

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
AUDIT COMMITTEE MEETING MINUTES
December 10, 2024

On Tuesday, December 10, 2024, at 4:00 p.m., the Metropolitan Nashville Audit Committee met in the Metropolitan Courthouse, 2nd Floor, Committee Room 1. The following people attended the meeting:

Committee Members

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

Members Absent

Quorum present? Yes

Others

Lauren Riley, Metropolitan Auditor
Phylinda Ramsey, Department of Law
Andrew Lantz, Agricultural Extension
Stacey Wall, General Services
Brandon Vanatta, General Services
Jerry Tomlinson, Fire Department
Kevin Brown, Metro Finance
Jennifer Pedginski, Metro Finance
Andrew Walczak, Metro Finance
John Crosslin, Crosslin
Katie Farris, Crosslin
Bill Walker, Office of Internal Audit
Seth Hatfield, Office of Internal Audit
Laura Henry, Office of Internal Audit

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 September 10, 2024, was made, seconded, and carried.

NEW BUSINESS

Discussion on the Audit Recommendations Follow-Up – Davidson County Agricultural Extension Office

Mr. Hatfield summarized the follow up recommendations of the report. Mr. Hatfield noted three recommendations were implemented, and three recommendations were not implemented. Councilmember Allen inquired about the timeline for implementing the remaining recommendations. Mr. Hatfield noted some required year over year analysis, and thus they would require more time for implementation.

Vice Mayor Henderson asked about when the change in management occurred and its effects on implementation. Mr. Lantz noted he took over in July 2024 and since becoming aware of the recommendations, is trying to implement them using the UT systems in place. A discussion ensued around the office's use of two email addresses and non-Metro systems due to the entities involved in funding the office. Mr. Lantz noted his appreciation for the recommendations and the changes being made to address them. No further discussion was had.

Discussion on the Audit of Nashville Fire Department Fleet Maintenance and Operations

Ms. Riley summarized the objectives, observations, and recommendations of the report. Councilmember Johnston requested clarification on why the Fire Department rejected the reserve report recommendation. Ms. Riley noted management stated updating the report was the job of 40 hour a week staff and doing the work on weekends or holidays would require additional budget for overtime or holiday pay. Mr. Tomlinson discussed the reserve report, the logistics personnel, and the updates required. Councilmember Johnston asked if the real-time fleet management system would remediate the issue. Mr. Tomlinson stated he believed it would address the issue along with many of the other issues in the report.

Councilmember Johnston voiced concerns around the vehicle safety for employees and citizens. She noted instances in other departments where delays in maintenance were experienced with vendors. She stated decentralization of fleet management would address many issues. Councilmember Allen inquired about the process to request changes to centralized fleet management and funding requests. Ms. Riley noted changes in budgeting and funding would occur during the budget process, but there may also be legislation requiring changes if in place. Mr. Crumbo covered the funding considerations for the issues noted. Mr. Crumbo covered the funding increases for fleet through the last and current administrations. Councilmember Allen inquired about information on potential savings for implementing recommendations. Ms. Riley noted the information was not available through the audit work.

Mr. Tomlinson noted the Fire Department has been working with Fleet Management for many years to address concerns with fleet maintenance. Mr. Wall discussed the factors affecting the condition of fleet vehicles. Mr. Wall noted the breadth of services, number of vehicles needed, and other factors need to be considered. Vice Mayor Henderson inquired about the timeline of work being done to improve maintenance and bringing some services back in-house. A discussion ensued around the timeline of consolidating fleet, moving services to third-party vendors, and the current work being done. A discussion was had related to issues in staffing specialists who can work on heavy fleet and the funding of the office. Upcoming budgetary funding was also discussed.

Mr. Wall discussed the last fleet study done and the need for a new study. Vice Mayor Henderson inquired about requests or recommendations that could be done before a study is completed. Mr. Wall and Mr. Tomlinson talked through funding the capital spending plan and requests for real-time data systems. Mr. Crumbo talked through the coordination of doing a fleet study with the Mayor's Office. Mr. Scanlan inquired about engine hours being used as a measure of fleet. Mr. Tomlinson noted that fleet often idle causing hours to run out faster than mileage. Mr. Tomlinson noted the hours are recorded manually like the mileage.

A discussion ensued around the number of mechanics on staff within Fleet Management. Vice Mayor Henderson inquired about the responsibility of actions after a study is performed. A discussion ensued on the length and cost of performing a study. Councilmember Johnston requested Fleet Management work with the Fire Department to reach out to peer cities for data on fleet numbers and setup. Mr. Wall noted the work could be done but it would not be comprehensive like a study by an expert. Mr. Tomlinson noted the outliers that may be encountered. Councilmember Allen also noted the need for preliminary outreach before or while a full study is being completed. No further discussion ensued.

Discussion to amend the 2024 Annual Audit Workplan

Ms. Riley noted the requirement for the Audit Committee to approve any changes to the audit plan. Ms. Riley noted the Metro Action Commission Emergency Rental Assistance Audit on the 2024 Annual Audit Workplan was no longer relevant due to length of time since the funding was used. Ms. Riley requested the audit be removed from the plan.

Ms. Riley requested the addition of the Davidson County Sheriff's Office Inmate Health Services audit to the 2024 Annual Audit Workplan. Ms. Riley noted the office chose the audit based on (a) it being included in the secondary list of audit options in the original plan, (b) the impactful nature of the audit, and (c) the ability to scope it to the skillset of the newly hired auditor leading the audit. Ms. Riley noted the audit would include services like the Behavioral Care Center which includes mental health services.

Councilmember Allen asked about the programming services at the Sheriff's Office and if they could be included in the audit. Ms. Riley noted all the programs could be either a standalone audit, or the current suggested audit could incorporate programs relating to health. Vice Mayor Henderson noted programs such as working with dogs or other programs relating to health would be good additions to the scope. Mr. Scanlan inquired about the preliminary objectives of the audit. Ms. Riley noted some preliminary objectives such as ensuring proper services are provided, goals of programs are being met, and determining accuracy of reported metrics.

A **motion** was made to amend the 2024 Annual Audit Workplan by:

- removing the Metro Action Commission Emergency Rental Assistance Audit, and
- adding the Audit of the Davidson County Sheriff's Office Inmate Health Services, including the Behavioral Care Center and any health-related programs.

The motion was made, seconded, and carried.

Metropolitan Nashville Audit Committee and Metropolitan Nashville Office of Internal Audit Bylaws annual review

Ms. Riley noted the bylaws are reviewed and approved annually by the Audit Committee. No recommendations were made to change the bylaws by Internal Audit. No changes were requested by Audit Committee members.

A **motion** to approve the Audit Committee and Office of Internal Audit Bylaws without any changes was made, seconded, and carried.

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.

Mr. Scanlan inquired about the open recommendations from audits completed years ago. Ms. Riley briefly explained why some audits were taking longer to implement recommendations. Mr. Scanlan requested the table include estimated implementation dates going forward.

Councilmember Johnston inquired about the MLS Soccer Stadium Audit recommendations. Ms. Riley explained some of the recommendations require a legislation change at the State level to implement. Councilmember Johnston requested the recommendations be sent to her to look into further.

OTHER ADMINISTRATIVE MATTERS

Budget and Staffing

Ms. Riley covered the current budget status and staffing. Ms. Riley announced the hiring of Paul Gogonelis as Lead Investigator and Chris Shefelton as an Auditor 2. Ms. Riley noted the one open position would be filled at the beginning of 2025.

End of Public Meeting

A **motion** to adjourn the public meeting and go into executive session was made, seconded, and carried.

The public meeting adjourned after approximately 1 hour 15 minutes.

The next regularly scheduled meeting is December 19, 2024, at 4:00 p.m.

The minutes for the December 10, 2024, 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 December 19, 2024