



Metropolitan Government of Nashville and Davidson County - Finance Dept. Policy: Fraud Reporting Act

Effective Date: October 30, 2014
Revision Date: September 16, 2025
Policy Number: 5.5
Sponsor: Division of Grants and Accountability

Purpose

To make Metro departments, agencies, and organizations aware of the Fraud Reporting Act (TCA: § 8-4-501-505) and the procedures required to report an incident to the Tennessee Comptroller of the Treasury and Metro government officials.

Definitions

Definitions appear on Attachment A.

General Policies

Departments, agencies and organizations of the Metro government shall comply with the requirements of the Fraud Reporting Act and shall be responsible for ensuring that their employees are aware of the Act.

It is the responsibility of the department to complete the Fraud Reporting Form when there is available information that reasonably causes them to believe that unlawful conduct has occurred. The Office of Internal Audit is the designated Metro division to confidentially report and investigate allegations of fraud, waste, and abuse. The office can assist any department in determining how to report fraud to the State.

When feasible, the Office of Internal Audit's Metropolitan Auditor and the Director of the Office of Financial Accountability, the Director of Law and the Department of Finance's Chief Accountant shall be notified of any reports that are to be filed prior to submission to the Tennessee Comptroller of the Treasury. When not possible, these parties shall be notified at the same time that the Tennessee Comptroller of the Treasury is notified. Identification of any additional steps and/or actions that are required of Metro will be determined based on the nature of the incident reported.

Applicable Local, State or Federal Regulations

Metro. Charter art. 8, § 8.103: The director of finance shall be responsible to the mayor for the administration of the financial affairs of the metropolitan government.

Metro. Charter art. 8, § 8.104: The budget officer, with the advice and assistance of the chief accountant, shall write, revise and maintain a proper standard procedure instruction manual to be followed by all officers, departments, boards and other agencies of the government to ensure uniform accounting and budgetary procedures.

Metro. Charter art. 8, § 8.105: The chief accountant shall maintain a general accounting system and such cost accounting records as shall be required by the director of finance.

Fraud Reporting Act Tenn. Code Ann. § 8-4-501-505

Metro. Code Sec. 2.24.300 allows the Office of Internal Audit to establish a process by which suspected illegal, improper, wasteful, or fraudulent activity could be reported.



Associated Policies

None.

Effective Date

This Policy Statement shall become effective upon issuance and shall be applied to all Metro departments and agencies.

Approvals

Approval of the Director of Finance

I hereby approve this Policy Statement of the Department of Finance and as such agree with and authorize the actions necessary to implement its requirements.

Jenneen Reed

Director of Finance

Date: September 16, 2025



Attachment A

TENNESSEE CODE ANNOTATED

Title 8 Public Officers and Employees Chapter 4 Comptroller of the Treasury Part 5 Local Government Instances of Fraud Reporting Act

Tenn. Code Ann. § 8-4-501 - 505

8-4-501. Short title (Effective May 22, 2007)

This part shall be known and may be cited as the "Local Government Instances of Fraud Reporting Act."

8-4-502. Part definitions (Effective March 5, 2018)

As used in this part, unless the context otherwise requires:

- (1) "Public entity" means any branch or agency of a county, municipality, public utility, utility district, entity created pursuant to any interlocal agreement, or any other political subdivision thereof;
- (2) "Public official" means a person elected or appointed to any office of a public entity;
- (3) "Reasonable amount of time" means any amount of time that is reasonable under the particular circumstances, but shall not under any circumstances exceed five (5) working days; and
- (4) "Unlawful conduct" means theft, forgery, credit or debit card fraud, or any other act of unlawful taking, waste, or abuse of, or official misconduct, as defined in § 39-16-402, involving public money, property, or services.

8-4-503. Reporting (Effective March 5, 2018)

(a) A public official with knowledge based upon available information that reasonably causes the public official to believe that unlawful conduct has occurred shall report the information in a reasonable amount of time to the office of the comptroller of the treasury.

(b) A certified public accountant or firm conducting an audit, investigation, or other engagement under a contract with the comptroller of the treasury, or with a public entity that requires approval by the comptroller of the treasury, shall promptly report, any reasonable suspicion of unlawful conduct to the office of the comptroller of the treasury.

(c) The comptroller of the treasury shall have the power to prescribe the method of making the reports. **8-4-504. Immunity (Effective March 5, 2018)**

(a) If acting in good faith, a public official, or certified public accountant or firm, makes a report, as required by § 8-4-503, the person or firm shall not be liable in any civil or criminal action that is based solely upon:

- (1) The person's or firm's decision to report what the person or firm believed to be unlawful conduct;
- (2) The person's or firm's belief that reporting the unlawful conduct was required by law or contract; or
- (3) The fact that a report of unlawful conduct was made.

(b) No immunity conferred pursuant to subsection (a) shall attach if the person or firm reporting the unlawful conduct:

- (1) Participated in or benefited from the conduct; or



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(2) Knowingly provides false information pursuant to the part.

8-4-505. Confidentiality (Effective August 14, 2008)

The detailed information received and generated pursuant to this part shall be considered confidential working papers of the comptroller of the treasury and is therefore not an open record pursuant to title 10, chapter 7.



Attachment B

Report Fraud Waste and Abuse

Please provide name of the entity, agency, or department involved

Please provide the names, job titles, and departments of the individuals involved

In your own words, please describe the who, what, when, where, how and nature of the fraud, waste or abuse (please provide as much detail as possible, including names and positions of those involved; nature of the fraud, waste or abuse; dates and times; amounts; records involved; how the fraud was discovered; etc)

Please provide name of the entity, agency, or department involved City/Town, School, Utility District, Not for Profit, State Agency, County, Government/Agency, Other

How were you made aware of the problem?

If you reported your concern to any other official, department, or agency, please list them here

Please explain how you think government or public funding is involved in this matter

Please identify your relationship to the organization in question Citizen, CPA, Public Official, Other

Contact info for individual reporting

For CPAs/Public Officials - please provide your name, title, and contact information.

For Citizens - If you wish to remain anonymous, you do not have to provide contact information. However, we encourage you to provide your contact information if we have any follow-up questions that may arise during our review. The information you provide in this notification is considered confidential under Tennessee Code Annotated Section 8-4-407. However, we cannot guarantee anonymity or complete confidentiality. If the Comptroller's Office has a separate legal obligation to cooperate in subsequent criminal, civil or administrative legal proceedings related to your allegation(s). The Comptroller's Office does not provide you, or anyone else, with status updates on your allegation(s). If additional information is needed from you, we will contact you.

Please Mail To

Comptroller Of The Treasury
Division of Investigations
Cordell Hull Building
425 Rep. John Lewis Way N.
Nashville TN, 37243