



METROPOLITAN NASHVILLE GOVERNMENT OFFICE OF INTERNAL AUDIT

Investigation Recommendations Follow-Up – Investigation of Metro Social Services Contracts

July 8, 2025

Metropolitan Nashville Audit Committee Members

Burkley Allen Tom Bates Angie Henderson Courtney Johnston Jenneen Reed Matthew Scanlan

EXECUTIVE SUMMARY



Purpose

On February 5, 2024, the Office of Internal Audit issued an investigation report regarding possible waste of funds. The scope of the investigation encompassed grant contract L-5004 and contract 6530492. The investigation report included two recommendations. The Office of Internal Audit guidelines require monitoring and follow-up to ensure that the recommendations assessed as high or medium risk are appropriately considered, effectively implemented, and yield intended results.

Audit Objectives and Scope



The objectives of this follow-up audit were to determine if the recommended actions or an acceptable alternative were implemented as of April 30, 2025.

The scope of the follow-up audit included two accepted recommendations that management reported as implemented.

What We Found



Both recommendations were fully implemented.

Recommendation	Status
1	Implemented
2	Implemented

What We Recommend



There are no recommendations as management successfully implemented the initial investigation recommendations.

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Background

The initial investigation report encompassed allegations that grant contract L-5004 and contract 6530492 wasted funds. The investigation report included two recommendations.

The Office of Internal Audit will close a recommendation only for one of the following reasons:

- The recommendation was effectively implemented.
- An alternative action was taken that achieved the intended results.
- Circumstances have so changed that the recommendation is no longer valid.
- The recommendation was not implemented despite the use of all feasible strategies or due to lack of resources. When a recommendation is closed for these reasons, a judgment is made on whether the objectives are significant enough to be pursued later in another assignment.

Methodology

To achieve the audit objectives, auditors performed the following steps:

- Reviewed relevant deposits and receipts.
- Reviewed newly established procedures.
- Evaluated any related internal controls currently in place.
- Considered risk of fraud, waste, and abuse.
- Considered information technology risks where applicable.

Scope

The scope of the follow-up audit included the two recommendations that management reported as implemented. Implementation was reviewed as of April 30, 2025.

Implementation Status Definitions

The following table shows the guidelines followed to determine the status of implementation.

Recommendation Implementation Status	
Implemented	The department or agency provided sufficient and appropriate evidence to support the implementation of all elements of the recommendation and the recommendation's implementation caused or significantly influenced the benefits achieved.
Partially Implemented	The department or agency provided some evidence to support implementation progress but not all elements of the recommendation were implemented.
Not Implemented Or No Longer Applicable	The department or agency did not implement a recommendation because: a) of lack of resources; b) an alternative action was taken that achieved the intended results; c) circumstances have so changed that the recommendation is no longer valid.

Follow-Up Results

The following are the investigation recommendations made in the original investigation report dated February 5, 2024, and the current implementation status of each recommendation based on our review of information and documents provided by Metro Social Services.

1

Recommendation

Review invoices against allowable charges in contracts to ensure overpayments do not occur.

Risk Level: Medium

Implementation Actions

Metro Social Services has reviewed vendor payment policies and procedures with staff regarding contract payment invoices. These invoices are also reviewed by the Finance Manager prior to payment.

Status

IMPLEMENTED

2

Recommendation

Request reimbursement of \$1,535.44 from HousingNOLA which includes unallowable expenses of \$1,130.48 under contract 6530492 and an overpayment of \$404.96.

Risk Level: Low

Implementation Actions

Reimbursement received for the overpayment of \$404.96. Request made for reimbursement of the unallowable expenses of \$1,130.48 on April 29, 2025.

Status

IMPLEMENTED

Government Auditing Standards Compliance

We conducted this performance 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 findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives

Audit Team

Jeremy Waldorf, In-Charge Auditor

Lauren Riley, CPA, CIA, ACDA, CFE, CMFO, Metropolitan Auditor

Appendix A: Management Acknowledgement Letter

Freddie O'Connell
Mayor



Renee Pratt
Executive Director
Metro Social Services

Metropolitan Government of Nashville and Davidson County

June 30, 2025

Ms. Lauren Riley
Metropolitan Auditor
Office of Internal Audit
404 James Robertson Parkway, Suite 190
Nashville, TN 37219

RE: Follow-Up Audit Grant Contract L-5004 & Contract 6530492

Dear Ms. Riley:

This letter acknowledges receipt of the initial draft report completed and received June 10, 2025, for the follow-up audit regarding Metro Social Services' possible waste of funds under grant contract L-5004 and contract 6530492.

Based on the recommendations provided, we have reviewed vendor payment policies and procedures with staff regarding contract payment invoices. Invoices are also reviewed by the Finance Manager prior to payment, to ensure overpayments do not occur in the future.

Additionally, reimbursements were requested for both an overpayment of \$404.96 and for unallowable expenses of \$1,130.48. To date, only the reimbursement for the overpayment has been received. Metro Social Services' Director of Administration, acting in the absence of the Finance Manager, will follow up on the original request made 04/29/25 by the previous Finance Manager, as to the status of the reimbursement for unallowable expenses.

Thank you for the recommendations.

Sincerely,

A handwritten signature in blue ink that reads "Renee Pratt".

Renee Pratt
Executive Director

