

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



April 2, 2021

Brenda Wynn, Davidson County Clerk
Davidson County Clerk
700 2nd Avenue South
Nashville, TN 37210

Dear Ms. Wynn:

Please find attached the monitoring report for the Davidson County Clerk. This report explains the results of our review of the agency's compliance with its delegated purchasing authority from September 2019 through February 2021. Staff from the Office of Financial Accountability conducted the fieldwork for this review in March 2021.

We appreciate the assistance provided by your department during the course of the review. If you have any questions, please call me at 615-862-6712.

Sincerely,

Kevin Brown

Kevin Brown, CMFO, CICA, CFE
Director, Office of Financial Accountability

cc: Gabi Castillo, Davidson County Clerk
Kevin Crumbo, Director, Department of Finance
Talia Lomax-O'dneal, Deputy Director, Department of Finance
Kim McDoniel, Deputy Director, Department of Finance
Tom Eddlemon, Deputy Director, Department of Finance
Mary Jo Wiggins, Deputy Director, Department of Finance
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Metropolitan Government of Nashville and Davidson County

DAVIDSON COUNTY CLERK

◆ **Monitoring Report** ◆

Conducted by



Office of Financial Accountability

April 2, 2021

MONITORING REPORT

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INTRODUCTION

The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a compliance monitoring review of the Davidson County Clerk (hereinafter referred to as “County Clerk”) delegated purchasing authority. The monitoring process included a review of the agency’s purchasing transactions that occurred during the fiscal year ending June 30, 2021. The OFA conducted the monitoring review along the compliance areas identified within the notice of Delegated Purchasing Authority that was granted to the County Clerk.

Department Background

The County Clerk is a constitutional officer elected to a four-year term; the clerk’s largest job is to maintain records of automobile titles issued in the county. The County Clerk also has the responsibility to receive fees, which are set by state law, for various transactions, such as motor vehicle registration, automobile titles, drivers’ license renewals, notary commissions, marriage licenses and passports. The County Clerk assists the State Department of Revenue in collecting automobile sales tax and privilege taxes. All revenues in excess of operating expenses are transferred to the Metro Nashville general fund for the maintenance and improvement of public services.

Per the Finance Office of Management and Budget FY 2021 Operating budget book, the County Clerk had an operating budget of \$4,992,300.00 with eighty-seven (87) budgeted positions. Their mission is to “Collect state and local revenues, fees, commissions, and taxes as required by law while providing exceptional customer service to taxpayers in our Motor Vehicle, Business, Marriage, Notary, and Passport divisions”.

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 County Clerk and, accordingly, does not express an opinion or any assurances regarding the financial statements of the County Clerk 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 County Clerk’s compliance with Metro guidelines, policies, rules, and regulations. Specifically, we reviewed for the following objectives:

- 1) To determine the agency’s compliance with their Notice of Delegation of Purchasing Agent’s Authority.
- 2) To determine the agency’s compliance with Metro’s official Procurement Policies and Regulations.
- 3) To determine whether purchasing 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 purchasing transactions program.

The scope of our review included purchasing transactions occurring between September 1, 2019 and February 9, 2021.

The monitoring review procedures included meeting with agency management and staff, reviewing internal controls over purchasing use, and examining certain financial records and supporting documentation to ensure compliance with requirements set forth in Metro’s official Procurement Policies and Regulations. Specific procedures included:

- Comparing purchasing transactions with procurement contracts, purchasing requisitions, and purchase orders issued through iProcurement.
- Comparing purchasing transactions with original receipts, supporting documentation and travel authorizations.
- Identifying split transactions that would circumvent Metro’s Procurement Policies and Regulations.
- Reviewing supporting documentation for accuracy, necessity and reasonableness.
- Investigating discrepancies and following up as necessary.

RESULTS OF MONITORING

The Office of Financial Accountability reviewed the Davidson County Clerk's expenditure transactions processed within R12 along with the department's credit card transactions. Tests were performed to determine the agency's compliance with its Notice of Delegation of Purchasing Agent's Authority and the Metro Procurement Regulations. Based upon the results of testing, the OFA concludes that the County Clerk's controls and processes are sufficient and are being followed regarding expenditure transactions. The County Clerk utilizes iProcurement to procure goods and services from existing contracts by issuing purchase orders, receipting the goods and services within iProcurement, and processing the invoices for payment within R12 utilizing a PO matched invoice.

Overall, the County Clerk is compliant with its Notice of Delegation of Purchasing Agent's Authority as well as Metro Procurement Regulations. No discrepancies or findings of non-compliance were noted during the review.