

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
AUDIT COMMITTEE MEETING MINUTES
April 8, 2025

On Tuesday, April 8, 2025, 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
Jenneen Reed, Director of Finance
Courtney Johnston, Council Member
Burkley Allen, Council Member
Matthew Scanlan, Chamber of Commerce

Others

Lauren Riley, Metropolitan Auditor
Erica Haber, Department of Law
Phylinda Ramsey, Department of Law
John Crosslin, External Auditor
Katie Farris, External Auditor
Kevin Brown, Finance
Glenn Funk, District Attorney
Nancy White, District Attorney's Office
Brandon Vanatta, General Services
Brandon Dudley, General Services
Chinita White, Metro Parks
John Holmes, Metro Parks
Bill Walker, Office of Internal Audit
Seth Hatfield, Office of Internal Audit
Paul Gogonelis, Office of Internal Audit
Jeremy Waldorf, Office of Internal Audit
Nan Wen, Office of Internal Audit
James Carson, 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 February 11, 2025, was made, seconded, and carried.

Annual election of Metropolitan Audit Committee Chair and Vice Chair

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 continue as Vice Chair was made, seconded, and carried.

NEW BUSINESS

Presentation of the Metropolitan Nashville Government Fiscal Year 2024 Schedule of Expenditures of Federal and State Awards and Reports Required by the Single Audit Act as Amended and the Uniform Guidance

Ms. Farris presented an overview and summary of the results. Ms. Farris noted the low risk level used for evaluation, and she noted the specific funding reviewed. No questions were asked by audit committee members.

A **motion** to accept the Metropolitan Nashville Government Fiscal Year 2024 Schedule of Expenditures of Federal and State Awards and Reports Required by the Single Audit Act as Amended and the Uniform Guidance was made, seconded, and carried.

Presentation of the Metropolitan Nashville Government Fiscal Year 2024 Letter of Recommendations to Management

An overview and summary of the results was presented. Ms. Farris noted the comment for timely preparation of bank reconciliations for operational efficiency. Councilmember Johnston inquired about the specific requirement for reconciliation. Ms. Farris explained the reconciliation process. A discussion about reconciliations ensued.

Ms. Farris noted the recommendation to reconcile E-gov on a monthly basis. Ms. Farris clarified the process regarding identifying receipts.

A **motion** to accept the Metropolitan Nashville Government Fiscal Year 2024 Letter of Recommendations to Management was made, seconded, and carried.

Discussion on the Investigation of Allegations at Nashville General Hospital

Ms. Riley explained the accumulation of allegations at NGH since April 2024. She noted the review of the allegations in late 2024 to determine which to investigate. Ms. Riley noted the differences between an audit and an investigation.

Ms. Riley described Allegation A and the work performed. Ms. Riley noted the allegation was unsubstantiated.

Ms. Riley described Allegation B and the work performed. Ms. Riley noted the allegation was substantiated. Councilmember Johnston remarked that it could have been at Dr. Webb's direction, but it could not be proved. Ms. Riley stated that was correct.

Ms. Riley described Allegation C and the work performed. Ms. Riley noted the allegation was substantiated.

Ms. Riley described Allegation D and the work performed. Ms. Riley noted the allegation was substantiated.

Ms. Riley described Allegation E and the work performed. Ms. Riley noted the allegation was substantiated.

Mr. Scanlan disclosed his employer does business with Nashville General Hospital. He noted after conferring with Metro Legal that he does not feel it is a conflict, and it does not affect his judgement.

Councilmember Johnston explained the importance of the investigation and asked if the contract had been canceled and how taxpayers would get the money back. Ms. Riley stated that the contract had been canceled, and the money would be discussed in their meeting with the interim CEO. Councilmember Johnston asked who approved the contract and wrote the contract. Vice Mayor Henderson remarked the challenge with approving contractors. A discussion regarding the billing ensued.

Councilmember Johnston asked if the contracts from Allegation C had been cancelled. Ms. Riley remarked that she was unsure and that it was a conversation they had not been involved in. Mr. Scanlan asked if the minutes of the meetings had been looked at to see if they had reported to the oversight board. Ms. Riley stated that it was outside the scope of the investigation. Mr. Gogonelis said that he did not notice the names mentioned in any agenda.

Vice Mayor Henderson asked when the meetings were starting to be recorded. Ms. Riley remarked that there was no specific date found. Councilmember Johnston remarked that it was good they are now recorded.

Councilmember Johnston asked how long the allegations had been going on. A conversation about the timeframe ensued.

Councilmember Johnston asked about the marketing contracts. Mr. Gogonelis explained the details of the contracts. Vice Mayor Henderson asked follow-up questions. A discussion about the details of the contracts ensued.

Vice Mayor Henderson asked about the process and next steps regarding communication with the Audit Committee. Ms. Riley responded that regular updates could be provided. A discussion ensued about ongoing concerns. Ms. Riley noted the investigation would be added to each future agenda as an "Old Business" item.

Discussion on the Audit of the District Attorney's Office

Ms. Riley summarized the audit of District Attorney's Office. Ms. Riley went through each observation and recommendation noting all recommendations were accepted.

Ms. Riley summarized Observation B and the recommendations made. Councilmember Johnston asked why the employees were being paid a 1099 instead of payroll and how long it had been going on. Ms. Riley responded that it had been happening since 2017. A discussion about the payments ensued. Vice Mayor Henderson asked questions regarding the state statutes and cost of living. Ms. White said that the state standardized the pay across the state and explained the reasoning. A discussion about the standardized pay scale ensued.

Vice Mayor Henderson asked about consolidating FOIA requests regarding Observation E. Ms. Riley noted results of a previous audit of public records requests. A discussion regarding FOIA ensued.

Councilmember Johnston remarked her appreciation of the District Attorney's Office accepting the recommendations with a thorough response letter.

Discussion on the Audit of Metropolitan Nashville Government Vehicle Crashes

Mr. Hatfield summarized the methodology, results, and findings of the audit.

Councilmember Johnston asked if the audit included Metro Fire or just regular vehicles. Mr. Hatfield and Ms. Riley stated that an audit for Metro Fire was going on at the same time, so it was not included. However, other departments were included in the audit. Councilmember Johnston asked clarification on the methodology regarding at fault vehicle crashes. Mr. Hatfield summarized the methodology. Vice Mayor Henderson asked the rate of claims paid for by Metro. A discussion ensued regarding the methodology and claims ensued.

Vice Mayor Henderson asked how many calls were collected regarding driver safety by citizens. Mr. Hatfield responded the information was not included in the methodology. A discussion ensued related to recorded data for calls and the signage on Metro vehicles to report unsafe driving.

Discussion on the Recommendations Implementation Follow-Up - Audit of Nashville General Hospital Human Resources

Ms. Riley summarized the follow-up audit of Nashville General Hospital's human resources department. Ms. Riley presented the recommendations that had been given. Ms. Riley stated that all four recommendations had been implemented. Councilmember Allen asked if contract employees would have been included in the audit. Ms. Riley said that they would not. Vice Mayor Henderson said that exit interviews should be mandatory. Councilmember Johnston agreed.

Discussion on the Audit of the Parks Department Cash Collections

Mr. Hatfield summarized the objectives and findings of the audit.

Councilmember Allen asked a question regarding safety concerns. Mr. Hatfield responded. A discussion ensued related to the collection of cash and safety concerns.

A clarifying question regarding the breakdown of the receipts between cash and credit card was asked. A discussion about capabilities to determine cash versus credit card payments ensued. Councilmember Johnston commented on Observation C and asked how specifically they were reviewing the observation. Ms. White responded with clarification.

Metropolitan Auditor's annual performance review process overview

Ms. Riley reviewed the details of the Metropolitan Auditor's annual performance review process overview. Ms. Riley noted in the past Metro Legal compiled the Audit Committee review results. However, going forward, Metro Legal requested an alternative method be found. A discussion ensued related to how the results would be compiled. The decision was made to have Internal Audit utilize a survey tool to compile review responses from the committee. The results would be provided to Mr. Bates, the Audit Committee Chair, prior to the next meeting. Mr. Bates will then present the results to the committee.

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. Ms. Riley summarized the status of the audits. Mr. Scanlan asked about the status of the Metro Arts audit. Ms. Riley responded that they have a meeting set up with the interim director coming up to determine final responses and implementation dates. The responses to the audit would be included in a reissuance of the audit report once provided.

OTHER ADMINISTRATIVE MATTERS

Budget and Staffing

Ms. Riley reported that the Office of Internal Audit is under budget and explained a few expenses coming up. Ms. Riley announced new internal auditor, Courtney Grable-Nelson, starting on Monday.

Vice Mayor Henderson asked about budget requests. Ms. Riley remarked the desire to add another investigator to help Mr. Gogonelis and some small expenses regarding training and printing.

Ms. Riley announced a new report format for audits coming up.

End of Public Meeting

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

The public meeting adjourned after approximately 2 hour 22 minutes.

The next regularly scheduled meeting is June 24, 2025, at 4:00 p.m.

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The minutes for the April 8, 2025, 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 June 24, 2025