

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



September 23, 2019

Diane Lance, Executive Director  
Metro Office of Family Safety  
610 Murfreesboro Pike  
Nashville, TN 37210

Dear Ms. Lance:

Please find attached the monitoring report for the Metro Office of Family Safety. This report explains the results of the review of your agency's federal and state grants and other financial assistance for the fiscal years 2017 and 2018 listed in Appendix A. Staff from the Office of Financial Accountability conducted the fieldwork for this review in August 2019. You previously reviewed and responded to a preliminary report; your responses to that report have been incorporated into this final report under "Management's Comments."

We appreciate the assistance provided by your department during the course of the review. If you have any questions, please call me at 615-880-1035.

Sincerely,

Fred Adom, CPA, CGMA, CICA  
Director

cc: Andrew Sullivan, Chief Financial Officer, Metro Office of Family Safety  
Talia Lomax-O'dneal, Director of Finance, Department of Finance  
Kim McDoniel, Deputy Director of Finance, Department of Finance  
Chris Harmon, Budget Officer, Department of Finance  
Phil Carr, Division of Accounts, Department of Finance  
Gina Pruitt, Interim Metropolitan Auditor, Office of Internal Audit  
Kevin Brown, CMFO, CICA, CFE, Office of Financial Accountability  
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability  
Dolly Cook, CICA, Office of Financial Accountability

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*Metropolitan Government of Nashville and Davidson County*

# **METRO OFFICE OF FAMILY SAFETY**

◆ **Monitoring Report** ◆

**Conducted by**



**Office of Financial Accountability**

September 23, 2019

# MONITORING REPORT

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## INTRODUCTION

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The Office of Financial Accountability (hereinafter referred to as “OFA”) has completed a monitoring review of the federal and state grants and contracts administered by the Metro Office of Family Safety (hereinafter referred to as “Family Safety”). The monitoring process included a review of the contracts in effect during the fiscal year ending June 30, 2017 and 2018. The contracts reviewed are listed in Appendix A. The OFA conducted the monitoring review along the major compliance areas identified in the Office of Management and Budget (hereinafter referred to as “OMB”) 2 CFR 200, “*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*”

### Department Background

According to the Office of Family Safety’s website, their mission “is to oversee the services provided by the Jean Crowe Advocacy Center and the Family Safety Center, to guide the implementation of the Metropolitan Government’s current and future safety and accountability assessment report(s) and to assist in the coordination of services provided to interpersonal violence victims by Metropolitan Government and partner agencies”. Per the Office of Family Safety’s 2018 Annual Report, the work of the Office of Family Safety falls into four categories: 1) direct client services provided at the JCAC and the Family Safety Center; 2) high risk programming; 3) training and outreach; and 4) volunteers and donations.

Per the FY 2020 Operating budget book, the Office of Family Safety had an operating budget of \$3,256,800.00 with thirty-nine (39) budgeted positions.

### Grants Reviewed:

The purpose of this review was to assess the Office of Family Safety’s compliance with contractual requirements set forth in the following grant contracts that provided approximately \$1,300,588.00 of financial assistance to the Office of Family Safety.

#### OVW Encourage Arrest Policies and Enforcement of Protection Orders 15-18

The Office of Family Safety was awarded a grant in the amount of \$706,464.00 from the U.S. Department of Justice, Office on Violence Against Women (OVW) to enable the implementation of a countywide risk/lethality program, to create and implement a civil/legal advocacy program for order of protection hearings, and to improve the substance and quality of presentations.

#### VOCA Family Justice Center Navigator or Advocate 16-18

The Office of Family Safety was awarded a grant in the amount of \$100,000 from the State of Tennessee, Office of Criminal Justice Programs. The purpose of the Family Justice Center

## INTRODUCTION

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Navigator or Advocate 16-18 grant was to provide a position to assist clients as they enter the Family Justice Center and to help with data collections.

### **STOP, Fatality Review Technical Assistant 17-20**

The Office of Family Safety was awarded a grant in the amount of \$264,000 by the State of Tennessee, Department of Finance and Administration to promote a coordinated, multi-disciplinary approach to improving the criminal justice system's response to sexual assault, domestic violence, dating violence and stalking crimes.

### **STOP Civic Legal Advocacy 15-16**

The Office of Family Safety was awarded a grant in the amount of \$225,000 from the State of Tennessee, Department of Finance and Administration for Civic Legal Advocacy to improve the criminal justice system by the STOP Violence Against Woman Grant Program (STOP).

### **Cherished Hearts 18-19**

The Office of Family Safety was awarded a grant in the amount not to exceed \$96,179.00 from the State of Tennessee, Department of Mental Health and Substance Abuse Services for the Cherished Hearts Human Trafficking Intervention Court. The purpose of the grant is to identify and help victims of human trafficking in conjunction with the Cherished Hearts Human Trafficking Intervention Court.

## OBJECTIVES, SCOPE & METHODOLOGY

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A monitoring review is substantially less in scope than an audit. The OFA did not audit the financial statements for the Office of Family Safety and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Office of Family Safety 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 department’s compliance with grantors and Metro guidelines, policies, rules, and regulations. Specifically, we reviewed for the following objectives:

- To determine whether activities and costs of the program were made in accordance with OMB Circular 2 CFR 200; the minimum federal, state and local requirements; and grantor guidelines.
- To determine whether the minimum requirements for local matching contributions and/or adequate level of expenditures by other sources of funds are met.
- To determine whether grant funds were used exclusively during the period in which the funds were authorized.
- To determine the reliability and timeliness of the financial and programmatic reporting.
- To determine whether federal compliance requirements regarding sub-recipient oversight were met and whether the sub-recipient performed in accordance with the contract terms.
- To determine whether civil rights requirements are met.
- To determine whether program objectives were met.
- To determine whether the various Metro regulations were followed.

The scope of the work included the grants listed in Appendix A. The grant period reviewed included grants that were active during FY 2017 and FY 2018. Although the review focused on this specific time period, certain analyses required the consideration of financial transactions outside of this time period.

The methodology adopted by the OFA encompassed various interviews and an objective review of fiscal and programmatic files, including:

- Financial transactions and supporting documentation
- Contract agreements and related amendments
- Federal and/or state financial reports
- Program reports and supporting documentation
- Correspondence between related parties.

## RESULTS OF MONITORING

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### Overall Findings and Major Review Highlights

Our review revealed five discrepancies with policies and grant requirement guidelines. The Office of Family Safety:

1. Failed to use the proper procedures entering into contracts with non-Metro government entities.
2. Needs to improve its compliance with their Notice of Delegation of Purchasing Agent's Authority Requirements
3. Needs to improve its monitoring of sub-recipients.
4. Needs to improve compliance with in-kind matching requirements.
5. Needs to improve compliance with Metro Finance Policy: #19 Credit Cards.

The section that follows provides more detailed information for the items listed above. Management is given an opportunity to respond to the findings.



## **FINDINGS, RECOMMENDATIONS & MANAGEMENT'S RESPONSE**

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1. Failed to use the proper procedures entering into contracts with non-Metro government entities

### Finding

The Office of Family Safety entered into contracts/arrangements for services with several non-Metro government local Non-Profit agencies as sub-recipients without using the formal process for sub-recipient grant contracts process. The Family Safety had entered into Memorandum of Understanding (MOUs) agreements, were signed by the NPO Executive Director and the Director Metro Office of Family Safety. The MOUs lacked the required signatures review and approval of the Metro Finance Director, Metro Legal Director, and Metro Risk Management. Failure to obtain these required approvals violates metro policies and could potential obligate metro without the consent and proper approval; and also improperly authorized expenditures to Non-Profit Agencies.

### Recommendation

The Office of Family Safety should immediately cease the use of interagency MOUs with Non-Profit entities outside of Metro Government Nashville and Davidson County.

The Office of Family Safety should take the necessary steps to enter into grant contracts with the Non-Profit agency, which would require review and approval by the Metro Finance Department, Metro Legal Department, Risk Management and ultimately review and approval by the Metropolitan Council.

### Management's Comment

Concur. It is very helpful to know that the Metro approved contract is not sufficient to distribute funds to sub-contractors under grants. We will make sure to create stand-alone contracts in the future.

2. Needs to improve its compliance with their Notice of Delegation of Purchasing Agent's Authority Requirements

### Finding

The Office of Family Safety needs to increase its compliance with their Notice of Delegation of Purchasing Agent's Authority. The Office of Family Safety utilized grant funding to procure professional services in excess of \$1,000.00 but not greater than \$10,000.00 without obtaining three written quotes as required by the department's delegated purchasing authority. Per the Notice of Delegation of Purchasing Agent's Authority #5) *"For Non-contract purchases under \$10,000.00 but greater than \$1,000.00 the department may issue a purchase order to the firm with the lowest quote*

## **FINDINGS, RECOMMENDATIONS & MANAGEMENT'S RESPONSE**

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for like item(s). Three quotes are required and attached to the purchase order file as a PDF (inside iProcurement).” Additionally, per the Notice of Delegation of Purchasing Agent’s Authority #10, “for purchases under \$10,000.00, documentation must be current, maintained complete and accessible for three years running. These procurements are subject to audit and must include at a minimum: justification for why it was processed outside iProcurement, the quotes, award information documentation, and any information supporting the purchase.”

### **Recommendation**

The Office of Family Safety should take the necessary steps to ensure compliance with all of the department’s Notice of Delegation of Purchasing Agent’s Authority requirements.

### **Management’s Comment**

Concur. OFS will follow Metro purchasing requirements for grants as well.

### **3. Needs to improve its monitoring of sub-recipients.**

### **Finding**

The Office of Family Safety needs to improve its sub-recipient monitoring. The Office of Family Safety meets monthly with its sub-recipients, in order to discuss programs goals and to review case files; however, the Office of Family Safety fails to fully document their sub-recipient monitoring process. Review of the documentation provided to support its sub-recipient monitoring revealed that it appears as though they document the results of a board meeting and not the results of the monitoring process. The Office of Family Safety is required to monitor the grant sub-recipients for compliance with all of the terms and conditions of the grant contract including both programmatic and financial requirements.

### **Recommendation**

The Office of Family Safety should implement a formal monitoring process which includes documenting the results of its sub-recipient monitoring activities. The documented results should contain the results of both programmatic and fiscal monitoring activities.

### **Management’s Comment**

Concur. OFS will formalize future sub-recipient monitoring in a manner that documents items reviewed/monitored.

## **FINDINGS, RECOMMENDATIONS & MANAGEMENT'S RESPONSE**

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### **4. Needs to improve compliance with in-kind matching requirements.**

#### **Finding**

The Office of Family Safety needs to improve compliance with in-kind matching requirements of grant contracts. Both the STOP Civil Legal Advocacy 15-16 and the VOCA Family Justice Center Navigator or Advocate 16-18 grant required the Office of Family Safety to provide an in-kind match. The Office of Family Safety included donated office space as part of the in-kind match for both grants; however, the Office of Family Safety incorrectly calculated the value of their in-kind match as a result of applying an incorrect formula.

Based upon review of information provided, in calculating the value of its in-kind match for the VOCA Family Justice Center Navigator or Advocate 16-18 grant, the Office of Family Safety applied an hourly rate times the hours the employee worked to determine the value of the donated office space.

Additionally, in calculating the value of its in-kind match for the STOP Civil Legal Advocacy 15-16, the Office of Family Safety applied the market rate times the number of hours the employee worked in order to determine the value of the donated office space.

The value of donated office space is calculated by using the total square feet multiplied by either the occupancy cost per square foot or by applying the current market rental rate. Incorrect calculation of in-kind match valuation, could potentially lead to questioned costs during an audit.

#### **Recommendation**

The Office of Family Safety should take the necessary steps to identify and report the best practices for calculating in-kind match.

#### **Management's Comment**

Concur. In the future, OFS will ensure that Metro agrees with grant funders on what constitutes in-kind match.

## **FINDINGS, RECOMMENDATIONS & MANAGEMENT'S RESPONSE**

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### **5. Needs to improve compliance with Metro Finance Policy: #19 Credit Cards.**

#### Finding

The Office of Family Safety needs to improve its compliance with Metro Finance Policy #19: Credit Cards. The Office of Family Safety used credit cards to purchase gift cards in \$50.00 increments from various stores under the Cherished Hearts grant program to assist participants with basic living necessities. It must be noted that the Office of Financial Accountability is not questioning the allowability of the purchase but rather are questioning the methods of the purchase. Per Metro Finance Policy #19: Credit Cards, Section 5) Prohibited Uses, b) *“the credit card shall not be used for cash advances, gift cards, donations or other cash equivalents, purchases of alcoholic beverages, or any personal uses.”*

#### Recommendation

The Office of Family Safety should take the necessary steps to ensure that cardholders of a Metro Credit card comply with rules and regulations as stated within their Notice of Purchasing Delegation, the M.C.L. Title 4 Procurement Code, and Metro Finance Policy #19: Credit Card Policy, and the Cardholder Responsibility Acknowledgement Agreement.

#### Management's Comment

Concur. OFS is working to find a Metro approved way to purchase gift cards under the grant contract.

## APPENDIX A

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Grant	Resolution #	Grant Period		Award Amount	Findings
OVW Encourage Arrest Policies and Enforcement of Protection Orders 15-18	RS2015-48	10/1/2015	9/30/2018	\$706,464.00	Y
VOCA Family Justice Center Advocate Navigator 16-18	RS2016-279	7/1/2016	6/30/2018	\$100,000.00	Y
STOP, Fatality Review Technical Assistance 17-20	RS2017-980	1/1/2017	6/30/2020	\$264,000.00	Y
STOP Civil Legal Advocacy 15-16	RS2015-1588	08/15/2015	06/30/2018	\$225,000.00	Y
Cherished HEARTS	RS2018-1392	11/1/2018	9/30/2019	\$96,179.00	Y