METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
AUDIT COMMITTEE MEETING MINUTES
September 23, 2025

On Tuesday, September 23, 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:

<u>Committee Members Present</u>
Tom Bates, Tennessee Society of CPAs
Angie Henderson, Vice Mayor
Jenneen Reed, Director of Finance
Jason Spain, Council Member

<u>Committee Member Absent</u>
Matthew Scanlan, Chamber of Commerce
Delishia Porterfield, Council Member

Quorum present? Yes

<u>Others</u>
Lauren Riley, Metropolitan Auditor
Ann Mikkelsen, Department of Law
April Calvin, Homeless Services
Ginny Weslch, Council Member
Renee Pratt, Social Services
Yuri Hancock, Social Services
Brenda Wynn, Davidson County Clerk
Tami Drake, Davidson County Clerk
Kevin Brown, Metro Finance
John Crosslin, Crosslin
Mark England, Crosslin
Jennifer Pedginski, Metro Finance
Bill Walker, Office of Internal Audit
Seth Hatfield, Office of Internal Audit
Paul Gogonelis, Office of Internal Audit

CALL MEETING TO ORDER

Mr. Bates called the meeting to order.

PUBLIC COMMENTS

Tim Lee spoke on the requested audit of Homeless Services.
Derreck McCloud spoke on the requested audit of Homeless Services.
Mark Chandler spoke on the requested audit of Homeless Services.
Allison Cantway spoke on the requested audit of Homeless Services.
Michael Lacy spoke on the requested audit of Homeless Services.
Steve Reiter spoke on the requested audit of Homeless Services.
Liz Mallard spoke on the requested audit of Homeless Services.
Dede Byrd spoke on the requested audit of Homeless Services.

APPROVAL OF MINUTES

A **motion** to approve meeting minutes for August 7, 2025, was made, seconded, and carried.

OLD BUSINESS

<u>Discussion on the Investigation of Allegations at Nashville General Hospital</u>

Ms. Riley presented an overview of the recommendations that have been implemented. Ms. Riley noted only one recommendation was still open, but it was pending work done by a hired law firm.

Vice Mayor Henderson inquired about the timeline for the CitiValet lawsuit. Ms. Riley noted the office only knew a lawsuit was filed and would not have a timeline. Vice Mayor Henderson inquired about DocuSign as a Metro-wide contract. A discussion ensued about Nashville General Hospital as a component entity and its ability to use Metro contracts. Director Reed added that Metro Finance and the hospital's hired financial consultant have been working together to improve processes and to smoothly close FY25.

NEW BUSINESS

Discussion on the Investigation Recommendations Follow-up – Investigation of Metro Social Services Contracts

Ms. Riley noted the first two projects on the agenda would be covered as a preface to the requested audit since they touched on the audit request area. Ms. Riley went through the results of the follow-up on the investigation. Ms. Riley noted all recommendations were implemented. No questions were raised.

Discussion on the Audit Recommendations Follow-up – Audit of the Metro Nashville Homeless Impact Division

Ms. Riley discussed the results of the follow-up on the Homeless Impact Division. Ms. Riley noted the division was a part of Social Services at the time of the original audit, but the division became the Office of Homeless Services after the audit. Ms. Riley noted that all recommendations except one were fully implemented. One recommendation was partially implemented, but it was implemented shortly after the follow-up audit. Ms. Riley noted the recommendation related to items in policy that were approved after the report issuance by the Homelessness Planning Council. A brief discussion ensued about reporting back once the recommendation was verified as implemented.

Discussion on the request for an audit of the Office of Homeless Services

Ms. Riley introduced the audit requests and documents provided related to the request. Ms. Mikkelsen and Mr. Bates discussed the order of operations for the previous request heard by the Audit Committee. Mr. Bates noted the requestor and the department head each had five minutes to discuss the request, and then the Audit Committee discussed.

A **motion** to follow the procedure of five minutes per presenter and then Committee discussion was made, seconded, and carried.

Councilmember Welsch presented her request for an audit of the Office of Homeless Services. She discussed her reasons for the request.

Director Calvin discussed the Office of Homeless Services. She discussed the work the office performs and the previous audits and investigations at the office. *(An annual report handout was provided to the Audit Committee)*

Councilmember Spain asked Director Calvin to discuss remedial actions taken after the discovery of purchases on an expired contract. Director Calvin noted areas and actions taken by the department to improve. Director Reed and Mr. Crosslin discussed the Single Audit and the work performed related to Homeless Services.

Vice Mayor Henderson noted input and concerns received from other Metro Council members related to the audit request. Mr. Bates inquired about how adding the audit would affect the rest of the annual audit plan. Ms. Riley noted that since it was so late in the plan year, she would not recommend removing any audits. Thus, the plan would not change other than the addition.

Councilmember Spain inquired about typical timing of auditing newly created departments. Director Reed noted the role the Office of Financial Accountability may play in new departments. Ms. Riley stated the office tries to audit departments ever 5 years, and 3 years or so would be normal to give a department time to set up procedures and have support for audit work performed. Vice Mayor Henderson inquired how long the Office of Homeless Services has been operating. Director Calvin stated the department was created two years ago. Director Reed noted the hiring of a new financial policy compliance position to assist in monitoring compliance with financial policies.

Vice Mayor Henderson discussed the scoping of the audit and finding a beneficial scope to address concerns. Ms. Riley noted past audit work and where a current audit would be best scoped. Ms. Riley noted focusing on financial operations would be best.

A **motion** to add an Audit of Office of Homeless Services Financial Processes to the 2025 annual audit plan was made and seconded.

Discussion ensued. Director Reed and Vice Mayor Henderson noted the good work being done by the Office of Homeless Services, the appreciation for the speakers, and the audit being constructive for the department. Director Reed disclosed being part of the Strobble family and a donor. Ms. Mikkelsen inquired if she had a financial interest in the department. Director Reed stated she was only a donor. Ms. Mikkelsen inquired if she believed she could act in a fair and unbiased manner in the vote. Director Reed stated she could. Ms. Mikkelsen stated she did not believe there was a conflict of interest.

The **motion** was approved.

<u>Discussion on the Investigation of Allegation at the Davidson County Clerk's Office</u>

Mr. Walker discussed the investigation into a theft allegation at the Davidson County Clerk's Office. Mr. Walker noted how the theft was identified and the process followed to appropriately report it. Mr. Walker stated the allegation was substantiated and went through the additional recommendations to address identified control weaknesses.

Councilmember Spain inquired about the need to collect cash by the office. Clerk Wynn noted the reasons for accepting cash, and a discussion ensued about being cashless. Mr. Bates inquired about the system permissions allowing either license to be printed. A discussion ensued about reasons businesses go from one business license type to the other and how long the need to change had been occurring.

Vice Mayor Henderson clarified the length of time the employee was performing the task and the potential for the theft to have occurred longer than what was recorded on camera. Vice Mayor Henderson inquired about actions taken to ensure employees who resign but allegations are substantiated against are not later hired for another position in the future. Ms. Riley noted she could not answer that but would reach out to Metro Human Resources.

Clerk Wynn reiterated the office's commitment to ensure that money collected is secured and appropriately managed.

Discussion of External Audit Plan for the year ended June 30, 2025

Mr. Crosslin went through the external auditor's plan for the annual financial audit. Mr. Crosslin covered pertinent information and required communications.

Mr. Bates inquired about the experience and background of the Audit Manager for the external audit of Nashville General Hospital. Mr. Crosslin noted the manager's background and previous experience with healthcare. Mr. Bates inquired about risks and staffing at the hospital. Mr. Crosslin noted the work being performed at the hospital and the status of it.

A discussion ensued around audit procedures and the SEFA. Internal procedures around federal expenditures and receipts were discussed. Director Reed explained compensated absences and the changes related to the financial statements due to them.

Metropolitan Nashville Audit Committee Annual Self-Assessment

Ms. Riley went through the annual self-assessment noting the importance of ensuring compliance with bylaws. Ms. Riley noted the results were acceptable for each bylaw. No further discussion ensued.

PROJECT STATUS

Recommendation Implementation and Ongoing Projects

Ms. Riley covered the status of current open recommendations. No further discussion ensued.

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 noted the office has one open position, but the applicant pool had just closed. Hiring of the position would occur soon.

End of Public Meeting

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

The public meeting adjourned after approximately 1 hour 33 minutes.

The next regularly scheduled meeting is December 9, 2025, at 4:00 p.m.

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The minutes for the September 23, 2025, Metropolitan Nashville Audit Committee meeting are respectfully submitted.

Lauren Riley

Lauren Riley, Metropolitan Auditor

Secretary, Metropolitan Nashville Audit Committee

Approved by the Metropolitan Nashville Audit Committee on December 9, 2025