

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**  
**AUDIT COMMITTEE MEETING MINUTES**  
**June 22, 2021**

On Tuesday, June 22, 2021, at 4:00 p.m., the Metropolitan Nashville Audit Committee met in the Metropolitan Courthouse, 2<sup>nd</sup> Floor, Committee Room 2. The following people attended the meeting:

Committee Members

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

Others

Lauren Riley, Metropolitan Auditor  
Theresa Costonis, Department of Law  
John Crosslin, Crosslin  
Don Harris, Nashville Municipal Auditorium  
Julie Groves, Nashville General Hospital  
Jerome Meyer, Nashville General Hospital  
Thomas Cooper, Nashville General Hospital  
Phil Carr, Chief Accountant  
Innocent Dargbey, Office of Internal Audit  
Bill Walker, Office of Internal Audit

Committee Members Absent

Zulfat Suara, Council Member

*Quorum present? Yes*

**CALL MEETING TO ORDER**

Mr. Reed called the meeting to order.

**APPROVAL OF MINUTES**

A **motion** to approve the April 13, 2021, meeting minutes as presented in the Metropolitan Nashville Audit Committee Workbook for June 22, 2021, was made, seconded, and carried.

**NEW BUSINESS**

Discussion of the External Audit Plan for year ended June 30, 2021

Mr. Crosslin summarized the plans for the fiscal year 2021 external audit. Mr. Crosslin gave an overview on topics such as the engagement team members, the responsibilities of auditors and management, the audit methodology, new GASB statements impacting the audit, the estimated timelines, and deliverables.

Mr. Crumbo thanked Mr. Crosslin for the work performed particularly given the challenges associated with a new software implementation, the COVID pandemic, and applicable deadlines. Mr. Crumbo also thanked Phil Carr for his work and service to the Metropolitan Nashville Government.

Discussion on the Audit Recommendations Follow Up – Nashville Municipal Auditorium issued May 4, 2021

Ms. Riley summarized the results of the report. Ms. Riley advised that some recommendations could not be tested due to the COVID pandemic and the Nashville Municipal Auditorium not taking in revenue. Another follow-up audit will be conducted, and a report will be issued at a later date. Councilman Druffel asked if Nashville Municipal Auditorium had resumed normal operations. Mr. Harris advised they are open. Rehearsal will be conducted throughout the summer with actual concerts taking place starting in September or October. Vice-Mayor Shulman inquired when the next follow up audit will possibly take place. Ms. Riley advised the end of the calendar year.

Discussion on the Audit Recommendations Follow Up – Audit of Nashville General Hospital Procurement to pay issued May 13, 2021

Ms. Riley summarized the results of the follow up report. Councilman Druffel inquired if policies were in place just not implemented to date. Ms. Groves advised yes. Vice-Mayor Shulman asked about why it had been communicated that eleven recommendations had been implemented, but the follow up audit showed that two had not actually been implemented. Ms. Riley advised this was one of the reasons follow up audits were now being conducted. Ms. Riley stated that in some cases there is a variance between what a client and the Office of Internal Audit believes satisfies a specific recommendation. There are other times a policy has been developed to address a recommendation, but the policy has not been implemented.

Councilman Druffel inquired if the Office of Internal Audit would do another follow up audit on the two recommendations that have not been implemented. Ms. Riley advised yes. Mr. Bates asked when the policies would be put into practice. Ms. Groves advised that retention rules and laws in a hospital environment are very complex. Ms. Groves advised it is hard to give a specific date, but the goal is by the end of the calendar year.

Discussion on the Audit of Fund Commitment, Restrictions, and Assignments issued June 9, 2021

Ms. Riley summarized the scope, observations, and recommendations of the report. Mr. Crumbo provided context around the recommended additions to disclosures. No discussion ensued.

Metropolitan Auditor Performance Review

Ms. Costonis advised one of the duties of the Metropolitan Audit Committee is to conduct an annual review of the performance of the Metropolitan Auditor. Ms. Costonis previously distributed the evaluation form to each committee member, and four members responded. Responses were consolidated into a group score. Ms. Riley also completed a self-assessment, and Mr. Walker surveyed the Office of Internal Audit staff. Ms. Costonis stated that the group average performance evaluation for Ms. Riley was very high.

Ms. Costonis inquired if the committee wanted to consider these results in determining the Metropolitan Auditor's possible pay increase. Mr. Crumbo recommended allowing him to research how the Finance Department and other Metropolitan Government of Nashville entities are allocating open range to other directors. A special called meeting could be conducted in the next couple of weeks where he can present to the committee what he found. The Metropolitan Audit Committee concurred.

A **motion** to schedule a special called meeting potentially on July 6, 2021, to determine the Metropolitan Auditor's pay increase was made, seconded, and carried.

Mr. Reed wanted to explicitly state that the Metropolitan Auditor's performance review was a very good one.

***Miscellaneous***

Potential Self-Audits/Training for Metropolitan Departments

Councilman Druffel suggested Metropolitan Nashville Government entities conduct self-audits for various reasons. The purpose of these self-audits is to assist these entities understand what a solid internal control framework entail. Mr. Crumbo suggested allowing him to work with the performance measures directive being administered by the Mayor's Office to see if this concept could be integrated into what they are doing.

Vice Mayor Shulman left the meeting at approximately 4:55pm.

**UNFINISHED BUSINESS**

Criminal Justice Information Services (CJIS) clearance for Metropolitan Audit Committee Members

Ms. Riley stated that in previous meetings putting criteria around CJIS clearance for committee members should be incorporated into the by-laws of the office. Ms. Riley advised she had developed proposed enhancements to the by-laws for the audit committee to review. Mr. Crumbo stated he believed it was important that every member of the audit committee obtain CJIS clearance. Ms. Riley advised she would modify the current by-laws and present to the audit committee at the special called meeting.

**OTHER ADMINISTRATIVE MATTERS**

Ms. Riley went over the current status of recommendation implementation follow up, audit projects, and the budget. Ms. Riley also discussed staffing and promotions.

Mr. Reed inquired if there was a need to go into Executive Session. Ms. Riley advised only if the committee wanted an update on ongoing investigations. None were noted.

The next regularly scheduled meeting is September 14, 2021, at 4:00 p.m.

A **motion** to adjourn the meeting was made, seconded, and carried.

The public meeting adjourned after approximately 1 hour and 26 minutes.

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The minutes for the June 22, 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 July 13, 2021.***