

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**



September 5, 2019

Lucy Kempf, Executive Director  
Metro Planning Department  
800 Second Avenue South  
Nashville, TN 37210

Dear Ms. Kempf:

Please find attached the monitoring report for the Metro Planning Department. This report explains the results of our review of the agency's compliance with its delegated purchasing authority during fiscal year ended June 30, 2018. Staff from the Office of Financial Accountability conducted the fieldwork for this review in June 2019.

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: George Rooker, Chief Financial Officer, Metropolitan Planning Department  
Jeffrey Leach, Metropolitan Planning Department  
Talia Lomax-O'dneal, Director of Finance, Department of Finance  
Kim McDoniel, Deputy Director of Finance, Department of Finance  
Michelle Hernandez-Lane, Chief Procurement Officer, Department of Finance  
Tom Eddlemon, Metropolitan Treasurer, Department of Finance  
Chris Harmon, Budget Officer, Department of Finance  
Phil Carr, Division of Accounts, Department of Finance  
Gina Pruitt, Acting 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 PLANNING DEPARTMENT**

**◆ Monitoring Report ◆**

**Conducted by**



**Office of Financial Accountability**

September 5, 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 compliance monitoring review of the Metro Planning Department’s (hereinafter referred to as “Metro Planning”) delegated purchasing authority. The monitoring process included a review of the agency’s purchasing transactions that occurred during the fiscal year ending June 30, 2018. The OFA conducted the monitoring review along the major compliance areas identified the notice of Delegated Purchasing Authority that was granted to the agency’s Executive Director.

### Department Background

According to the Metro Planning Department’s website, their mission “is to provide design guidance, reviews zoning and subdivision applications, and shapes public policy related to growth and development.” The Planning Department is responsible for providing recommendations to the Planning Commission. Per the FY 2020 operating budget book, the mission of the Planning Commission is to “guide growth and development as Nashville and Davidson County evolve into a more socially, economically and environmentally sustainable community, with a commitment to the preservation of important assets, efficient use of public infrastructure, distinctive and diverse neighborhood character, free and open civic life, and choices in housing and transportation.” The Planning Commission is comprised of ten (10) members for whom the Mayor and the Chairman of the Planning and Zoning Committee of the Metro Council are charter members. The Mayor appoints the remaining eight (8) members who serve staggered four (4) year terms.

Per the FY 2020 operating budget book, the Planning Department had an operating budget of \$5,961,400.00 with fifty (50) budgeted positions.

## OBJECTIVES, SCOPE AND 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 Metro Planning Department and, accordingly, does not express an opinion or any assurances regarding the financial statements of the Metro Planning 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 Metro Planning’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 during fiscal year 2018.

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 in order to 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

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The Office of Financial Accountability reviewed expenditure transactions processed by the Metro Planning by both direct payment vouchers and invoices process by three way match along with credit card transactions. Tests were performed to determine the agency's compliance with its Delegated Purchasing Authority and the Metro Procurement Regulations. Based upon the results of testing, the OFA concludes that the Metro Planning's controls and processes are sufficient and are being followed regarding expenditure transactions. The Metro Planning are utilizing iProcurement to procure goods and services off of existing contracts by issuing purchase orders, are receipting the goods and services within iProcurement, and are processing the invoices for payment within EBS by three way match (PO, Receipt document, and Invoice). In addition, test revealed that Metro Planning use of direct payment vouchers for processing of invoices were primarily for travel reimbursements for which is compliant with the agency's Delegated Purchasing Authority.

Overall, the Metro Planning Department is compliant with its Delegated Purchasing Authority as well as Metro Procurement Regulations. No discrepancies or findings of non-compliance were noted during the review.