th</sup> Judicial District.

The Office of the District Attorney General, 20<sup>th</sup> Judicial District collects only a nominal amount of charges, commissions and fees. Transfers from other governments and agencies, grant funding, special purpose funds, non-program revenue, and the nominal charges total \$1.9 million, \$2.3 million and \$2.5 million in fiscal years 2009, 2010 and 2011, respectively.

## Internal Control Compliance Results

The Metropolitan Nashville Office of Internal Audit tested the Office of the District Attorney General's compliance with applicable Metro Nashville and internally mandated financial and operational policies for the following areas:

- Payroll Records and Leave Accounting
- Procurement and Expenditures
- Fixed and Tracked Assets
- Grant Monitoring
- Business Continuity and Disaster Recovery Plans
- Safety



**Overall, compliance meets expectations.**

Management could further enhance its controls by:

- Continuing monitoring recent changes in tracking Paid Time Off and Sick Leave balances
- Maintaining timekeeping records according to the Metropolitan Nashville Clerk's General Records Schedule and/or internal records retention guidelines
- Submitting Sick Leave Bank liabilities to Metro Nashville Human Resources
- Updating obsolete Metro Nashville Finance Department fixed asset records

## Table of Contents

|   |    |
|---|----|
| INTRODUCTION  | 1  |
| AUDIT INITIATION.....   | 1  |
| BACKGROUND .....  | 1  |
| METRO NASHVILLE FINANCIAL HIGHLIGHTS.....   | 1  |
| OBJECTIVES AND CONCLUSIONS .....  | 3  |
| OBSERVATIONS AND RECOMMENDATIONS  | 6  |
| A – Leave Records Inconsistent Prior to January 2011 .....                          | 6  |
| B – Timekeeping Records for One Employee were Inaccessible.....                     | 6  |
| C – Sick Leave Bank Liability Not Reported to Metro Nashville Finance .....         | 7  |
| D – Timely Reclassification of Credit Card Expenditures from Clearing Account.....  | 8  |
| E – Metro Nashville Authorization Requested Subsequent to Travel.....               | 9  |
| F – Metro Nashville Finance Department Fixed Asset Records Need to be Updated ..... | 9  |
| G – Tracked Asset Records Are Incomplete.....                                       | 10 |
| GENERAL AUDIT INFORMATION   | 11 |
| STATEMENT OF COMPLIANCE WITH GAGAS.....   | 11 |
| SCOPE AND METHODOLOGY .....   | 11 |
| CRITERIA .....  | 11 |
| STAFF ACKNOWLEDGEMENT.....  | 12 |
| APPENDIX A. MANAGEMENT RESPONSE   | 13 |

# INTRODUCTION

## AUDIT INITIATION

The Metropolitan Nashville Office of Internal Audit's approved annual Audit Work Plan included an audit of the Office of the District Attorney General, 20<sup>th</sup> Judicial District. The audit was initiated, primarily, because of the amount of time that has elapsed, over seventeen years, since the last audit by the Metro Nashville Finance Department Internal Audit Division was performed.

## BACKGROUND

The position of the District Attorney General is established by Article IV, Section 5, of the Constitution of the State of Tennessee. The powers and duties of the office, to prosecute in the courts of the district all violations of the state criminal statutes, are outlined in Title 8, Chapter 7 of Tennessee Code Annotated. The District Attorney General is elected, for an eight year term, by qualified voters of the judicial district. Victor S. (Torry) Johnson III is serving his third term as District Attorney General of the 20th Judicial District.

The mission of the Office of the District Attorney General of the 20th Judicial District, as stated in the Metropolitan Nashville & Davidson County fiscal year 2011 Operating Budget is, "To investigate and prosecute all criminal offenses that occur within Davidson County where there is sufficient evidence to warrant conviction. All prosecutions are designed to punish offenders, incapacitate violent and repeat criminals, and generally to deter future criminal activity. Additionally, the office is committed to treating victims and witnesses with dignity."

## METRO NASHVILLE FINANCIAL HIGHLIGHTS

The 20th Judicial District is one of four District Attorneys' Offices in the State of Tennessee that receive municipal funding. This audit focuses primarily on transactions and operations administered by the Metropolitan Government of Nashville and Davidson County (Metro Nashville).

For fiscal years 2009, 2010, and 2011 expenditures, made through Metro Nashville, for the District Attorney General were \$7.4 million, \$7.0 million and \$7.0 million, respectively. These amounts comprise roughly 54% of total departmental expenditures; the remaining 46% were paid by the State of Tennessee.

The Office of the District Attorney General collects only a nominal amount of charges, commissions and fees. Transfers from other governments and agencies, grant funding, special purpose funds, non-program revenue, and the nominal charges total \$1.9 million, \$2.3 million and \$2.5 million in fiscal years 2009, 2010 and 2011, respectively<sup>1</sup>.

---

<sup>1</sup> The Office of the District Attorney General along with the Tennessee District Attorney General Conference was unable to provide actual expenditures funded by the State of Tennessee as that level of detail is not available from the Edison Project.

**Exhibit A – Office of the District Attorney General, 20<sup>th</sup> Judicial District  
Financial Highlights**

| (\$ Dollars)                                | Fiscal Year 2009  |                   | Fiscal Year 2010  |                   | Fiscal Year 2011  |                   |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | Budget            | Actual            | Budget            | Actual            | Budget            | Actual            |
| <b>Revenues &amp; Transfers</b>             |                   |                   |                   |                   |                   |                   |
| Revenues & Transfers                        | 2,455,700         | 1,906,398         | 2,876,900         | 2,252,280         | 2,650,300         | 2,518,060         |
| <b>Expenditures</b>                         |                   |                   |                   |                   |                   |                   |
| General Fund                                | 5,004,800         | 5,093,153         | 4,928,500         | 4,941,189         | 4,943,600         | 4,957,534         |
| 4% Reserve                                  | 79,200            |                   | 79,200            |                   | 79,200            |                   |
| Grant Related                               | 180,600           | 409,241           | 526,200           | 367,010           | 363,000           | 364,362           |
| Metro Major Drug Program                    | 1,797,400         | 1,776,647         | 1,801,800         | 1,414,285         | 1,800,000         | 1,521,784         |
| Fraud & Economic Crime                      | 65,000            | 21,554            | 91,700            | 91,673            | 65,000            | 33,032            |
| Special Operations                          |                   | 1,742             |                   | 2,819             |                   | 126               |
| Mediation Services                          | 86,900            | 55,417            | 149,200           | 149,130           | 149,100           | 163,000           |
| <b>Total Metro Expenditures</b>             | <b>7,213,900</b>  | <b>7,357,755</b>  | <b>7,576,600</b>  | <b>6,967,467</b>  | <b>7,399,900</b>  | <b>7,039,838</b>  |
| <b>Total State Expenditures<sup>2</sup></b> | <b>6,196,925</b>  | <b>See Note 2</b> | <b>6,185,500</b>  | <b>See Note 2</b> | <b>6,182,900</b>  | <b>See Note 2</b> |
| <b>Total Metro and State</b>                | <b>13,410,825</b> |                   | <b>13,762,100</b> |                   | <b>13,582,800</b> |                   |

Source: Metro Nashville's EnterpriseOne Financial System & budget information obtained from the Tennessee District Attorneys General Conference

**Exhibit B – Top Five Metro Nashville Paid Vendors/Contractors**

| Vendor  | Fiscal Years 2009 –2011* | Purpose   |
|---|--------------------------|---|
| 1. Washington Square Investment Holding           | \$1,088,142              | Rent & Parking  |
| 2. Tennessee District Attorney General Conference | 945,992                  | Payroll Reimbursement to State of Tennessee & Conference Registration   |
| 3. Nashville Conflict Resolution Center (NCRC)    | 286,045                  | Mediation Services  |
| 4. 18th Judicial Task Force – DTF18               | 109,255                  | 20 <sup>th</sup> Judicial Tasks Force Sharing Agreement for Confiscated Cash and Sale of Confiscated Property |
| 5. Metro Major Drug Enforcement Program – DTF20   | 94,296                   | Investigative Expenses  |

Source: Metro Nashville's EnterpriseOne Financial System  
\* Through May 20, 2011

<sup>2</sup> Budget information obtained from the Tennessee District Attorneys General Conference. However, the Office of the District Attorney General along with the Tennessee District Attorney General Conference was unable to provide actual expenditures funded by the State of Tennessee from Edison at the level of detail requested.

## **OBJECTIVES AND CONCLUSIONS**

### Payroll

1. *Were the department's payroll records properly supported and in compliance with stated policies and procedures?*

Yes. The Metropolitan Nashville Office of Internal Audit reviewed payroll, leave and timekeeping records of 12 employees for the time period January 1, 2009, to December 31, 2010.

There were no significant issues or control observations noted. Employees' pay and adjustments were calculated accurately.

2. *Were the department's attendance and leave records properly supported and in compliance with stated policies and procedures?*

Generally, yes. The attendance and leave tracking system had been modified and controls strengthened as of January 1, 2011. Prior to January 2011 Paid Time Off and Sick Leave Bank documentation was inconsistent and, in several instances, insufficient to verify accuracy of balances (see Observations A and B).

### Procurement and Expenditures

3. *Were expenditures made in accordance with Metro Nashville's Procurement Code or other established criteria?*

Yes. The Metropolitan Nashville Office of Internal Audit reviewed 48 randomly selected expenditures. Controls and processes were in place to ensure expenditures, funded by Metro Nashville, were made in accordance with Metro Nashville's Procurement Code.

4. *Were travel related expenditures made in accordance with Metro Nashville's Travel Policy or other established criteria?*

Generally, yes. The business purpose of travel was reasonable and allowable and sufficient supporting documentation was on file to demonstrate that proper rates were paid for meals, lodging and parking.

The Metropolitan Nashville Office of Internal Audit noted, however, that in 6 out of 25 instances of applicable travel, Metro Nashville travel authorizations were obtained after travel was complete, but in each instance prior authorized had been granted by the District Attorney General (see Observation E).

5. *Were credit card purchases made in accordance with Metro Nashville's Credit Card Policies or other established criteria?*

Generally, yes. Controls and processes were in place to ensure expenditures were made in accordance with Metro Nashville's Procurement Code.

However, transactions were not consistently reclassified out of the general ledger clearing account within 30 days (see Observation D).

#### Fixed and Tracked Assets

6. *Were the department's fixed assets accounted for and recorded in Metro Nashville's accounting system?*

Generally, yes. Assets that had been transferred to another department or disposed of were included, without record of either disposal or transfer, in the department's fixed asset listings in Metro Nashville's EnterpriseOne accounting system. Management of the Office of the District Attorney General sought to rectify the issue when it was brought to their attention.

Management should work with Metro Nashville Department of Finance to update fixed asset records to accurately reflect the current status of resources (see Observation F).

7. *Was computer equipment tracked and maintained as recommended by Metro Nashville Finance Department Policy # 14, Capital Assets?*

Generally, yes. An internally maintained inventory indicated that 177 workstations were in use. However, only 7 workstations, out of 14 workstations on the Metro Nashville Information Technology Services computer records were listed on the records maintained by Office of the District Attorney General (see Observation G).

#### Grants

8. *Was grant spending monitored and grant conditions followed?*

Generally, yes. Although the department receives grant funding from multiple sources, the Metropolitan Nashville Office of Internal Audit focused on the Victims of Crime Act grant.

The Office of Criminal Justice Programs at the State of Tennessee, the agency that monitors programmatic requirements and annual reporting, indicated that the 20<sup>th</sup> Judicial District complied satisfactorily in both areas during the scope of the audit. A finding related to unallowable costs charged to the grant was issued as a result of the last monitoring visit, on June 2, 2010. The unallowable costs were salary and benefit expenses filed in either the period subsequent or prior to the appropriate grant reporting period. A corrective action plan was approved to address the issue.

Safety

9. *Did the department have a current evacuation plan?*

Yes. There were no significant issues or control observations noted. The Office of the District Attorney General has an in-house plan that is routinely communicated to employees. Management of the Washington Square Building also maintains an evacuation plan about which the Office of the District Attorney General was readily knowledgeable.

10. *Did the department have a business continuity /disaster recovery plan?*

Yes. There were no significant issues or control observations noted. The Office of the District Attorney General has a business continuity/disaster recovery plan on file with Metro Nashville General Services.

## **OBSERVATIONS AND RECOMMENDATIONS**

### ***A – Leave Records Inconsistent Prior to January 2011***

Although the Office of the District Attorney General, 20<sup>th</sup> Judicial District, made a good faith effort during the time period reviewed for the audit, January 1, 2009, through December 31, 2010, to track and maintain records of paid time off and leave bank balances, records were inconsistent and, in some instances, incomplete during this period.

During the scope of the audit, leave records were maintained in a decentralized manner with supervisors or designated administrative staff of functional teams responsible for tracking paid time off and leave bank balances for employees within their division. Given the number of employees involved in the process, recordkeeping was inconsistent; the degree of adherence to the standard tracking system varied.

As of January 1, 2011, leave tracking has been centralized; two administrative employees, in the executive office, are responsible for tracking attendance and leave for the entire office. As a result, records appear to be more consistent and complete.

#### *Criteria:*

Personnel Manual, District Attorney General, Nashville: Chapter 4 Personnel Policies and Benefits, Section 4.11 Paid Time Off. The Personnel Manual states that it is essential that accurate records be kept.

#### *Risk:*

- Inaccurate recordkeeping increases the risk of abuse of leave policies.
- Inaccurate recordkeeping could lead to the appearance of inequitable application of leave benefits.
- The value of leave reporting is diminished when records are inconsistent, inaccurate and/or incomplete.

#### *Recommendation:*

Management of the Office of the District Attorney General, 20<sup>th</sup> Judicial District should continue to monitor the newly implemented centralize leave accounting tracking process to ensure Paid Time Off and Sick Leave is tracked consistently and accurately.

### ***B – Timekeeping Records for One Employee were Inaccessible***

Timekeeping records for one (1) employee, needed by the Metropolitan Nashville Office of Internal Audit to verify Paid Time Off and Sick Leave Bank balances were thought to have been destroyed and, hence, were inaccessible for employee reference. The records were from 2008. Subsequent to documentation requests by the Metropolitan Nashville Office of Internal Audit, supervisory personnel at the District Attorney's Office

discovered that timekeeping documentation had been backed-up by information technology services and was restored.

The General Records Schedule, published by the Metropolitan Nashville Clerk's Office in October 2001 and applied to all office of Metro Nashville, states that time and attendance reports must be kept for three years. This implies that records must be readily accessible.

Additionally, On-Site Retention, Off-Site Retention and Time Table for Destruction policies, approved by the District Attorney General, Victor S. (Torry) Johnson, III in June 2004, indicate that Personnel Files, including attendance records, should be kept permanently.

*Criteria:*

- Prudent Business Practice
- General Records Schedule, Metropolitan Nashville Clerk's Office, Section 304: Time and Attendance Reports
- On-Site Retention, Off-Site Retention and Time Table for Destruction, District Attorney General, Nashville, Personnel Files

*Risk:*

Premature destruction renders records incomplete. When records are inaccessible, they are not useful.

*Recommendation:*

Management of the Office of the District Attorney General, 20<sup>th</sup> Judicial District, should:

1. Retain time and attendance records for at least three years, to comply with the General Records Schedule of the Metropolitan Nashville Clerk.
2. Consider, for the sake of clarity, revising its internal policy to either comply with that of Metropolitan Nashville Clerk or to specifically override the General Records Schedule.

## ***C – Sick Leave Bank Liability Not Reported to Metro Nashville Finance***

Management of the Office of the District Attorney General, 20<sup>th</sup> Judicial District, did not report their Sick Leave Bank liability to Metro Nashville Human Resources for inclusion in annual obligation calculation by Metro Nashville Finance. The Office of the District Attorney General pays employees, upon resignation, for accrued Sick Leave Bank time, provided satisfactory documentation exists to support the accrual of time. However, this obligation was not reported annually to Metro Nashville Human Resources to be forwarded to the Division of Finance for inclusion in financial statement reporting.

Out of 126 Office of the District Attorney employees, 85 were on Metro Nashville's roster, which means that an obligation exists to pay for accrued Sick Leave Bank time. Thus, the liability must be included in the

Comprehensive Annual Financial Report of the Metropolitan Government of Nashville and Davidson County.

*Criteria:*

- Governmental Accounting Standards Board, Summary of Statement No. 16, Accounting for Compensated Absences (Issued 11/92)
- Personnel Manual, District Attorney General, Nashville: Chapter 4 Personnel Policies and Benefits, Section 4.11 Paid Time Off

*Risk:*

Failure to report Sick Leave Bank accruals annually to Metro Nashville Finance for inclusion in the calculation of Metro Nashville's liability affects the accuracy of the Comprehensive Annual Financial Report.

*Recommendation:*

Management of the Office of the District Attorney General, 20<sup>th</sup> Judicial District, should report, on an annual basis, accrued Sick Leave Bank time, earned by employees of Metro Nashville, to Metro Nashville Human Resources to be forwarded to Metro Nashville Finance Department for inclusion in the liability calculation for compensated absences.

## ***D – Timely Reclassification of Credit Card Expenditures from Clearing Account***

Journal entries, made to reallocate credit card purchases in the General Ledger, were not made timely for 25% of the randomly selected transactions tested. The Metropolitan Nashville Office of Internal Audit reviewed 48, randomly selected purchase transactions, made by the Office of the District Attorney General, using Metro Nashville issued credit cards. For 12 of the 48 transactions, 25% of the sample, journal entries made to reallocate the transactions from a General Ledger clearing account were not made timely, meaning that the entry was made at least two (2) months after the transaction occurred. In some instances, entries to the General Ledger were made ten (10) months after the transaction occurred.

*Criteria:*

Metro Nashville Finance Department, Policy #19, Credit Card

*Risk:*

The accuracy and usefulness of financial reporting is jeopardized when transactions are not posted timely.

*Recommendation:*

Management of the Office of the District Attorney General, 20<sup>th</sup> Judicial District, should ensure that credit card transactions are classified out of the General Ledger suspense account timely.

## ***E – Metro Nashville Authorization Requested Subsequent to Travel***

Metro Nashville travel authorization requests were made after trips were complete in 6 (24%) of the 25 instances of office travel tested. However, all travel conducted in our sample was authorized by the District Attorney General.

*Criteria:*

Metro Nashville Finance Department, Policy #18, Travel

*Risk:*

The usefulness and purpose of the travel authorization system is compromised if approvals are not sought timely.

*Recommendation:*

Management of the Office of the District Attorney General, 20<sup>th</sup> Judicial District, should ensure that appropriate authorization is obtained prior to travel.

## ***F – Metro Nashville Finance Department Fixed Asset Records Need to be Updated***

Metro Nashville Finance Department fixed asset records did not match Office of the District Attorney, 20<sup>th</sup> Judicial District's fixed asset records. Verification of physical existence was not possible for 21 of the 48 assets inventoried because the assets had been disposed. For 20 of the 21 inventoried assets, evidence of transfer or disposition was provided by the Office the District Attorney, 20<sup>th</sup> Judicial District, although the activity had not been recorded in EnterpriseOne. For the one remaining item, it was difficult to determine the specific asset details due to inherent Metro Nashville Finance Department accounting practices. An undetermined breakdown in the surplus/disposed asset process has resulted in inconsistent departmental fixed asset record in EnterpriseOne.

Management of the Office of the District Attorney General began working, prior to the conclusion of the audit, to rectify issues noted in this observation.

*Criteria:*

Metro Nashville Finance Department, Policy #14, Capital Assets states:

*“Each fiscal year, the Division of Accounts will send a listing of each department's capital assets to the department heads so they can perform a physical inventory. Any discrepancies between the capital asset listing and the physical inventory must be reported to the Division of Accounts within 6 weeks of receiving the listing.”*

*Risk:*

- The security of Metro Nashville assets is compromised when inventory listings are inaccurate.
- Metro Nashville resources may be lost through re-appropriation of assets.

*Recommendation:*

Management of the Office of the District Attorney, 20<sup>th</sup> Judicial District, should:

1. Work with Metro Nashville Finance Division of Accounts to ensure capital assets are tracked throughout the assets' lifecycle. This includes documentation of permanent or temporary transfers, disposals, and/or write-offs.
2. Annually conduct a physical inventory of capital assets and communicate the results to Metro Nashville Finance Division of Accounts.

## ***G – Tracked Asset Records Are Incomplete***

The record of tracked assets maintained by Metro Nashville Information Technology Services for the Office of the District Attorney General was incomplete. Metro Nashville Information Technology Services records indicated 14 computer workstations were assigned to the Office of the District Attorney General. It was apparent, that Metro Nashville Information Technology Services' listing was not comprehensive; in fact, an inventory maintained internally by the Office of the District Attorney General, indicates that 177 workstations were in use.

Only 7 workstations, out of 14 workstations on the Metro Nashville Information Technology Services computer records were listed on the records maintained by Office of the District Attorney General. For the remaining seven (7) workstations, two (2) workstations had been transferred to the Public Defender's Office and Metro Nashville Information Technology Services' records had not been updated to reflect the transfer. The existence of the remaining five (5) workstations on Metro Nashville Information Technology Services' records was verified, but they were not listed on the inventory maintained by the Office of the District Attorney General.

*Criteria:*

Metro Nashville Finance Department, Policy #14, Capital Assets states:

*"Tracked Assets are assets with a dollar value below the capitalization threshold of \$5,000 and should be tracked due to grant requirements, items of a sensitive nature, or items subject to theft."*

*Risk:*

- The security of Metro Nashville assets is compromised when inventory listings are inaccurate.
- Metro Nashville resources may be lost through re-appropriation of assets.

*Recommendation:*

Management of the Office of the District Attorney, 20<sup>th</sup> Judicial District, should coordinate with Metro Nashville Information Technology Services to ensure that their computer equipment inventory lists are accurate.

# GENERAL AUDIT INFORMATION

## STATEMENT OF COMPLIANCE WITH GAGAS

We conducted this compliance 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 observations 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.

## SCOPE AND METHODOLOGY

The audit focused primarily on the period January 1, 2009, through December 31, 2010. Financial balances, transactions, and compliance of the processes in place during the time of the audit were included. Certain analyses required the consideration of financial results, performance, and operations outside that period. The methodology employed throughout this audit was one of objectively reviewing various forms of documentation, including written policies and procedures, financial information and various forms of data, reports and information maintained by the Office of the District Attorney General, 20<sup>th</sup> Judicial District.

## CRITERIA

In conducting this audit, existing operations and processes at the Office of the District Attorney General, 20<sup>th</sup> Judicial District, were evaluated for compliance with:

- Metro Nashville Procurement Code
- Metro Nashville Finance Department Policies 14, 18, 19 & 20: Capital Assets, Travel, Credit Card & Purchasing
- Personnel Manual, District Attorney General, Nashville
- Governmental Accounting Standards Board, Summary of Statement No. 16, Accounting for Compensated Absences (Issued 11/92)
- General Records Schedule, Metropolitan Clerk's Office
- On-Site Retention, Off-Site Retention and Time Table for Destruction, District Attorney General, Nashville
- State of Tennessee, Travel Regulations
- U.S. General Services Administration, Continental United States Per Diem rates
- State of Tennessee, Office of Criminal Justice Programs Administrative Manual: 2010 – 2011
- Attorney General Guidelines for Victim Witness Assistance, United States Department of Justice, Office of Victims of Crime
- The Internal Control and Compliance Manual for Tennessee Municipalities, June 2009

## **STAFF ACKNOWLEDGEMENT**

Roxanne Caruso, CIA, In-Charge Auditor  
Joe McGinley, CISSP, Quality Assurance Coordinator

## **APPENDIX A. MANAGEMENT RESPONSE**

- Management's Responses Starts on Next Page -



OFFICE OF THE DISTRICT ATTORNEY GENERAL

VICTOR S. JOHNSON III  
*District Attorney General*

September 2, 2011

Mr. Mark Swann  
Metropolitan Auditor  
Office of Internal Audit  
222 3<sup>rd</sup> Avenue N., Suite 401  
Nashville, TN 37201

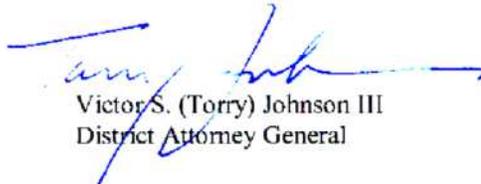
RE: Audit of the Operations of the District Attorney General, 20<sup>th</sup> Judicial District

Dear Mr. Swann:

Our office has reviewed the above referenced audit of operations for the Office of the District Attorney General, and we have considered the recommendations that were made. We have provided our responses to your findings and have established a timeline for any corrective measures.

We have appreciated the opportunity to work constructively and cooperatively with your staff.

Sincerely,



Victor S. (Torry) Johnson III  
District Attorney General

VSI/of

CRIMINAL DIVISION • 20<sup>TH</sup> JUDICIAL DISTRICT • DAVIDSON COUNTY

Washington Square, Suite 500 • 222 2nd Avenue North • Nashville, TN 37201-1649  
Tel. 615 862-5500 • Fax 615 862-5599

**Audit of the Office of the District Attorney General, 20<sup>th</sup> Judicial District  
Management Response to Audit Recommendations**

| Audit Recommendation  | Response to Recommendation / Action Plan   | Assigned Responsibility | Estimated Completion  |
|---|--|-------------------------|---|
| <p>A. Management of the Office of the District Attorney General, 20<sup>th</sup> Judicial District should continue to monitor the newly implemented centralize leave accounting tracking process to ensure Paid Time Off and Sick Leave is tracked consistently and accurately.</p>   | <p><b>Accept</b> - We agree that PTO time should be tracked consistently and accurately which is why the office instituted a centralized method for accounting for such time effective 1/1/11, as noted in the audit.</p>  | <p>DA/Executive</p>     | <p>Complete 1/12/2011</p>   |
| <p>B. Management of the Office of the District Attorney General, 20<sup>th</sup> Judicial District, should:</p> <ol style="list-style-type: none"> <li>1. Retain time and attendance records for at least three years, to comply with the General Records Schedule of the Metropolitan Nashville Clerk.</li> <li>2. Consider, for the sake of clarity, revising its internal policy to either comply with that of Metropolitan Nashville Clerk or to specifically override the General Records Schedule.</li> </ol> | <p><b>Accept</b> - Currently we retain attendance records permanently.</p> <p>The DA will revise this RDA to comply with the suggested retention schedule from the Metropolitan Clerk.</p>   | <p>DA/Finance</p>       | <p>RDA change to three (3) year retention pending next RDA schedule revision.</p>   |
| <p>C. Management of the Office of the District Attorney General, 20<sup>th</sup> Judicial District, should report, on an annual basis, accrued Sick Leave Bank time, earned by employees of Metro Nashville, to Metro Nashville Human Resources to be forwarded to Metro Nashville Finance for inclusion in the liability calculation for compensated absences.</p>   | <p><b>Accept</b> - Now that all attendance tracking has been centralized the DA will report "banked" sick leave liabilities to Metro HR on an annual basis.</p>  | <p>DA/Finance</p>       | <p>Following centralization of all PTO reporting effective 1/1/2011. DA will report accrued sick leave to HR effective 12/31/2011</p> |
| <p>D. Management of the Office of the District Attorney General, 20<sup>th</sup> Judicial District, should ensure that credit card transactions are classified out of the General Ledger suspense account timely.</p>   | <p><b>Partially Accept</b> - Efforts will be made to allocate credit card transactions to the appropriate object accounts in a more timely manner during FY2012. All credit card transactions are posted to the GL accounts by an automated monthly process from the credit card provider.</p> | <p>DA/Finance</p>       | <p>July 1, 2011</p>   |
| <p>E. Management of the Office of the District Attorney General, 20<sup>th</sup> Judicial District, should ensure that appropriate authorization is obtained prior to travel.</p>   | <p><b>Partially Accept</b> - All travel is pre-authorized by the District Attorney General. There are times when this authorization precedes the Metro online authorization system which can lag the travel event</p>  | <p>DA/Finance</p>       | <p>July 1, 2011</p>   |

**Audit of the Office of the District Attorney General, 20<sup>th</sup> Judicial District  
Management Response to Audit Recommendations**

| Audit Recommendation  | Response to Recommendation / Action Plan   | Assigned Responsibility | Estimated Completion       |
|---|--|-------------------------|----------------------------|
| <p>F. Management of the Office of the District Attorney, 20th Judicial District, should:</p> <ol style="list-style-type: none"> <li>1. Work with Metro Nashville Finance Division of Accounts to ensure capital assets are tracked throughout the assets' lifecycle. This includes documentation of permanent or temporary transfers, disposals, and/or write-offs.</li> <li>2. Annually conduct a physical inventory of capital assets and communicate the results to Metro Nashville Finance Division of Accounts.</li> </ol> | <p><b>Accept</b> – We make every effort to ensure that all capital assets are tracked throughout their life cycle. We will attempt to annually reconcile the EnterpriseOne fixed asset listings assuming that staffing is available to conduct the review.</p>   | <p>DA/Operations</p>    | <p>Complete 12/31/2011</p> |
| <p>G. Management of the Office of the District Attorney, 20th Judicial District, should coordinate with Metro Nashville Information Technology Services to ensure that their computer equipment inventory lists are accurate.</p>   | <p><b>Partially Accept</b> - The Justice Integration Services (JIS) Department has implemented a device called a "K-Box" purchased by DA to allow for all Justice agencies network devices to be inventoried "online". These inventories will be shared with ITS to substantiate "node" counts and assets in the revolving fund.</p> | <p>DA/Operations</p>    | <p>Complete 9/30/2011</p>  |