

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY**  
**AUDIT COMMITTEE MEETING MINUTES**  
**February 13, 2024**

On Tuesday, February 13, 2024, at 4:00 p.m., the Metropolitan Nashville Audit Committee met in the Metropolitan Courthouse, 2<sup>nd</sup> Floor, Committee Room 1. The following people attended the meeting:

Committee Members

Tom Bates, Tennessee Society of CPAs  
Kevin Crumbo, Director of Finance  
Courtney Johnston, Council Member  
Burkley Allen, Council Member  
Matthew Scanlan, Chamber of Commerce  
Angie Henderson, Vice Mayor

Others

Lauren Riley, Metropolitan Auditor  
Theresa Costonis, Department of Law  
Erica Haber, Department of Law  
Jennifer Wade, Juvenile Court  
Hank Clay, MNPS  
Bill Walker, Office of Internal Audit  
Seth Hatfield, Office of Internal Audit

Quorum present? Yes

**CALL MEETING TO ORDER**

Mr. Bates called the meeting to order.

**PUBLIC COMMENTS**

There were no public comments.

**APPROVAL OF MINUTES**

A **motion** to approve meeting minutes for December 11, 2023, was made, seconded, and carried.

Annual election of Metropolitan Audit Committee Chairman and Vice Chairman

Mr. Bates stated elections of a Chairman and Vice Chair should occur annually.

A **motion** for Mr. Bates to continue as Chairman was made, seconded, and carried.

A **motion** for Council Member Johnston to serve as Vice Chair was made, seconded, and carried.

**NEW BUSINESS**

Discussion on the Audit Recommendations Follow-up – Metropolitan Nashville Public Schools Capital Projects Process

Ms. Riley summarized the four follow up recommendations of the report. Ms. Riley noted initially five recommendations were made, but only four recommendations were accepted. Committee members inquired about the fifth recommendation that was rejected. Ms. Riley noted the discussion from the initial audit report and the outcomes. Ms. Riley noted only recommendations followed-up on were in the report. Council Member Allen recommended including the rejected recommendations in the report and future reports. Ms. Riley noted the office would include all recommendations going forward and noted the current report would be updated to reflect the rejected recommendation.

A **motion** to update the report to include the rejected recommendation was made, seconded, and carried.

### Discussion on the HousingNOLA Contract Investigative Report

Mr. Hatfield summarized the allegations and investigative work performed. Mr. Hatfield noted none of the allegations were substantiated. Mr. Hatfield noted a few recommendations were made based on the investigation. Council Member Johnston voiced appreciation for the work performed but noted disappointment in the political nature and resources used to investigate the allegations. She noted all allegations were unsubstantiated and only a minor overpayment was discovered. No additional questions or comments were made.

### Discussion on the Audit of the Davidson County Juvenile Court

Mr. Walker summarized the objectives, observations, and recommendations of the report. Council Member Johnston noted similar observations occurred years ago, and she inquired about steps made to address those issues. Ms. Wade noted changes in processes and appreciation for this audit in noting additional areas to focus. A discussion ensued around the observations and the current conditions at the Juvenile Court. Vice Mayor Henderson and Council Member Allen inquired about the school services offered and using a contractor for the services. Mr. Clay addressed the questions, and a discussion ensued around monitoring. Ms. Wade answered additional questions related to the staffing at Juvenile Court. Ms. Wade noted the Juvenile Court was taking the recommendations seriously and was working to implement them all immediately.

### Discussion of the Office of Internal Audit Recommended 2024 Annual Work Plan

Ms. Riley presented a high-level summary of the methodology utilized in developing the Annual Internal Audit Work Plan. Ms. Riley walked through each audit on the plan and noted the reason for its placement on the plan. Ms. Riley noted the first three audits were carried over from the prior year.

Mr. Scanlan asked about the scope of the Metropolitan Council Legislation Implementation and Oversight. Ms. Riley explained the prior Vice Mayor requested this audit to look into the outcomes of Council legislation. The office discussed scope with the prior Audit Committee members, and the scope would be narrowed to only certain legislation. Vice Mayor Henderson noted concerns with the audit scope. A discussion ensued around the scope and giving time to the Vice Mayor to review the current state and make changes before an audit. A recommendation to remove the audit from the plan was made.

Ms. Riley continued to go through each audit on the plan. Council Member Johnston and Finance Director Crumbo asked questions around the Metro Parks Department Cash Collections audit. Ms. Riley noted the audit was added due to concerns discovered when looking into an allegation that was not substantiated. Vice Mayor Henderson noted the importance of accountability even on smaller dollar revenues. Ms. Riley noted who requested or recommended the audits on the Other Audits Considered list for transparency. Ms. Riley explained why each one was not included in the annual plan.

Vice Mayor Henderson inquired about the remaining audits on the audit plan that were not previously discussed. Ms. Riley noted the planned scopes and purposes of the remaining audits. Ms. Riley noted the Titans Stadium audit would be ongoing throughout the construction phases as recommended by best practices.

A discussion ensued around audits that could be added to the plan from the Other Audits Considered list. Council Member Johnston requested the addition of the Fire Department Fleet

Maintenance Audit to the annual audit plan. Mr. Bates requested the Metro Government Credit Card Spending audit be added to the plan as well. A brief discussion was had around the scope of the credit card audit.

A **motion** was made to approve the proposed 2024 Annual Audit Plan as presented with the following changes:

- Removal of the Metropolitan Council Legislation Implementation and Oversight audit,
- Addition of the Fire Department Fleet Maintenance audit, and
- Addition of the Metro Government Credit Card Spending audit.

The motion was seconded and carried.

#### Ethics Training for Boards, Commissions, and Authorities

Ms. Costonis went through the ethics training for the committee members. Vice Mayor Henderson noted the importance of the presentation but suggested the presentation could be done online as many boards and commissions have members join throughout the year. No further discussion ensued.

### **PROJECT STATUS**

#### Recommendation Implementation and Ongoing Projects

Ms. Riley covered the status of current open recommendations. She noted the status of the current audit plan, list of projects, and fraud, waste, and abuse hotline reports.

### **OTHER ADMINISTRATIVE MATTERS**

#### Office of Internal Audit 2023 Performance Report and Metropolitan Nashville Audit Committee Annual Report to the Metropolitan Nashville Council

Ms. Riley discussed the Office of Internal Audit 2023 Performance Report and Metropolitan Nashville Audit Committee Annual Report to the Metropolitan Nashville Council. No discussion ensued.

#### Budget and Staffing

Ms. Riley covered the current budget status. Ms. Riley also covered the open positions and work towards creation of a lead investigator position. No further discussion ensued.

#### End of Public Meeting

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

The public meeting adjourned after approximately 1 hour 45 minutes.  
The next regularly scheduled meeting is April 9, 2024, at 4:00 p.m.

\*\*\*\*\*

The minutes for the February 13, 2024, Metropolitan Nashville Audit Committee meeting are respectfully submitted.

A handwritten signature in black ink that reads "Lauren Riley". The signature is written in a cursive, flowing style.

Lauren Riley, Metropolitan Auditor  
Secretary, Metropolitan Nashville Audit Committee

***Approved by the Metropolitan Nashville Audit Committee on April 9, 2024***