Minutes of the Meeting of the MNAA & MPC Audit & Compliance Committees

BNA Nashville International Airport

Date:	March 11, 2020	Place:	Nashville International Airport Board Room Nashville, Tennessee
Time:	10:00 a.m.		
Committee Members Present:			Nancy Sullivan, Chair; Christy Smith; and Jimmy Granbery
Committee Members Absent:			John Doerge, Vice Chair
Others Present:			A. Dexter Samuels, Board Chair; Doug Kreulen; Cindy Barnett; and Angela Edwards

---

I. Call to Order

Chair Sullivan called the meeting of the MNAA Audit Committee to order at 11:09 a.m. pursuant to Public Notice dated March 6, 2020.

II. Approval of Minutes

Chair Sullivan called for a motion to approve the minutes of the December 11, 2019 Audit Committee Meeting. A motion was made by Commissioner Granbery and seconded by Commissioner Smith. The motion carried by vote of 3 to 0.

III. Chair's Report

Chair Sullivan had no Chair's Report.

IV. Items for Approval

None

V. Information Items

A. Fraud Reporting Update

Ms. Lisa Lankford, AVP, Special Assistant to the President, briefed the Committee on this item. Ms. Lankford congratulated Ms. Tiffany Underwood for being promoted to Manager, Internal Audit. Ms. Underwood is responsible for managing the Internal Audit and oversight of the External Financial Audit.

Ms. Underwood has worked for MNAA since 2016 as in Internal Auditor and she holds a Masters in Accountancy and is a Certified Public Accountant. Ms. Underwood is planning to pursue her CIA.

Ms. Lankford reported there had been two red flag reports since the last meeting of the Audit Committee. One was for potential theft of a storage cabinet, and this item had been closed with no evidence to establish theft had occurred. The MNAA Ethics and Conflict of Interest Policy was reviewed at the Maintenance All-Team Meeting in February 2020 and employees' signatures were required. The close-out report was in final review.

The second item was a report of an MNAA employee allegedly having potential inappropriate conduct with airport subcontractors which was filed February 28, 2020. Board Chair Samuels was notified on February 28, 2020 and Audit Committee Chair, Nancy Sullivan was notified on March 1, 2020 and March 3, 2020. The employee had been suspended with pay pending the completion of the investigation. The investigation has been assigned to Hal Hardin, Esq., an attorney in Nashville. Interviews are underway. An update on this item will be reported at the next Audit Committee meeting and staff will keep Committee Chair Sullivan updated throughout the process.

There were 38 remaining open audit findings. There were two new audit findings in the second quarter FY20 with seven audit findings being closed in the second quarter FY20.

This item was presented for information purposes only with no action required.

B. External Audit Update

Ms. Lankford briefed the Committee on this item. Ms. Lankford reported that an external auditing services RFP was published March 16, 2020 and responses are due April 9, 2020. Ms. Lankford discussed scope of services, terms, SMWBE goal, evaluation criteria, and estimated cost. The RFP was published in 2 newspapers on March 16, 2020 and March 19, 2020 with a link to Aerobidz. Nine firms were directly solicited.

Ms. Lankford discussed credentials that proposers must possess, experience, advisory and consulting services, audit staffing levels, and key improvements in scheduling.

This item was presented for information purposes only with no action required.

C. Public Safety Update

Mr. David Griswold, Chief of Police, AVP, Public Safety, updated the Committee on this item. Chief Griswold reported on the audits under the Commissioner on Accreditation for Law Enforcement Agencies (CALEA). The Law Enforcement and Airport Communications Center (ACC) audit was conducted December 6-14, 2019 and passed with zero discrepancies. The next annual audit will be conducted in December 2020. The Law Enforcement's next annual audit will be conducted in December 2020 as well. Staff is currently gathering proofs and documentation. ACC planned to attend the CALEA Conference March 18-21, 2020, however the conference has been cancelled.

Chief Griswold then updated the Committee on fuel safety inspections for FY20-Q2. BNA's Department of Public Safety conducts quarterly inspections and the surveillance of fueling activities are ongoing. BNA has 70 fueling vehicles, 28 storage tanks, and 113 fueling personnel. Chief Griswold reported violations were found at seven tenants and discussed the violations identified. As a result of these violations, 14 fueling vehicles were placed out of service, multiple warnings were written with correction dates for follow up, and seven monetary fines were written.

Chief Griswold reported there has been no date set for 2020 TSA Regulatory Compliance at this time.

This item was presented for information purposes only with no action required.

VI. Adjourn

There being no further business brought before the Audit Committee, Chair Sullivan adjourned the meeting at 11:22 a.m.

Angela Edwards - Staff Secretary

William H. Freeman, Board Secretary

W/ permission