

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY AUDIT COMMITTEE MEETING MINUTES

April 16, 2019

On Tuesday, April 16, 2019, at 2:30 p.m., the Metropolitan Nashville Audit Committee met in the Metropolitan Courthouse, 2nd Floor, Committee Room 2. The following people attended the meeting:

Committee Members

Brackney Reed, Chamber of Commerce
Charles Frasier, Tennessee Society of CPAs
Jim Shulman, Vice-Mayor
John Cooper, Council Member
Bob Mendes, Council Member
Talia Lomax-O'dneal, Director of Finance

Others

Mark Swann, Metropolitan Auditor
Theresa Costonis, Department of Law
Lauren Riley, Office of Internal Audit
Seth Hatfield, Office of Internal Audit

Quorum present? Yes

CALL MEETING TO ORDER

Mr. Reed called the meeting to order.

APPROVAL OF MINUTES

A **motion** was made to approve the April 9, 2019, meeting minutes as presented in the Metropolitan Nashville Audit Committee Workbook for April 16, 2019, was seconded, and carried.

NEW BUSINESS

Discussion on the appointment of interim acting Metropolitan Auditor to fill the vacancy of the Metropolitan Auditor position. Position vacancy beginning May 1, 2019.

Mark Swann stated that the job posting for the permanent Metropolitan Auditor position was posted on Monday, April 15, 2019 and Human Resources was working on getting the position posted with national professional organizations.

Mr. Swann contacted each of the three firms on contract with the Office of Internal Audit and requested a nomination for Interim Metropolitan Auditor. KraftCPAs was the only firm to submit a proposal. The firm nominated Gina Pruitt, Member-in-Charge of Risk Assurance and Advisory Services, and Scott Nalley, Senior Manager of Risk Assurance and Advisory Services, and estimated that the position would be of a part-time basis with an hourly rate of \$235. There was also one internal candidate, Lauren Riley, Principal Auditor for Office of Internal Audit. Both the KraftCPAs proposal and Ms. Riley's resume were presented in the Metropolitan Nashville Audit Committee Workbook.

Mr. Swann explained that funding for the Interim Metropolitan Auditor position would need to be taken out of benefit dollars in the budget or a special appropriation would need to be made by the Metropolitan Nashville Council. Talia Lomax-O'dneal stated that in extenuating circumstances the Finance Department will allow departments to use benefit dollars in lieu of a special appropriation. Ms. Lomax-O'dneal stated she would make accommodations for the funding, so it would not be a factor in selecting an interim Metropolitan Auditor.

A discussion ensued, and Mr. Bob Mendes stated that he preferred the external candidate as KraftCPAs could assist in the search for a permanent replacement for Metropolitan Auditor and provide guidance on complex issues currently facing the Office of Internal Audit.

Mr. Brackney Reed clarified that while a team approach was presented by KraftCPAs, Ms. Pruitt, if chosen, would be selected as Interim Metropolitan Auditor and the committee agreed.

A **motion** to appoint Gina Pruitt as Interim Metropolitan Auditor was made, seconded, and carried.

Discussion on departmental accountability for delayed implementation of audit report recommendations.

Mr. Swann presented a summary of open audit recommendations. Mr. Swann contacted the departments for each of the twenty-four audits with open recommendations and all but four sent a response with an update on implementation. Mr. Mendes stated that he was glad the summary was prepared and that it should be passed on to next Metropolitan Auditor.

UNFINISHED BUSINESS

Revised Investigative Report Collier Engineering issued January 24, 2019.

Mr. Swann explained that he met with Judge Patricia Cottrell, Chief Compliance Officer, and she has not yet finished her billing review for Collier Engineering. Additionally, the committee received a letter from an external law firm with more information regarding Collier Engineering. Mr. Swann stated that Judge Cottrell has reviewed the new letter and there are a couple of new items that need to be examined, but some of the letter was rehashing issues that have already been investigated.

Ms. Lomax O'dneal inquired about how the upcoming vendor audit of Collier Engineering will intersect with the review by Judge Cottrell. Mr. Swann explained that the same audit procedures would be used for all the vendor audits, but there may be a situation where the scope of work for Collier Engineering's audit could be adjusted to include more investigative type work.

The committee agreed to wait until the next meeting on June 25, 2019 in order to hear an update from Judge Cottrell and what needs to be done to conclude the investigation.

UNFINISHED BUSINESS

FY2019 Budget Status

Mr. Swann stated that the Office of Internal Audit was on track to meet the required budget savings of \$40,000. The department should be under budget for fiscal year 2019.

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

The next meeting is to be scheduled for June 25, 2019, at 4:00 p.m.

The public meeting adjourned after approximately 24 minutes.

The minutes for the April 16, 2019, Metropolitan Nashville Audit Committee meeting are respectfully submitted.

A handwritten signature in cursive script that reads "Gina D. Pruitt". The signature is written in black ink and is positioned above the typed name and title.

Gina Pruitt, Interim Metropolitan Nashville Auditor
Secretary, Metropolitan Nashville Audit Committee

Approved by the Metropolitan Nashville Audit Committee on July 10, 2019.