

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
AUDIT COMMITTEE MEETING MINUTES
September 10, 2019

On Tuesday, September 10, 2019, at 4:00 p.m., the Metropolitan Nashville and Davidson County 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
Talia Lomax-O'dneal, Director of Finance

Others

Gina Pruitt, Interim Metropolitan Auditor
Theresa Costonis, Department of Law
Bob Mendes, Council Member
Wanda Hadley, Human Resources
Chief Al Thomas, Fire Marshal's Office
Lauren Riley, Office of Internal Audit
Bill Walker, Office of Internal Audit
Innocent Dargbey, 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 August 30, 2019, meeting minutes as presented in the Metropolitan Nashville Audit Committee Workbook for September 10, 2019, was seconded, and carried.

NEW BUSINESS

Discussion on request from Mayor Briley to perform an investigation and performance audit of the General Sessions Probation Department's Interactions with ICE agents

Ms. Pruitt presented Mayor Briley's letter requesting an investigation and performance audit of the General Sessions Probation Department's interactions with U.S. Department of Homeland Security-Immigration and Customs Enforcement (ICE) agents. Ms. Pruitt stated several Metropolitan Council members made a similar request of Warner Hassell, Court Administrator. Vice-Mayor Shulman explained that the Metropolitan Council requested the General Sessions Probation Department perform an internal assessment of processes and obtain an outside legal opinion, if necessary, about the current procedures. These results are to be presented to the Metropolitan Council. A discussion ensued about the need for two concurrent investigations.

Councilmember Mendes stated based on the upcoming election, Ms. Pruitt should contact Mr. Hassell and determine his plans to address the Metropolitan Council's request. If the request is being handled internally, no additional action should be taken by Office of Internal Audit until after Mr. Hassell's results are communicated to the Metropolitan Council. Vice-Mayor Shulman volunteered to communicate with the Mayor on the issue.

A **motion** was made for Vice-Mayor Shulman to communicate with the Mayor and present back to the Audit Committee any additional work that needs to be done, was seconded, and carried.

Discussion on the Audit of the Metropolitan Nashville Fire Marshal's Office issued September 6, 2019

Mr. Dargbey summarized the objectives, observations, and recommendations of the Fire Marshal's Office audit. Ms. Lomax-O'dneal inquired about the risk ranking for the observations noted. A discussion ensued about how observations are rated based on risk and compensating controls. Ms. Lomax-O'dneal stated that due to the important work of the Fire Marshal's Office, she would consider many of the observations to be high risk.

Vice-Mayor Shulman inquired whether the follow-up inspections of Metropolitan Nashville schools were occurring. Chief Thomas discussed how school inspections are performed and the follow-up steps after each failed inspection. A discussion ensued about documentation of follow-up inspections and the high demand for inspections due to growth in Nashville and Davidson County.

Action item: Mr. Reed requested the report be adjusted to clarify the follow-up inspection issues and how it relates to lack of documentation. Ms. Pruitt stated the report would be changed to reflect his request.

A discussion was had around the insurance ramifications of not performing necessary inspections or follow-up inspections. Chief Thomas explained the steps taken after a failed inspection if the owner wishes for the building to remain occupied. Ms. Costonis noted she would share the report and discussion points with B.C. Cobb, Insurance Manager within the Department of Law.

Chief Thomas spoke about the importance of an upcoming software upgrade that will alleviate many of the office's documentation issues. Ms. Lomax-O'dneal commended the Fire Department for requesting this audit in order to better themselves.

UNFINISHED BUSINESS

Discussion of next steps related to candidates for Metropolitan Auditor

Ms. Pruitt stated she received feedback on two candidates with whom the Audit Committee would like to conduct follow-up interviews. Ms. Pruitt also mentioned that a candidate that was unable to interview during the previous two interview dates is still interested in being considered for the position.

A discussion ensued about the eligibility of the candidate not yet interviewed. Ms. Hadley stated since the candidate, Kimberly Phegley, was included in the initial pool of outstanding candidates, was included in the initial interview list, and provided a written request to still be considered, she could be interviewed. Ms. Lomax-O'dneal voiced concerns over interviewing someone who was unable to attend the prior two dates. A discussion was had about the reasons Ms. Phegley missed the first two interviews.

A **motion** was made to bring Kimberly Phegley in for an interview for the position of Metropolitan Auditor, was seconded, and carried. Ms. Lomax-O'dneal abstained from voting.

A discussion was had about how follow-up interviews would be performed. Ms. Hadley and Ms. Costonis stated the Committee members needed to determine the follow-up questions for the two candidates on which Ms. Pruitt received concerns. Committee members discussed what

questions were appropriate to address the concerns surrounding media reports about the two candidates. Ms. Costonis advised the Committee on what questions may cause unintended responses and why these questions should be avoided. Ms. Hadley stated the questions should be specific to the candidates and not general in nature.

Ms. Costonis drafted two questions addressing media articles surrounding the two candidates and their separations from previous employers. Councilmember Mendes requested the questions include language to ensure the candidates respond only to address how the media reports impact the job responsibilities and ability to do the work of the Metropolitan Auditor.

Action item: Ms. Pruitt stated she would poll the Committee for potential dates for the follow-up interviews and in person interview of Kimberly Phegley.

A **motion** was made to hold the airing of the September 10, 2019, Audit Committee meeting pertaining to the interview process for Metropolitan Auditor until the process is complete, was seconded, and carried.

Revised Investigation Report Collier Engineering issued January 24, 2019

Ms. Pruitt noted this discussion item has continued on the agenda as the investigation report was not closed by the Audit Committee. Ms. Pruitt requested the Audit Committee remove the item from future agendas based on their knowledge of the vendor audits and work performed by Judge Patricia Cottrell.

A **motion** was made to remove the Revised Investigation Report of Collier Engineering issued January 24, 2019, from the agenda, was seconded, and carried.

OTHER ADMINISTRATIVE MATTERS

Ms. Pruitt presented the following administrative matters:

- Fiscal Year 2020 Budget Status
- Office of Internal Audit Project Status Update
- Recommendation Follow Up Status

Ms. Lomax-O'dneal requested clarification on the Audit Committee term expirations for the Metropolitan Council members and the Vice-Mayor. Ms. Costonis discussed election law and case references. Ms. Costonis stated the Vice-Mayor's position and any Council district seats would continue on the Audit Committee until their successors are sworn in. However, at-large Council seats do not have incumbents, and Ms. Costonis stated this would cause their terms to end on August 31, 2019.

Councilmember Mendes inquired about his position on the Committee since he had secured his at-large Council seat, and he was sworn in to the Council prior to September 2019. Committee members also inquired if Councilmember Mendes could continue on the Audit Committee until the end of September.

Action item: Ms. Costonis stated she would look into Councilmember Mendes' term and eligibility to serve on the Audit Committee until the end of September 2019.

A **motion** was made to allow Councilmember Mendes to serve on the Audit Committee until the end of September 2019 subject to Department of Law's determination of his eligibility.

The next regularly scheduled meeting is November 26, 2019, at 4:00 p.m.

The public meeting adjourned after approximately 1 hour and 14 minutes.

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The minutes for the September 10, 2019, Metropolitan Nashville Audit Committee meeting are respectfully submitted.

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

Approved by the Metropolitan Nashville Audit Committee on November 26, 2019.