

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
AUDIT COMMITTEE MEETING MINUTES
January 11, 2021

On Monday, January 11, 2021, at 4:00 p.m., the Metropolitan Nashville Audit Committee met via a WebEx video meeting due to the COVID-19 pandemic. The following people attended the meeting:

Committee Members

Brackney Reed, Chamber of Commerce
Charles Frasier, Tennessee Society of CPAs
Jim Shulman, Vice-Mayor
Kevin Crumbo, Director of Finance
Thom Druffel, Council Member

Committee Member Absent

Zulfat Suara, Council Member

Others

Lauren Riley, Metropolitan Auditor
Theresa Costonis, Department of Law
Tara Ladd, Department of Law
Dell Crosslin, Crosslin
John Crosslin, Crosslin
David Hunt, Crosslin
Jennifer Manternach, Crosslin
Katie Farris, Crosslin
Phil Carr, Chief Accountant
Chief William Swann, Fire Department
Leigh Anne Burtchaell, Fire Department
Maggie Lawrence, Fire Department
Andrea Eanes, Fire Department
Bill Herbert, Codes Department
Byron Hall, Codes Department
Alicia Virvavouth, Codes Department
Benton McDonough, Beer Permit Board
Jim Carson, Office of Internal Audit
Innocent Dargbey, Office of Internal Audit
Bill Walker, Office of Internal Audit

Quorum present? Yes

CALL MEETING TO ORDER

Mr. Reed called the meeting to order.

A **roll call** was conducted by Ms. Riley. The following members were in attendance:

- Brackney Reed
- Charles Frasier
- Jim Shulman
- Thom Druffel
- Kevin Crumbo

A **motion** to conduct the meeting using a WebEx video format because it was necessary to protect the safety and welfare of Tennesseans due to the COVID-19 pandemic and to conform to Governor Bill Lee's Executive Order Number 60 was made, seconded and carried.

Specifically, a roll call was conducted with the following votes:

- Brackney Reed – Yes
- Charles Frasier – Yes
- Jim Shulman - Yes
- Kevin Crumbo - Yes

- Thom Druffel – Yes

APPROVAL OF MINUTES

Mr. Reed inquired about acceptance or changes to the draft for the November 24, 2020, Audit Committee meeting minutes. Mr. Frasier advised his name was not included as participating in the Executive Session. Ms. Riley stated she would modify the minutes accordingly. A **motion** to approve the presented November 24, 2020, Metropolitan Nashville Audit Committee meeting minutes with corrections, was made and seconded. A roll call was conducted with the following votes:

- Brackney Reed – Yes
- Charles Frasier – Yes
- Jim Shulman - Yes
- Kevin Crumbo - Yes
- Thom Druffel – Yes

The motion carried.

NEW BUSINESS

Presentation of the Metropolitan Nashville Government Comprehensive Annual Financial Report for the Year Ended June 30, 2020

Mr. J. Crosslin presented the audit results for the fiscal year 2020 Comprehensive Annual Financial Report. Engagement team members, responsibilities, standards, independence, fraud risk, deliverables, and the audit methodology were all summarized.

Mr. J. Crosslin advised the engagement produced an unmodified opinion. A draft for the Nashville General Hospital audit was currently being reviewed by management. Mr. J. Crosslin asserted that Nashville General Hospital is also anticipated to receive an unmodified opinion. Finally, the Metropolitan Nashville Public Schools internal school funds received an unmodified opinion. The Single Audit, Management Letter and Data Collection Form audits were in process.

Mr. Crumbo complimented the work of Crosslin, particularly auditing through a pandemic and the implementation of a new software system. No additional questions or comments were made.

A **motion** to accept the Metropolitan Nashville Government Comprehensive Annual Financial Report for the year ended June 30, 2020, was made and seconded. A roll call was conducted with the following votes:

- Brackney Reed – Yes
- Charles Frasier – Yes
- Jim Shulman - Yes
- Kevin Crumbo - Yes
- Thom Druffel – Yes

The motion carried.

Discussion on the Follow-Up Audit of the Metropolitan Nashville Fire Marshal's Office, issued December 18, 2020

Ms. Riley summarized the objectives, observations, and recommendations for the audit.

Vice-Mayor Shulman inquired about the follow up inspections and how the report stated this recommendation had not been implemented due to COVID-19 and lack of cooperation from property management. Vice-Mayor Shulman asked for clarification regarding the property managers. Vice-Mayor Shulman also inquired how the Fire Marshal's Office would ensure that this recommendation is implemented. Ms. Riley advised that the Metropolitan Office of Internal Audit will continue to include the recommendation in its follow up process and asked Chief Swann to elaborate on the Fire Marshal's Office plans.

Chief Swann advised they have had some challenges and will make sure this recommendation is completely implemented. Deputy Chief Lawrence advised three challenges exist related to property management. The first has to do with property managers soliciting bids to complete the necessary work. This process takes time. The second relates to when property management companies change. In certain instances, the new property manager is not aware of the violation and needed corrections. The Fire Marshal's Office is working with property managers and has given them until March to complete the work. Finally, Deputy Chief Lawrence advised there are some property managers who will not let them on site or will not show up for scheduled re-inspections. Vice-Mayor Shulman asked, if cooperation is not given, can the Fire Marshal go into the site without permission. Chief Swann advised yes, and there will be an aggressive and intentional push to ensure inspections are completed and issues resolved.

Discussion on the Audit of the Metropolitan Beer Permit Board, issued December 23, 2020

Mr. Walker summarized the objectives, observations, and recommendations for the audit.

Mr. Frasier inquired about the increase in revenue on fines from fiscal years 2019 to 2020. Mr. McDonough stated in the past year a new program where inspections were more aggressive and more comprehensive was implemented. Previously, inspections were done on a sample of permit holders, whereas the new process looks at all permit holders.

Councilmember Druffel inquired if training was provided to the smaller departments who may not have knowledge of various financial cycles. Mr. Walker advised training was provided in varying degrees.

Councilmember Druffel inquired if the Metropolitan Office of Internal Audit provided smaller departments with a listing of common audit findings for training purposes. Ms. Riley stated the office did not but would consider it in the future.

Discussion on the Audit of the Department of Codes and Building Safety Fuel Transactions, issued January 6, 2021

Mr. Walker summarized the objectives, observations, and recommendations for the audit.

Councilmember Druffel asked why fuel costs were so low from one year to the other. Mr. Hall advised this was a function of more fuel-efficient vehicles and lower fuel cost.

OTHER ADMINISTRATIVE MATTERS

Ms. Riley noted the proposed dates for calendar year 2021 meetings. No conflicts were noted by committee members.

A **motion** to accept the proposed meeting dates of the Metropolitan Audit Committee for 2021 was made and seconded. A roll call was conducted with the following votes:

- Brackney Reed – Yes
- Charles Frasier – Yes
- Jim Shulman - Yes
- Kevin Crumbo - Yes

- Thom Druffel – Yes

The motion carried.

Ms. Riley provided an update on the status of recommendation follow-up. No discussion ensued.

Ms. Riley summarized current project status. Mr. Frasier inquired about the Hotel Occupancy Tax Audits and why no status was noted for them. Ms. Riley advised there were four such audits conducted during the year. These audits produce letters to the Metropolitan Treasurer's Office and not official reports. These audits occur throughout the year and sometimes multiple at a time.

The next regularly scheduled meeting is February 9, 2021, at 4:00 p.m.

The public meeting adjourned after approximately 1 hour and 3 minutes.

The minutes for the January 11, 2021, Metropolitan Nashville Audit Committee meeting are respectfully submitted.

Lauren Riley

Lauren Riley, Metropolitan Auditor
Secretary, Metropolitan Nashville Audit Committee

Approved by the Metropolitan Nashville Audit Committee on February 9, 2021