Office of Internal Audit

Post-Audit Review 25-03: Code Enforcement Liens

July 2026

City Auditor

Stan Sewell, CPA, CGFM, CFE

Senior Auditor

Jeff Connor, J.D.

OFFICE OF INTERNAL AUDIT

Stan Sewell, City Auditor

July 14, 2026

To: Mayor Kelly
City Councilmembers

Subject: Post-Audit Review of Code Enforcement Liens (Report #25-03)

Dear Mayor Kelly and City Councilmembers:

Attached is a summary report on the status of audit recommendations from our 2025 Code Enforcement Liens audit report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit concluded that the City's Code Enforcement lien process substantially complied with applicable law, regulations, policies and procedures. However, our audit identified opportunities to strengthen internal controls, improve operational efficiency, and minimize the risk of noncompliance with governing regulations.

To address the opportunities for improvement, we recommended updates to existing policies and procedures and other operational safeguards to maximize internal control effectiveness.

The audit had four (4) recommendations for maintaining operational compliance, improving the lien collection process, and addressing potential internal control deficiencies. At the time of this Post-Audit Review, three (3) recommendations were not implemented, and one (1) recommendation was fully implemented.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

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Sincerely,

Stan Sewell, CPA, CGFM, CFE
City Auditor

Attachment

cc: Audit Committee Members
Kevin Roig, Chief of Staff
Mande Green, Chief Operating Officer
Weston Porter, Chief Finance Officer
Jerramy Wood, Administrator Public Works
Phil Noblett, City Attorney
Jarrod Brock, City Treasurer
Roberta Long, Assistant City Treasurer
Donna Casteel, Manager Code Enforcement
Bryan Burklin, Tennessee Local Government Audit

RECOMMENDATIONS NOT IMPLEMENTED (3)

Recommendation	Actions Taken
2. We recommended the Office of City Treasurer implement an automated process for adding uncollected Code Enforcement liens and abatement costs to the annual property tax bills.	The automation process is in the development stage. The OpenGov vendor is developing a report that will provide Code Enforcement with a weekly status on liens and payments. Digital uploading of lien information should be completed by September 30, 2026.
3. We recommended the Office of City Treasurer implement an automated process to notify the Code Enforcement Division when liens have been satisfied or collected.	See #2 above.
4. We recommended OCA update its policies and procedures for municipal liens to align with current processes.	OCA has a draft updating its procedures for liens, demolition orders and lien releases. The updated revisions are under review.

RECOMMENDATION FULLY IMPLEMENTED (1)

Recommendation	Actions Taken
1. We recommended Code Enforcement Division management review abatement and lien records on an annual basis to ensure that all liens on abated properties have been perfected by filing the lien with the Hamilton County Register of Deeds. We also recommended the Code Enforcement Division incorporate the management review in its current policies and procedures.	Code Enforcement management reviewed all liens on abated properties for the past fiscal year (through June 24, 2026) and confirmed that all liens were properly filed with the Hamilton County Register of Deeds. Additionally, the management review process has been incorporated in the Code Enforcement Division policies and procedures.

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