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

BNA Nashville International Airport

Date:	November 11, 2020	Place:	Nashville International Airport Board Room/Electronic Meeting
Time:	10:30 a.m.		
Committee Members Present:			Nancy Sullivan, Chair; John Doerge, Vice Chair; Christy Smith; and Jimmy Granbery
Committee Members Absent:			None
Others Present:			Aubrey B. Harwell, Board Chair; Amanda Farnsworth; Bill Freeman; Joycelyn Stevenson; Kevin Crumbo; Doug Kreulen; Cindy Barnett; and Angela Edwards

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I. Call to Order

Chair Sullivan called the meeting of the MNAA Audit Committee to order at 10:37 a.m. pursuant to Public Notice dated November 6, 2020.

II. Roll Call and Open Meetings Act Announcement

Ms. Angela Edwards, Staff Secretary, called roll of the members of the Audit and Compliance Committee. All members were present. Ms. Edwards read the Open Meetings Act Announcement as follows:

The Meeting of the Audit and Compliance Committee will be held in accordance with Executive Order No. 16, as amended by Executive Order No. 34, as amended by Executive Order No. 51, as amended by Executive Order No. 60, and as amended by Executive Order No. 65, signed by Governor Bill Lee on October 28, 2020, allowing a governing body to hold meetings by electronic or other means of communication without a quorum being physically present if the governing body determines that meeting by electronic means is necessary to prevent the spread of COVID-19 or other related epidemics to protect the health, safety and welfare of the public and members of the governing body. All votes taken during this meeting will be by roll call vote.

III. Approval of Minutes

Chair Sullivan called for a motion to approve the minutes of the March 11, 2020 Audit Committee Meeting. A motion was made by Commissioner Granbery and seconded by Commissioner Smith. The motion carried by vote of 3 to 0, due to technical difficulties, Commissioner Doerge's vote could not be heard and was therefore not recorded.

IV. Chair's Report

Chair Sullivan had no Chair's Report.

V. Items for Approval

None

VI. Information Items

A. Fraud Reporting Update

Ms. Lisa Lankford, AVP, Special Assistant to the President, briefed the Committee on this item. Ms. Lankford stated there were no new red flag reports since the last meeting of the Audit Committee. The annual ethics training and testing was in process for all employees, staff aug, contractors, and tenants.

There were ten new audit findings in the 1QFY21 for a total of 39 open findings. Eleven findings were closed in the 1QFY21. Closed findings include Business Diversity Development, Human Resources, and Information Technology.

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

B. Internal Audit Update

Ms. Lankford congratulated Ms. Vanessa Hickman, AVP, Information Technology, Mr. KC Hampton, and Mr. Kevin Hale for passing the first annual Payment Card Compliance Assessment. Improvements made to the PCI Assessment were the addition of KC Hampton, an experienced security professional with broad risk and PCI industry knowledge and the OnePoint online tool which allowed 66% of the evidence to be submitted prior to official assessment.

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

C. FY20 External Audit Update

Ms. Lankford turned the meeting over to Plante Moran representatives, Mr. Ali Hijazi, and Ms. Pamela Hill.

Ms. Hill reviewed the audit process including the financial statement audit, single audit, and the passenger facility charge compliance audit. There were no audit issues noted. Significant accounting policies and practices included the adoption of GASB Statement No. 84, Fiduciary Activities.

Mr. Hijazi presented a report on the results of the audit to include Plante Moran's responsibility under professional standards, scope and timing of the audit, accounting policies and procedures, significant accounting estimates, and other required communications. Mr. Hijazi reported that October 23, 2020 deliverables included

the Independent Auditors' Report on Financial Statements, the Independent Auditors' Report to the Audit and Compliance Committee, and the Independent Auditors' Report on Compliance Requirements under the Uniform Guidance for the Major Federal Program and the PFC Audit Guide for the PFC Program. Mr. Hajizi went on to present the operating revenues and expenditures for fiscal years ended June 30 of 2018, 2019, and 2020.

Upon conclusion of Plante Moran's presentation, Ms. Lankford informed the Commissioners that the Comprehensive Annual Financial Report (CAFR) for fiscal year 2020 was available to them for review.

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 11:03 a.m.

William H. Freeman, Board Secretary