

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY



December 13, 2016

Megan Barry, Mayor
Mayor's Office
100 Metro Courthouse
Nashville, TN 37201

Dear Honorable Megan Barry:

As you requested, we have completed a review of credit cards use by all Metro departments. We have issued individual detail reports of each department's compliance with the Metro credit card policies and requirements; and each applicable department had a chance to respond to issues raised in their reports. This report is a summary of the results of all departments, with links imbedded to the final reports of each department.

We appreciate the opportunity and we hope this sheds light on the state of the credit card use in Metro. If you have any questions, please call me at (615) 880-1035.

Sincerely,

Digitally signed by Fred Adom, CPA, CGMA, CICA
DN: cn=Fred Adom, CPA, CGMA, CICA, o=Metro Department of Finance, ou=Office of
Financial Accountability, email=fred.adom@nashville.org, c=US
Date: 2016.12.13 20:06:32 -06'00'

Fred Adom, CPA, CGMA, CICA
Director, Office of Financial Accountability

cc: Rich Riebeling, Mayor's Office
Talia Lomax-O'dneal, Director of Finance, Department of Finance
Gene Nolan, Deputy Director of Finance, Department of Finance
Kim McDoniel, Deputy Director of Finance, Department of Finance
Tom Eddlemon, Metropolitan Treasurer, Department of Finance
Mark Swann, Metropolitan Auditor, Office of Internal Audit
Kevin Brown, CMFO, CICA, CFE, Office of Financial Accountability
Essie Robertson, CPA, CMFO, CICA, Office of Financial Accountability
Matthew Fouad, Office of Financial Accountability

COMPREHENSIVE REPORT METRO NASHVILLE CREDIT CARDS REVIEW



MONITORING REPORT

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12/13/2016

Project Overview

BACKGROUND

Metro Nashville's Credit Card Program is a credit card based method of acquiring and paying for necessary goods and services. Credit cards are issued to select Metro employees within departments, with delegated authority from the Metro Purchasing Agent. The cards are embossed with the names of both the employee and Metro Nashville Government. Only the employees whose names are embossed on the card are authorized to use the card. All credit card purchases are required to be for official business of Metro Nashville Government.

Metro has established policies and procedures regarding credit card use; cardholders are required to sign cardholder agreements prior to being issued the credit card. The credit card agreements and the Metro Credit Card Policy provide guidance to the cardholders and offers resources for addressing issues when necessary.

This comprehensive review of credit card use by all Metro Departments was conducted at your request. The review covered all 50 departments with Metro credit cards; the results of all departments' performance and compliance with the established credit policy are included in this report. The Office of Financial Accountability (OFA) performed the reviews of all departments with credits cards with the exception of the Finance Department and the Human Relations Commission due to the following reasons:

1. The OFA is a division within the Finance Department 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. The OFA also conducts prompt pay performance, delegated purchasing authority, and procurement reviews, including credit card usage by Metro departments. In order to avoid the appearance of conflict of interest, the Finance Director requested that the review of the Finance Department to be conducted by the Office of Internal Audit.

The Office of Internal Audit provided the results of its review of the Finance Department to the OFA; and the results have been incorporated into this comprehensive report.

2. The review of the Human Relations Commission's credit card usage was also conducted by the Office of Internal Audit as part of the department's regularly scheduled complete financial audit.

At the time of release of this comprehensive report, the Office of Internal Audit had not completed the audit of the Human Relations Commissions; therefore the results of the HRC's credit card usage were not included in this report.

OBJECTIVE OF THE REVIEW

The overall monitoring objective was to evaluate the adequacy of management controls currently in place over the Metropolitan Nashville Government Credit Card Program and to determine whether card purchases were proper and in compliance with Metro policies and procedures.

SCOPE OF THE REVIEW

The review period was July 1, 2012 through February 29, 2016. Although the review focused on this specific time period, certain analyses required the consideration of financial transactions outside of this time period.

Our review procedures included meeting with agency management and staff, reviewing internal controls over credit card use, and examining certain financial records and supporting documentation to ensure compliance with requirements set forth in Metro's official procurement policies. Specific procedures included:

- Comparing credit card charges with original receipts, supporting documentation and travel authorizations.
- Reviewing supporting documentation for accuracy, necessity and reasonableness.
- Identifying split purchases and unauthorized or fraudulent transactions.
- Investigating discrepancies and following up as necessary.

Comprehensive Report

Metro Nashville Credit Cards Review

RESULTS

Were Metro departments in compliance with existing Credit Card Policy?

Generally, Yes. Forty-nine (49) Metro Nashville Government departments and agencies utilized 281 credit cards to make 35,337 transactions totaling approximately \$7,889,829.00 during the review period, July 1, 2012 through February 29, 2016. The OFA sampled and tested 5,547 transactions, representing 16% of the total transactions and 17% of the total value (\$1,348,370.00).

Table 1a in the appendix presents additional detail information about each department.

The results indicate that the Metro Government as a whole performed well in compliance with credit policies and procedures; however, there are a few areas that need improvement. There are several Metro departments that performed very well in regards to compliance with the credit card policy and retention of adequate documentation to support those charges. Overall, out of the almost \$1.4 million of credit card expenses sampled and tested, only \$9,530.65 (1%) were determined to be for personal items, i.e. for non-Metro business. The OFA noted that only ten (10) of the fifty (50) Metro departments with credit cards were found with issues deemed non-Metro business; in addition only three (3) of the ten were considered significantly non-compliant. The OFA issued individual reports with results of each department's review; those reports include details which are not addressed in this comprehensive summary report but can be found at <http://www.nashville.gov/Finance/Financial-Accountability/Credit-Card-Reviews.aspx>

Table 1b in the appendix presents the results of the reviews at a glance.

Did the review identify areas that need improvement?

Generally Yes. The OFA review revealed several deficiencies that need improvement. The deficiencies included:

1. Improper use of the Metro credit card for non-Metro business
2. Lack of adequate supporting documentation on file
3. Failure to document the business purpose of charges; especially when it relates to meals
4. Missing signature or proof of the cardholder making the charge.
5. Improper use of the Metro credit card to procure contracted items
6. Failure to exercise tax exempt status; by paying sales tax
7. Charges for travel expenses without approved out of state travel documentation.

These deficiencies are discussed in detail below:

1. Improper Use of the Metro Credit Card for Non-Business Transactions.

The OFA identified one hundred eighteen (118) transactions, approximately two percent (2%) of the transactions reviewed, across ten (10) departments which appears to have been personal in nature and not for authorized Metro business. The 118 transactions totaled \$9,530.35 (1%) of the expenditures reviewed. The charges included supplies and direct payments for expenses associated with non-profit organizations, charitable donations, unsupported charges for meals, alcohol, gift cards, flowers, holiday gifts, and supplies for retirement parties.

Per *Metro Finance Policy #19: Credit Card Section 3) Expectations of Cardholders c) "Use of the credit card for personal expenses is a misappropriation of Metro Funds. Any use of the credit card for personal expenses will result in cancellation of the card and may result in disciplinary action. Any cardholder who uses the card for personal charges will be barred from future use of a Metro card."* In addition, per the *Metro Credit Card Cardholder Responsibility Acknowledgement* that details the responsibilities of the cardholder, for which is reviewed and signed by the cardholders prior to taking physical possession of the Metro credit card, states *"I will not use the card for any non-Metro purpose including personal expenses."*

See Chart 1 in the appendix.

It must be noted that several departments have reimbursed Metro for these non-business charges. The reimbursements listed in Table 1c have been verified as being credited into Metro accounts.

2. Lack of Adequate Supporting Documentation on File

The results of the review indicate that thirty-three (33) of the fifty (50) departments failed to maintain invoices and/or sales receipts to support 661 out of 5,547 (12%) charges to the cards reviewed.

Without supporting documentation, the OFA was unable to verify the items purchased and/or confirm the transactions were for authorized Metro business. Per *Metro Finance Policy #19 Credit Cards 3) Expectations of Cardholders b) "Cardholders should collect and maintain proper sales receipts and invoices to support all charges. Proper sales receipts should include adequate description of the items purchased and the individual benefitting (when applicable). Credit card charge slips are not sufficient support."*

See Chart 2 in the appendix.

3. Failure to Document the Business Purpose of Charges; Especially When it Relates to Meals

Metro credit cardholders failed to document the business purpose for one hundred thirty-five (135) credit card transactions. The OFA noted that those transactions, mainly to local restaurants, appeared to be associated with a group of participants, based upon a listing of individuals in attendance, without any indication or documentation of the business necessity for the expenditures.

Per *Metro Finance Policy #19: Credit Cards states under Section 5) Prohibited Uses, "a) The credit card generally should not be used to purchase meals unless the cardholder is on an approved travel status. (Please see the Travel Policy for details). When it is necessary to use the card for payment for a planned office event, the cardholder should ensure that there is proper documentation, approved by the Department or designee authorizing the use of the card."* Metro Finance Policy #19 further states, under Section 6) Documentation Requirements, "b) Use of the Metro credit card for meals at local restaurants is generally not allowable. When charges for meals at local restaurants are necessary, the cardholder shall maintain detailed documentation to justify the charges. The documentation at a **minimum** include detailed information such as (a) the list of individuals that participated/attended the meeting/luncheon, (b) time, (c) place, (d) and an agenda or document that describes the business purpose of the meeting and meal."

See Chart 3 in the appendix.

4. Missing Signature or Proof of the Cardholder Making the Charge

The OFA noted that 27% of the transactions for which the supporting documentation was provided was not signed or initialed by the cardholder. Cardholder's signature is a vital part of the necessary documentation to support the credit card charges. It serves two purposes, 1) it shows that the cardholder was in fact the person who used the card to complete the transaction and 2) it identifies the individual that authorized to use the credit card.

Per Metro Finance Policy #19 2) Card Authorization a) *"Only the employee whose name is embossed on a credit card may use the card. No other person is authorized to use the card. The use of the card shall not be delegated to any other person. Cardholder shall use the credit card for Metro authorized purchases only."* In addition, per the Metro Credit Card Cardholder Responsibility Acknowledgement, *"the card issued to me must not be used by anyone other than myself. (This includes other Metro employees)."*

See Chart 4 in the appendix.

5. Improper Use of the Metro Credit Card to Procure Contracted Items

Fourteen Metro departments used credit cards to make one hundred fifty-three (153) transactions totaling \$16,532.67 to purchase items which Metro government has under contract, mainly office and coffee supplies and printing services. While the transactions were a legitimate business expense, the purchase of contracted items with a Metro credit card is a violation of Metro policy. The Procurement Division within the Finance Department has a contract with a vendor to provide office supplies and multiple vendors to provide coffee supplies at a discounted rate. Therefore, while the purchasing of office and coffee supplies, off metro contract, is for legitimate business, it is considered potentially wasteful in the aspect that the department is failing to take advantage of the discounted pricing that is available through the Metro contract.

Per Metro Finance Policy #19: Credit Cards 1) General Policies a) *"the credit card can be used to purchase and make payment for approved transactions only including travel and related cost (hotels, car rentals, food, and ancillary items), petty cash type purchases, conference registrations, subscriptions and emergency purchases (as defined by the Purchasing Agent). **Note: All purchases are subject to established purchasing regulations. The credit card is not a payment/purchasing card and is not to be used for routine procurements from contracted suppliers."***

See Chart 5 in the appendix.

6. Failure to Exercise Tax Exempt Status; by Paying Sales Tax

Thirty-five Metro departments improperly paid Tennessee sales tax on four hundred forty-nine (449) transactions totaling \$4,525.68. Based on the responses to inquiries it was evident that some cardholders were not aware of the exemption, others did not know where to locate the exemption form; and others made no effort to obtain exemption in some circumstances.

Per *Metro Finance Policy #19 3) Expectations of Cardholders d) "Cardholders are also responsible for identifying and disputing erroneous charges, including Tennessee sales tax charges, to their assigned cards. It is the responsibility of the cardholder to dispute the charges as specified in the cardholder agreement."* In addition, *e) "Cardholders should not pay Tennessee sales tax. It is the cardholder's responsibility to dispute Tennessee sales tax charges."*

See Chart 6 in the appendix

7. Charges for Travel Expenses Without Approved Out of State Travel Documentation

Staff from five Metro departments made charges to credit cards for out-of-town travel without the proper authorization. Metro credit cardholders failed to provide approved travel authorizations to support ninety-one (91) out of eight hundred forty-eight (848), eleven percent (11%), of the travel related credit card expenditures in accordance to Metro Finance Policy #18: Travel.

Per the Metro Finance Policy #18: Travel, 1) General Policies e): "All travel must be authorized in advance by the proper departmental authority. Approved Metro travel is the basis for reimbursement in accordance with this policy and further states under 1) General Policies h) It is ultimately the responsibility of the department or agency head to ensure that all employees adhere to this Travel Policy, that all appropriate approvals are obtained and documented and that all documentation supporting approvals and travel expenses are maintained by the department or agency."

Per Metro Finance Policy #19: Credit Cards 1) General Policies a) "the credit card can be used to purchase and make payment for approved transactions only including travel and related cost (hotels, car rentals, food, and ancillary items), petty cash type purchases, conference registrations, subscriptions and emergency purchases (as defined by the Purchasing Agent)".

The OFA noted that thirty-three (33) of the ninety-one (91) transactions were associated with employees of Elected Officials. While Elected Officials are exempt from the Metro's travel policy, they are encouraged to formally adopt their own travel policy and document approval for all employee travel.

RECOMMENDATIONS

The individual reports of each department reviewed included specific recommendations for that department. As referred to above those reports can be found at: at <http://www.nashville.gov/Finance/Financial-Accountability/Credit-Card-Reviews.aspx>

The recommendations included:

1. Metro departments should take the necessary steps to reinforce to its current cardholders 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.
2. Metro Departments should offer additional training, to re-enforce training provided by the Finance Department, to the department's cardholders on credit card use and emphasize the potential that the cardholder can be held personally liable for their use of the Metro credit card for personal items charged to the card. As noted in the policy, continued violations shall result in the cancellation of their Metro credit card privileges and other disciplinary actions deemed appropriate.
3. Metro departments should take the necessary actions to ensure that adequate documentation is maintained to support all credit card transactions. The documentation should include clear and concise notation as to the business purpose of all transactions.

Metro departments should ensure that at a minimum the following information is maintained to justify the business purpose of meals purchased from a local restaurant.

- a) the list of individuals that participated/attended the meeting/luncheon,
 - b) time,
 - c) place,
 - d) an agenda or document that describes the business purpose of the meeting and meal.
4. Metro departments should ensure that contracted items are purchased from the Metro contracted vendor. In the extraordinary circumstances that would necessitate the department to purchase off contract, the department should ensure compliance with the guidelines requirements for emergency purchases as required by M.C.L. 4.12.070 Emergency Procurements. Items on contract can be found at the this link: <http://www.nashville.gov/Finance/Procurement/Purchasing-and-Contracts-Office/Metro-Wide-Contracts.aspx>

5. Metro departments should ensure that cardholders review, avoid and dispute charges for Tennessee sales tax.
6. Metro departments should ensure that cardholders maintain adequate supporting documentation to support credit card transactions. Metro departments should further ensure that the cardholders review and sign the credit card supporting documentation to ensure that no one other than the cardholder is utilizing the Metro credit card.
7. Metro departments should ensure compliance with Metro Finance Policy #18: Travel Policy and obtain prior approval for all employee travel. Metro departments should further ensure that the documentation to support all approved travel is being maintained and readily available for review.

In addition, OFA recommends the following actions be taken by the Finance department:

1. The credit card policy should be revised and reissued making it more specific, eliminating any potential misinterpretation of the rules. The new policy when issued should be sent to the cardholders in addition to the normal distribution of policy through the department heads and budget managers.
2. Develop and deploy a new revamped training for all Metro cardholders which requires a signed statement from the cardholder attesting that they have received training regarding the use of the credit card.
3. In addition to the quarterly review of charges made by department heads, there should be routine cycle of reviews of credit cards by the OFA and others that covers all cardholders.

Table 1a.

Summary Information About Each Department

Department	Number of Cardholders	Total Transactions	Transactions Selected for Review	Total Expenditures (Dollars)	Expenditures Reviewed (dollars)
METRO CLERK'S OFFICE	2	5	5	\$ 316.89	\$ 316.89
BEER BOARD	2	4	4	\$ 763.12	\$ 763.12
CRIMINAL JUSTICE PLANNING	1	6	6	\$ 1,259.41	\$ 1,259.41
CLERK & MASTER	1	14	14	\$ 2,517.06	\$ 2,517.06
SPORTS AUTHORITY	1	42	11	\$ 2,518.15	\$ 280.40
COUNTY CLERK	2	37	37	\$ 6,074.31	\$ 6,074.31
LEGAL	3	47	30	\$ 9,488.36	\$ 5,535.17
JUSTICE INTEGRATION SERVICES	4	45	36	\$ 10,559.77	\$ 4,761.22
SOIL & WATER CONSERVATION	1	67	34	\$ 13,579.30	\$ 9,888.82
COMMUNITY EDUCATION	2	109	34	\$ 15,884.47	\$ 8,081.45
HISTORICAL COMMISSION	2	236	111	\$ 17,196.26	\$ 8,368.49
FARMER'S MARKET	2	160	70	\$ 18,096.11	\$ 9,215.13
TRUSTEE'S OFFICE	1	103	30	\$ 18,167.35	\$ 8,007.58
OFFICE OF FAMILY SAFETY	1	97	35	\$ 20,741.95	\$ 13,976.39
CODES ADMINISTRATION	2	53	32	\$ 22,211.64	\$ 14,942.17
MUNICIPAL AUDITORIUM	1	183	68	\$ 32,425.08	\$ 14,306.57
HUMAN RESOURCES	5	269	37	\$ 33,823.51	\$ 10,788.21
ELECTION COMMISSION	5	278	278	\$ 35,286.90	\$ 35,286.90
JUVENILE COURT	3	234	120	\$ 37,027.33	\$ 16,245.15
MAYOR'S OFFICE	5	164	47	\$ 45,498.70	\$ 19,978.74
PUBLIC DEFENDER	4	256	49	\$ 47,903.19	\$ 10,278.41
CRIMINAL COURT CLERK	5	360	114	\$ 57,338.04	\$ 11,087.53
NCAC	2	620	100	\$ 58,123.55	\$ 9,386.98
INTERNAL AUDIT	2	246	55	\$ 63,092.59	\$ 10,786.58
ASSESSOR'S OFFICE	3	232	56	\$ 65,439.67	\$ 8,531.39
OFFICE EMERGENCY MGMT	4	193	39	\$ 80,790.40	\$ 24,817.06
REGISTER OF DEEDS	3	347	46	\$ 87,761.50	\$ 24,096.43
ARTS COMMISSION	2	1097	139	\$ 106,361.01	\$ 15,477.88
METRO COUNCIL	1	225	38	\$ 113,995.30	\$ 23,204.39
INFORMATION TECH SVCS	4	860	106	\$ 117,856.84	\$ 67,948.13
FIRE DEPARTMENT	4	606	113	\$ 123,428.38	\$ 24,215.60
STATE TRIAL COURTS	13	901	394	\$ 142,052.21	\$ 70,392.23
GENERAL SESSIONS COURT	3	777	387	\$ 176,438.57	\$ 49,404.92
PLANNING COMMISSION	6	1128	107	\$ 177,492.58	\$ 26,105.46
SOCIAL SERVICES	2	462	97	\$ 181,921.59	\$ 42,982.16
GENERAL SERVICES	10	734	73	\$ 185,208.58	\$ 42,891.67
PUBLIC LIBRARY	12	2153	188	\$ 191,532.99	\$ 26,501.23
PUBLIC WORKS	9	820	129	\$ 197,509.87	\$ 31,152.68
FINANCE	13	809	173	\$ 239,672.22	\$ 53,605.09
DISTRICT ATTORNEY GENERAL	3	1161	122	\$ 258,257.82	\$ 53,526.98
HEALTH	18	1469	180	\$ 292,690.60	\$ 38,620.39
METRO ACTION COMM	7	1299	150	\$ 315,733.00	\$ 46,079.00
CONVENTION CENTER	8	1401	174	\$ 332,635.61	\$ 42,780.99
EMERGENCY COMM CENTER	5	1078	118	\$ 388,894.30	\$ 46,781.92
FAIRGROUNDS	6	1542	153	\$ 401,170.76	\$ 41,852.45
SHERIFF'S OFFICE	11	1725	284	\$ 514,805.56	\$ 61,674.33
WATER SERVICES	15	2064	192	\$ 711,020.92	\$ 61,756.78
PARKS & RECREATION	12	3668	295	\$ 727,580.10	\$ 66,910.24
POLICE	48	4951	437	\$ 1,189,685.71	\$ 124,927.61
Total	281	35337	5547	\$ 7,889,829.13	\$ 1,348,369.69

Sorted by Total Expenditures (dollars)

Table 1b.

Summary of Results of Credit Card Review

Department	Percentage of Sample Tested	Questioned Cost	Inadequate and/or insufficient supporting documentation	Lack Business Purpose Documentation	Contracted Purchases	Improperly Paid Sales Tax	Lack of Travel Authorization Support
ARTS COMMISSION	2.5059%	•	•		•	•	
ASSESSOR'S OFFICE	1.0096%		•		•	•	
BEER BOARD	0.0721%				•		
CLERK & MASTER	0.2524%		•		•	•	
CODES ADMINISTRATION	0.5769%		•		•		•
COMMUNITY EDUCATION	0.6129%		•			•	
CONVENTION CENTER	3.1368%	•	•	•		•	
COUNTY CLERK	0.6670%						
CRIMINAL COURT CLERK	2.0552%		•	•		•	
CRIMINAL JUSTICE PLANNING	0.1082%		•		•		
DISTRICT ATTORNEY GENERAL	2.1994%				•	•	
ELECTION COMMISSION	5.0117%	•	•	•	•	•	
EMERGENCY COMM. CENTER	2.1273%	•	•			•	
FAIRGROUNDS	2.7582%	•	•			•	
FARMER'S MARKET	1.2619%		•				
FINANCE	3.1188%		•			•	
FIRE DEPARTMENT	2.0371%		•			•	
GENERAL SERVICES	1.3160%	•	•			•	
GENERAL SESSIONS COURT	6.9767%	•	•		•	•	
HEALTH	3.2450%		•	•		•	
HISTORICAL COMMISSION	2.0011%		•		•		
HUMAN RESOURCES	0.6670%		•			•	
INFORMATION TECH SVCS	1.9109%					•	
INTERNAL AUDIT	0.9915%						
JUSTICE INTEGRATION SERVICES	0.6490%		•			•	
JUVENILE COURT	2.1633%		•			•	
LEGAL	0.5408%						
MAYOR'S OFFICE	0.8473%		•				
METRO ACTION COMMISSION	2.7042%					•	
METRO CLERK'S OFFICE	0.0901%						
METRO COUNCIL	0.6851%						
MUNICIPAL AUDITORIUM	1.2259%	•	•			•	
NCAC	1.8028%					•	
OFFICE EMERGENCY MGMT	0.7031%					•	•
OFFICE OF FAMILY SAFETY	0.6310%						
PARKS & RECREATION	5.3182%				•	•	
PLANNING COMMISSION	1.9290%		•			•	•
POLICE	7.8781%		•			•	
PUBLIC DEFENDER	0.8834%						•
PUBLIC LIBRARY	3.3892%			•			
PUBLIC WORKS	2.3256%		•			•	
REGISTER OF DEEDS	0.8293%	•	•			•	
SHERIFF'S OFFICE	5.1199%		•	•	•	•	
SOCIAL SERVICES	1.7487%	•				•	
SOIL & WATER CONSERVATION	0.6129%		•		•		
SPORTS AUTHORITY	0.1983%		•				
STATE TRIAL COURTS	7.1029%		•	•		•	
TRUSTEE'S OFFICE	0.5408%					•	
WATER SERVICES	3.4613%					•	

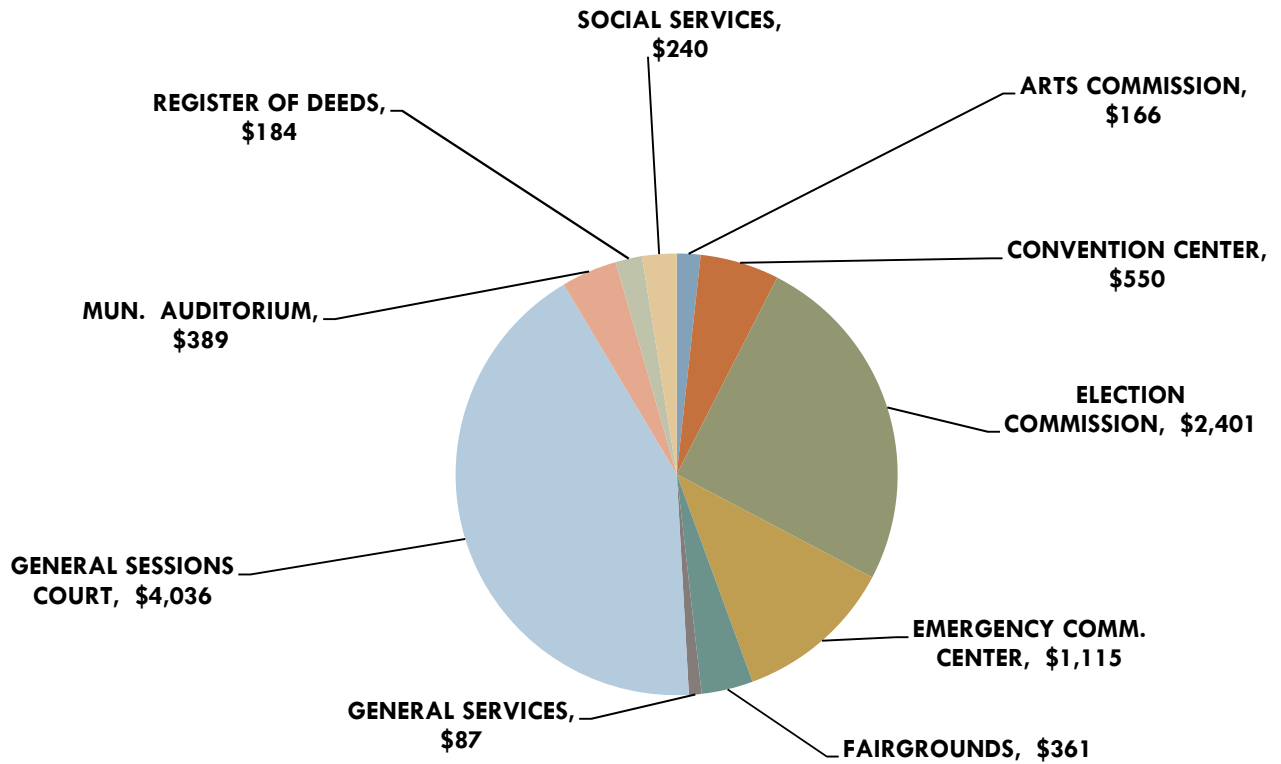
Sorted alphabetically by department

Table 1c.**Identified Questioned Costs and Reimbursement Schedule**

Department	Questioned Cost	Amount Refunded as of Report Issue Date	Outstanding Balance
ELECTION COMMISSION	\$ 2,401.23	\$ 726.79	\$ 1,674.44
GENERAL SESSIONS COURT	4,035.95	3,071.61	964.34
CONVENTION CENTER	550.07	-	550.07
MUNICIPAL AUDITORIUM	389.49	-	389.49
FAIRGROUNDS	361.33	-	361.33
SOCIAL SERVICES	240.22	-	240.22
EMERGENCY COMMUNICATIONS CENTER	1,114.57	927.26	187.31
REGISTER OF DEEDS	184.21	-	184.21
ARTS COMMISSION	166.20	166.20	-
GENERAL SERVICES	87.38	87.38	-
Total	\$ 9,530.65	\$ 4,979.24	\$ 4,551.41

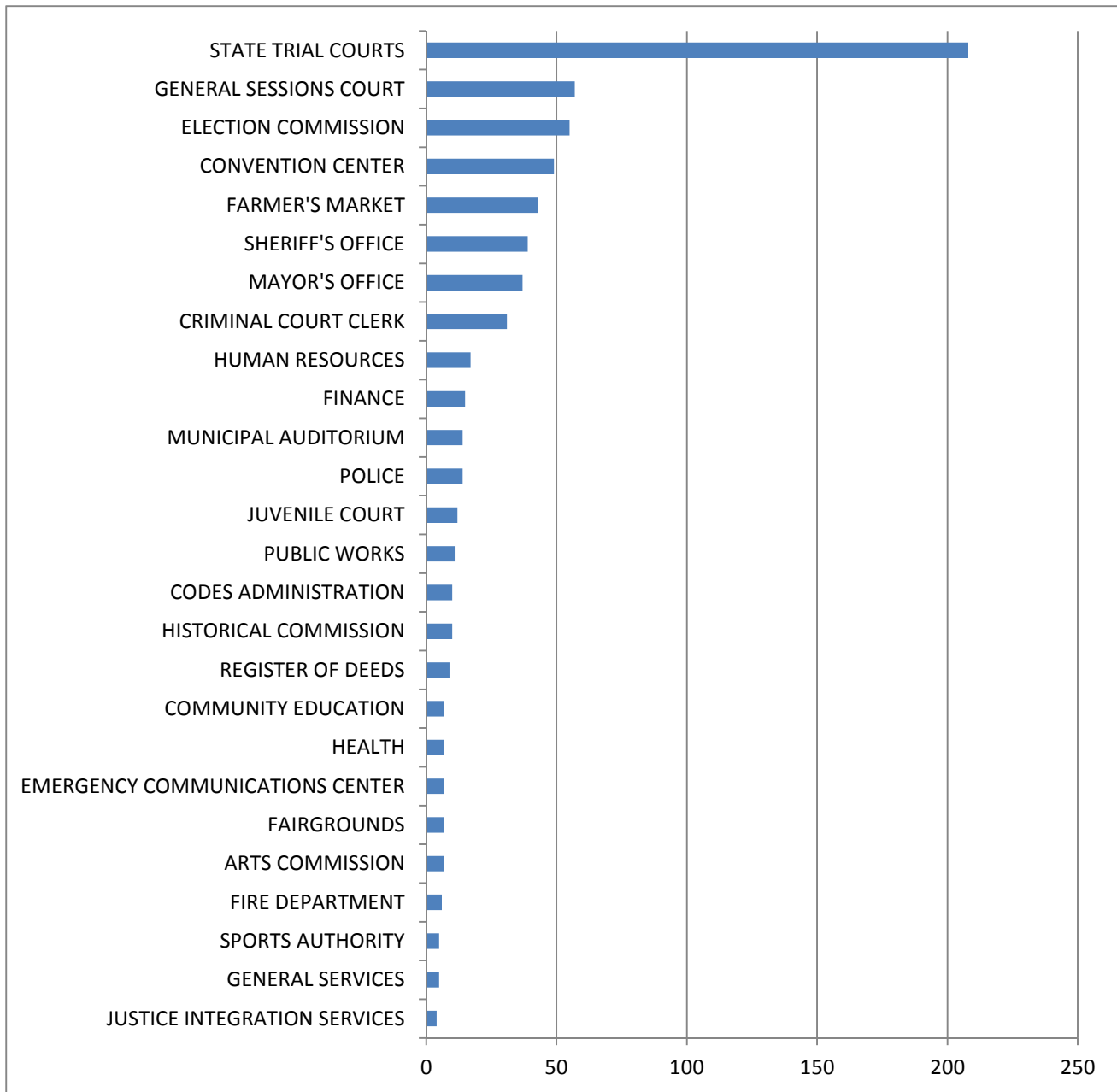
Table 1c. Sorted by the outstanding balance of questioned costs

Chart 1. – Non-Metro Business – Deemed Personal Charges

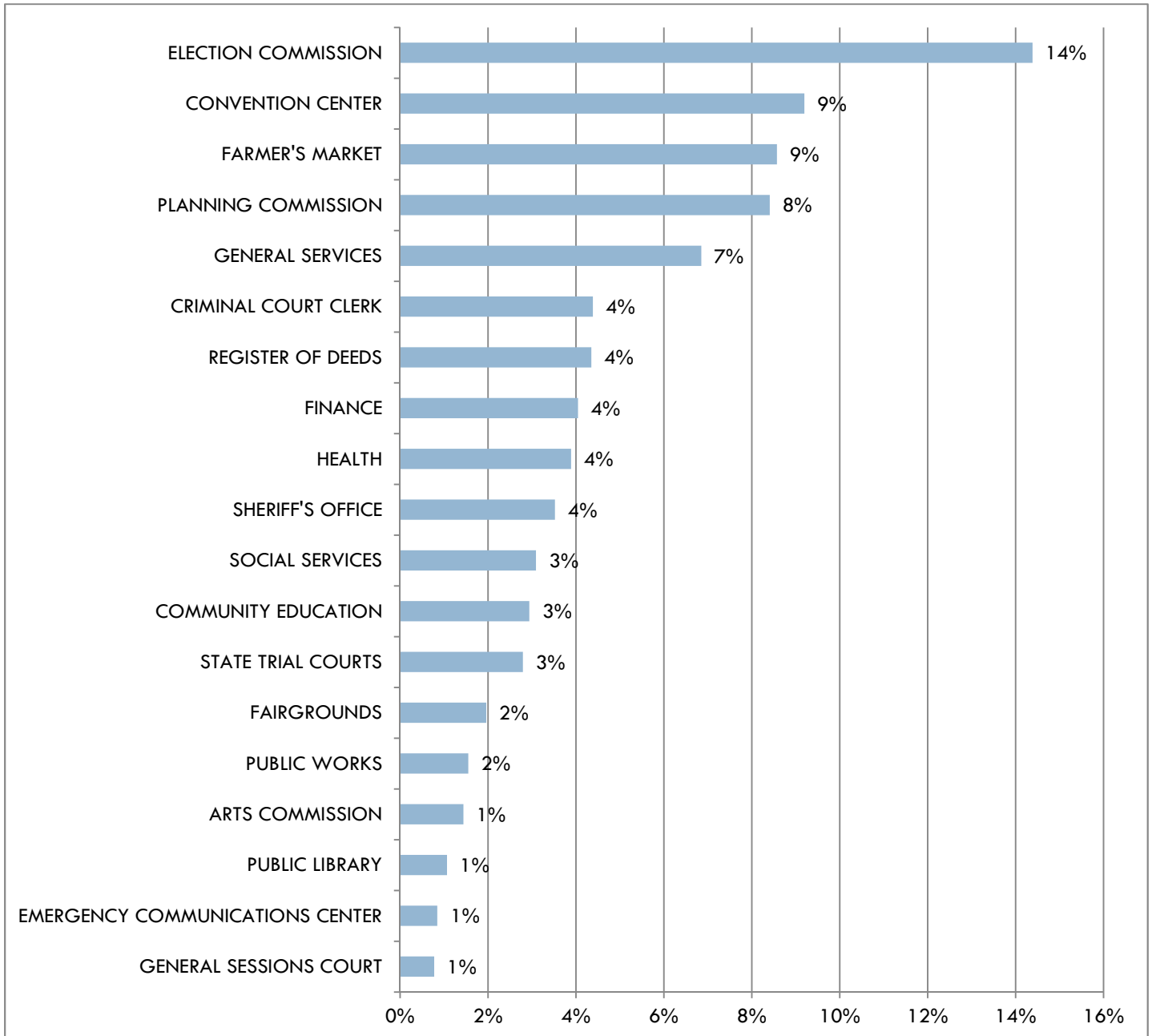


This chart represents the departments that OFA identified costs deemed non-Metro business (personal) and the corresponding dollars. For example, the OFA identified \$4,036 that were deemed non-Metro business/personal in the review of the General Sessions Court’s credit card expenditures.

Chart 2 – Inadequate Supporting Documentation

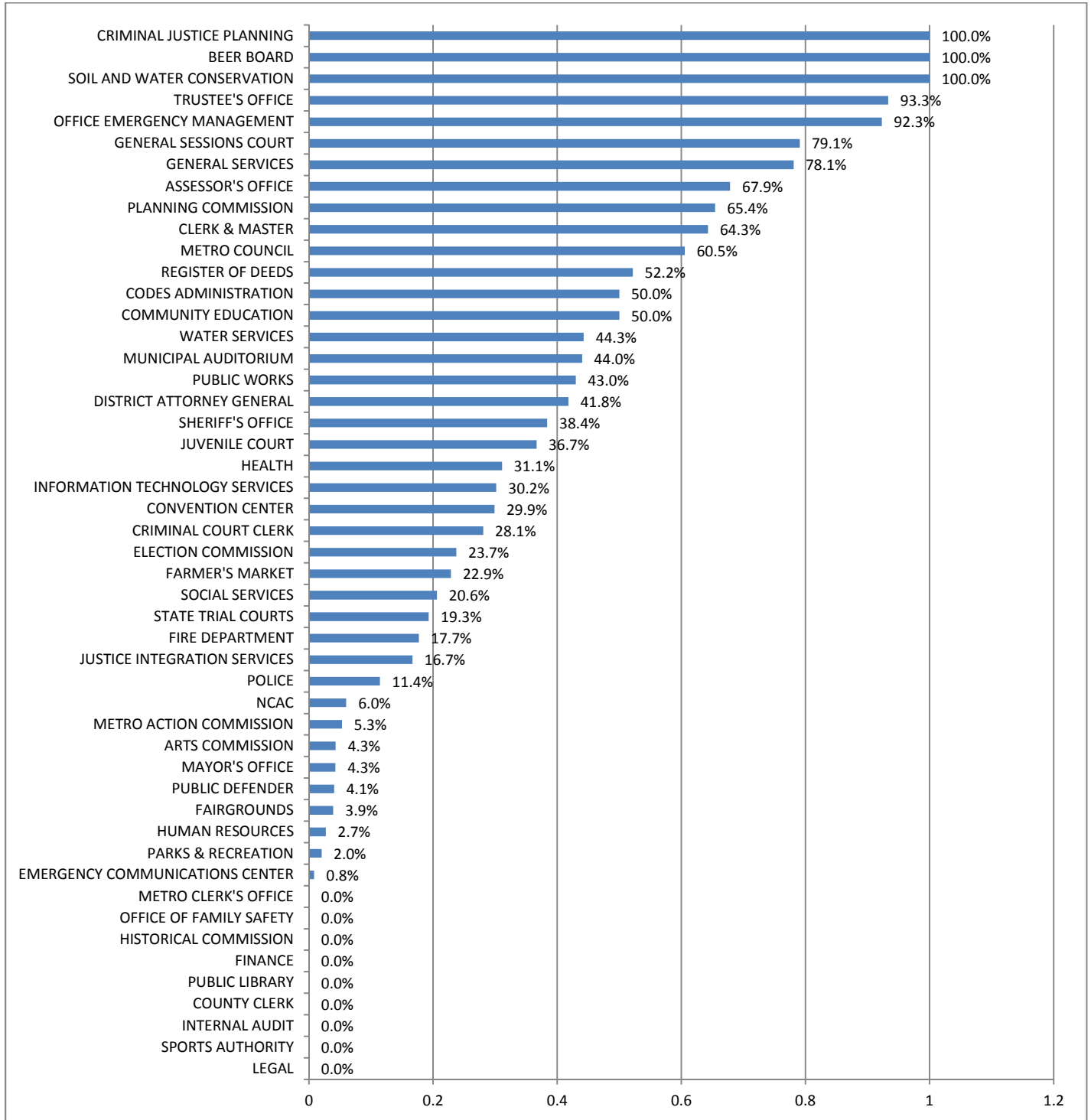


This chart represents the number of credit card transactions without adequate/sufficient supporting documentation listed in descending order by departments with the most number of unsupported transactions. For example, the OFA identified 208 unsupported transactions in the sample tested for the State Trial Court.

Chart 3 – Percentage of Charges Without Business Purpose Documentation

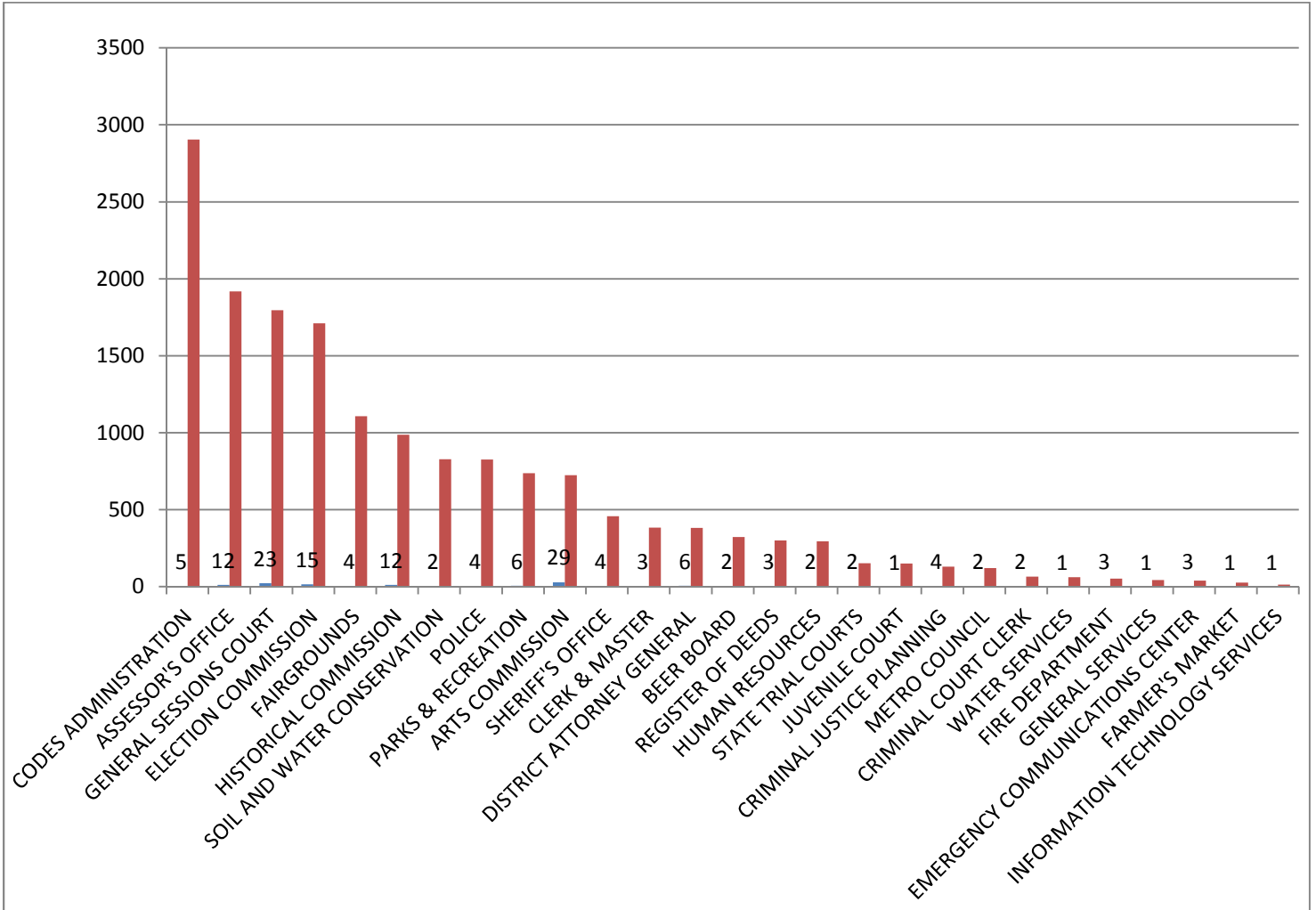
This chart presents the departments with the most transactions that had some form of supporting but failed to adequately document the transactions business purpose. For example, the Election Commission failed to adequately document the business purpose for 14% of their credit card transactions.

Chart 4 - Percentage of Supported Documentation without Cardholder Signature



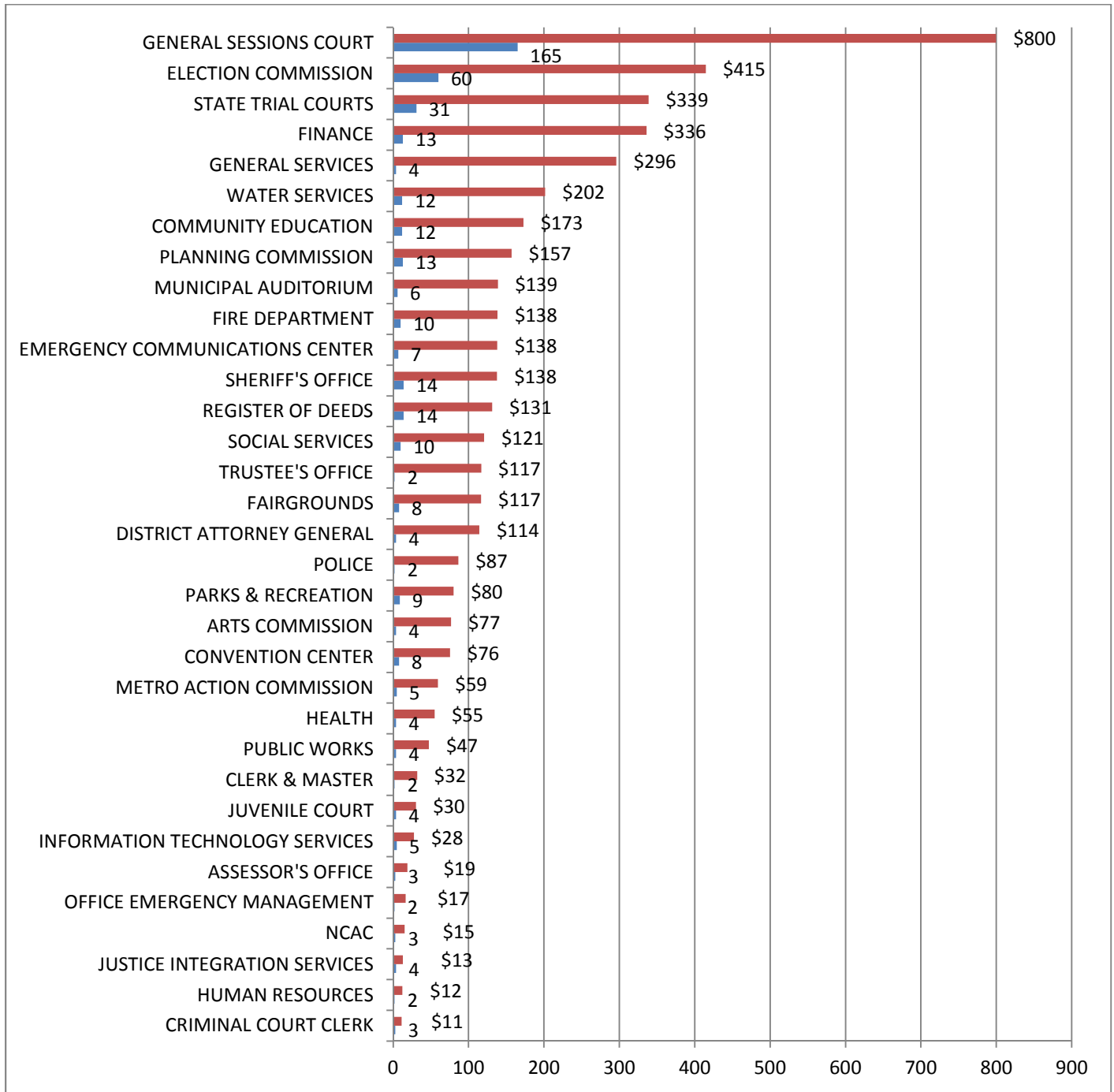
This chart presents the percentage of departments' total transactions tested that did not have cardholder signatures. For example, 100% of the supporting documentation for Criminal Justice Planning lacked cardholder's signature.

Chart 5 – Contracted Items Purchased Via Credit Cards



This chart presents the number of transactions for items on Metro contracts that were made via credit cards from non-contract vendors and the value of those transactions in the sample tested. For example, Codes Administration made 5 transactions for contracted items valued at \$2,905.

Chart 6 – Paid Sales Taxes



This chart presents the number of transactions and value for transactions in the sample tested that departments failed to avoid paying Tennessee sales tax. For example, General Sessions Court paid \$800 of sales tax on 165 transactions.