METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY
AUDIT COMMITTEE MEETING MINUTES
February 10, 2026

On Thursday, February 10, 2026, at 3:00 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
Jenneen Reed, Director of Finance
Delishia Porterfield, Council Member
Jason Spain, Council Member
Matthew Scanlan, Chamber of Commerce
Angie Henderson, Vice Mayor

Others
Lauren Riley, Metropolitan Auditor
Phylinda Ramsey, Department of Law
Erica Haber, Department of Law
Kevin Brown, Metro Finance
Jennifer Pedginski, Metro Finance
John Crosslin, Crosslin
Mark England, Crosslin
Jennifer Manternach, Crosslin
Bill Walker, 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 18, 2025, was made, seconded, and carried.

OLD BUSINESS

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

Ms. Riley noted that Metro Legal had provided changes to the Audit Committee bylaws based on the discussion at the December 9, 2025, Audit Committee meeting. Changes were made to the election of chair and vice chair. Additionally, changes were made to address ethical standards and conflicts of interest. Metro Legal recommended reviewing the Planning Commission bylaws for other areas to consider including.

Vice Mayor Henderson noted the Planning Commission's bylaws focused on financial and property conflicts of interest, but the Audit Committee's bylaws proposed more general terms. Ms. Riley explained the importance of being independent in fact and appearance within audit standards. The proposed language reflected this standard. Mr. Bates agreed it would be more in line with AICPA professional standards.

Discussion ensued related to how the committee would vote on the bylaw changes. A determination to vote on all changes at one time was made.

Vice Mayor Henderson discussed the election of chair and vice chair to the committee, noting that an elected official in the chair position could present the committee as political. However, being a small, six-member committee makes it difficult to automatically appoint the two publicly appointed members as chair and vice chair. Mr. Bates agreed on the importance of maintaining an unbiased, independent appearance.

Councilmember Spain inquired about the history of the members serving as chair and vice chair. Ms. Riley noted the chair and vice chair were historically the publicly appointed members until Councilmember Johnston was named vice chair during her term on the committee. A discussion ensued related to the proposed language and how the committee would be affected in the event a publicly appointed position was vacant for a lengthy period.

A proposal to adjust the bylaws language to require one publicly appointed member to serve as chair, while any other committee member could be vice chair was made. Discussion ensued on if a motion specifying language and approval of the bylaws with the changes should be made. Ms. Ramsey requested the committee wait until Metro Legal has provided updated language to reflect the proposed change before approving the bylaws.

A **motion** was made requesting Metro Legal provide proposed language for the Audit Committee bylaws, which includes:

- Changing the sentence stating the two publicly appointed members would serve as chair and vice chair to instead say, the chair shall always be one of the two publicly appointed committee members, and the vice chair may be any other committee member.

The motion was seconded and carried.

NEW BUSINESS

Election of Metropolitan Audit Committee Chairman and Vice Chairman

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

Presentation of the Metropolitan Nashville Government Fiscal Year 2025 Schedule of Expenditures of Federal and State Awards and Reports Required by the Single Audit Act as Amended and the Uniform Guidance

Mr. Crosslin walked through an overview of the results of the audit of the Annual Comprehensive Financial Report. The handout included the methodology, procedures performed, scope, audit team, reporting responsibilities, new accounting requirements, and the results of the audit.

Mr. Scanlan inquired about the effects of the GASB on compensated absences. Mr. Crosslin noted the accounting change affected all departments and was not an error but a change in presentation. Director Reed explained the accounting for absences before and after the accounting change.

Ms. Manternach walked through the SEFA and Single Audit. She noted the different schedules and methodologies for performing the audit work. Ms. Manternach stated no material weaknesses or significant deficiencies were found. Ms. Manternach described the programs included and which programs were not included. Mr. Bates inquired about how the programs are carved out for review. Ms. Manternach noted the 20% reviewed is of the expenditures in the schedules provided. Ms. Manternach noted there was an unmodified, clean opinion.

Director Reed expressed appreciation for the work performed by the Crosslin team and Metro Finance to get the audit work completed by December 31, 2025.

Presentation of the Metropolitan Nashville Government Fiscal Year 2025 Letter of Recommendations to Management

Mr. England presented the information within the management letter. He noted there was only one recommendation in the letter, which related to timely bank reconciliations.

Councilmember Porterfield arrived.

A discussion ensued about Oracle Cloud helping to remediate the bank reconciliation delay. Director Reed noted again that the completion of the management letter was commendable.

A **motion** to accept the 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.

A **motion** to accept the Fiscal Year 2025 Letter of Recommendations to Management was made, seconded, and carried.

Discussion of the Office of Internal Audit Recommended 2026 Annual Work Plan

Ms. Riley explained the time period that the annual audit plan covers and the requirement for it to be approved. Ms. Riley walked through the process followed to identify higher risk areas and what metrics are taken into consideration. Ms. Riley explained the plan takes into consideration many factors including staff capabilities and recommended audits by stakeholders.

Ms. Riley walked through the proposed audit plan including carryforward audits as well as new audits. Ms. Riley noted potential audit objectives for each audit and the reason it was included. Councilmember Porterfield inquired about why some areas my not be auditable within the Metro Action Commission. Ms. Riley noted these areas in the past have been related to economic eligibility for certain programs or other federal requirements for assistance.

Ms. Riley explained the reasons the County Clerk's Office and Trustee's Office were on the plan and how the audits would be coordinated after elections if needed. Vice Mayor Henderson inquired about audit findings related across the board to elected officials, for example credit card usage. Ms. Riley noted the results of a review into credit card usage following the last meeting. Additionally, Ms. Riley noted other recommendations that could be applied across offices would be considered within other audits. A discussion ensued related to reviewing recommendations made within audits to see if they apply to other areas, and how those recommendations could be made on a broader scale. A discussion ensued about establishing contacts to communicate recommendations to ensure a through line even after turnover.

Ms. Riley discussed the proposed audit of the claims process. Vice Mayor Henderson noted areas of potential disconnects in the process and inquired about the scope and approach of the audit. A discussion ensued related to the scope of the audit and how areas may be reviewed. Councilmember Porterfield noted that looking at the number of instances relative to department size could be beneficial.

Ms. Riley walked through the potential objectives of the overtime audit. Vice Mayor Henderson inquired if the audit would also look at the potential need for more staff, either full time or hourly, if the overtime was significant. Ms. Riley noted that would be considered in scoping the audit.

Ms. Riley continued through the audit plan. Director Reed requested that the boards and commissions audit include reviewing conflicts of interest and disclosures of them.

Ms. Riley briefly discussed other audit topics considered. A discussion ensued related to the audit topics. Committee members discussed the potential audit of the winter storm response. Mr. Scanlan noted the importance of looking into the response and preparation by Metro departments. A discussion ensued about work currently being performed on the storm efforts and how an audit may be considered after those results are available. The committee discussed public-facing data and its relation to some of the other audit topics considered.

A **motion** was made to approve the Office of Internal Audit Recommended 2026 Annual Audit Work Plan, seconded, and carried.

Vice Mayor Henderson expressed appreciation for Ms. Riley's work to engage with the Metropolitan Council in the audit plan process.

Internal Audit Project Status

Ms. Riley reviewed the status of open recommendations and noted recommendations that required revised dates. Ms. Riley provided an overview of open projects. No questions were asked.

Other Administrative Matters

Ms. Riley presented the Office of Internal Audit's Annual Report to Council. Ms. Riley noted the highlights of the report.

Ms. Riley went through the current budget status for the department. Ms. Riley discussed current staffing for the department and the recent hiring of Philip Katsadouros.

Vice Mayor Henderson recognized and complimented Metro Finance for their recent presentation to the Metro Council. Director Reed stated Metro Finance is working to provide Finance 101 training to departments, updating many Finance policies, and filled a position to help monitor policy compliance.

End of Public Meeting

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

The public meeting adjourned after approximately 1 hour 30 minutes.
The next regularly scheduled meeting is April 28, 2026, at 4:00 p.m.

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The minutes for the February 10, 2026, 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 April 28, 2026