

**METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY  
AUDIT COMMITTEE MEETING MINUTES  
April 12, 2022**

On Tuesday, April 12, 2022, 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  
Sharon Hurt, Council Member  
Kyonzte Toombs, Council Member  
Kelly Flannery, Director of Finance  
Jim Shulman, Vice Mayor

Committee Member Absent

Tom Bates, Tennessee Society of CPAs

Others

Lauren Riley, Metropolitan Auditor  
Theresa Costonis, Department of Law  
John Crosslin, Crosslin  
Jenneen Kaufman, Finance  
Julie Groves, Nashville General Hospital  
Scott Nalley, Kraft CPAs  
Erica Hightower, Kraft CPAs  
Josh Thomas, Department of Law  
Jim Diamond, Health Department  
Seth Hatfield, Office of Internal Audit  
Bill Walker, Office of Internal Audit

*Quorum present? Yes*

**CALL MEETING TO ORDER**

Mr. Reed called the meeting to order.

**APPROVAL OF MINUTES**

A **motion** to approve meeting minutes for February 8th, 2022, was made, seconded, and carried.

Annual election of Metropolitan Audit Committee Chairman and Vice Chairman

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

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

**NEW BUSINESS**

Presentation of the Metropolitan Nashville Government Fiscal Year 2021 Schedule of Expenditures of Federal and State Awards and Reports Required by the Single Audit Act as Amended and the Uniform Guidance.

An overview and summary of the results was presented. Mr. Crosslin noted the remediation of previous findings and there would be no findings related to the current review. A **motion** to accept the report was made, seconded, and carried. However, the **motion was then removed** as questions arose. Councilmember Hurt inquired about interest accumulation for the CARES Act fund. Ms. Kaufman stated she would look into the question and provide a response before the next meeting. To give members time to review the report closer, the vote to accept will be moved to the next meeting agenda.

Presentation of the Metropolitan Nashville Government Fiscal Year 2021 Letter of Recommendations to Management

Mr. Crosslin noted there were four management comments, and no material weaknesses were found. One comment related to timeliness of bank reconciliation. This will become automated over the next year and is scheduled to be fully implemented by 2023. A discussion ensued regarding the amount of money associated with reconciliations. The committee decided to review the letter and push acceptance to the next meeting's agenda.

Discussion on Potential Changes to the Audit Opinion from the External Auditor

Ms. Kaufman stated in future years the external audit opinion would change from individual funds to an in-relation opinion. Ms. Kaufman stated nothing in the Annual Comprehensive Financial Report will change; the only item changing is the auditor's opinion. The updated wording is what the State uses, and most municipalities use as well. The change will make the report more modernized. There was a small discussion regarding this change. The agenda item was informational only; no action was necessary.

Discussion on the Audit of the Metro Public Health Department Information Technology - Information Technology Security Management and Governance

KraftCPAs conducted the audit for the Office of Internal Audit. Ms. Hightower summarized the scope, observations, and recommendations of the report. Ms. Hightower noted the Covid-19 pandemic affected processes and possibly led to the increase in findings. Eight findings were mentioned. A discussion ensued regarding the findings.

Discussion on the Office of Internal Audit External Quality Control Review

Mr. Walker explained an external group of peer auditors organized by the Association of Local Government Auditors came to review the Office of Internal Audit's compliance with Yellow Book standards. The Office of Internal Audit received a passing grade with no management letter comments. Mr. Walker noted four verbal comments. No questions or discussion took place.

Discussion on Audit Recommendations Follow-up – Audit of Metropolitan Nashville General Government Benefits

Mr. Walker noted the follow-up audit reviewed four recommendations. Three recommendations were fully implemented, and one was partially implemented with an expected completion by the end of the year. No questions or discussion took place.

**OLD BUSINESS**

Discussion on the Investigation Report on Allegations of Nashville General Hospital

Ms. Riley requested to defer the discussion until the next meeting while they are waiting additional documentation. The agenda item was deferred.

Discussion on the Metropolitan Auditor 2022 recruitment and appointment process for the term July 1, 2022, through June 30, 2030.

Mr. Walker noted all candidates have been interviewed, and the ranked three candidates from the Audit Committee will go before the Metropolitan Council. Metropolitan Council will vote to approve the ranked candidates based on the information provided by the Audit Committee. The Audit Committee recommends Lauren Riley unanimously. A **motion** to accept the rankings of 1) Lauren Riley, 2) Phillip Reynolds, and 3) Jennifer Anderson was made, seconded, and carried.

**OTHER ADMINISTRATIVE MATTERS**

Internal Audit Project Status

Ms. Riley advised no new recommendations were due for implementation since the last Audit Committee meeting. Ms. Riley reviewed the project status and FY2022 budget status. Mr. Reed inquired about the FY2023 budget status. Ms. Riley noted the Office of Internal Audit had met with the Mayor's Office to discuss budget requests and was awaiting the Mayor's Budget release to see if requests were included.

Mr. Reed inquired if there was a need to go into Executive Session. Ms. Riley advised no.

The public meeting adjourned after approximately 1 hour.  
The next regularly scheduled meeting is June 14, 2022, at 4:00 p.m.

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The minutes for the April 12, 2022, Metropolitan Nashville Audit Committee meeting are respectfully submitted.



Lauren Riley, Metropolitan Auditor  
Secretary, Metropolitan Nashville Audit Committee

***Approved by the Metropolitan Nashville Audit Committee on June 28, 2022***