AUDIT COMMITTEE
AGENDA

DATE: February 4, 2026
LOCATION: City Hall 4th Floor Conference Room
TIME: 3:00 PM

I. CALL TO ORDER – Director of Internal Audit

II. ANNOUNCE MEMBERS IN ATTENDANCE (VERIFY QUORUM)

III. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON
   A. Chairperson - Be knowledgeable of Audit Committee functions and responsibilities, chair meetings, represent the Audit Committee before City Council or any other official body as necessary, correspond as necessary in regard to Audit Committee issues, prepare Director's annual performance evaluation, and coordinate with Human Resources to hire (or terminate) in regard to the Director's position.
   B. Vice Chairperson - Be knowledgeable of Audit Committee functions and responsibilities, fill in for or provide assistance to the Chairperson related to any of the duties listed above.

IV. FINANCIAL STATEMENT AUDIT PRESENTATION BY Crosslin

V. ADOPTION OF MINUTES
   A. October 29, 2025 Audit Committee Meeting

VI. DEPARTMENT REPORT

VII. NEW BUSINESS
   A. None

VIII. COMMITTEE ACTION REQUIRED
   A. Crosslin Contract Renewal
   B. Performance Objectives and Measures
   C. Audit Committee Candidate Consideration

IX. CITY COUNCIL ACTION REQUIRED
   A. Nomination of Audit Committee Member for March 2026 - December 2027

X. ADJOURNMENT OF PUBLIC MEETING

XI. PUBLIC COMMENTS (5 minutes each)

XII. NEXT MEETING - **April 29, 2026 3:00 PM**

XIII. EXECUTIVE SESSION – Vote by the Committee to go into executive session.

During executive session and for the remainder of the meeting, the Audit Committee will be discussing only matters that are considered confidential under TCA Section 9-3-405 (d). These items may include:

A. Items deemed not subject to inspection under TCA Section 10-7-503 and 10-7-504
B. Current or pending litigation and pending legal controversies
C. Pending or ongoing audits or audit related investigations
D. Information protected by federal law
E. Matters involving information under TCA Section 9-3-406 where the informant has requested anonymity.

At this point in the meeting everyone other than Audit Committee members and those asked to attend by the Audit Committee to address an item related to the categories above will be asked to leave.

XIV. ADJOURNMENT OF EXECUTIVE SESSION

UNAPPROVED

AUDIT COMMITTEE
MINUTES

DATE: October 29, 2025
LOCATION: CITY HALL FOURTH FLOOR CONFERENCE ROOM
TIME: 3:00 PM

I. CALL TO ORDER - Chairman
The meeting was called to order by Trey Judd at 3:00 pm.

II. ANNOUNCE MEMBERS IN ATTENDANCE (VERIFY QUORUM)
Audit Committee members present: Elizabeth Rankin, Lynn Stokes, Trey Judd, Keri Lovato
Audit Committee members absent: None
Quorum verified? Yes
Internal Audit attendees: Stephanie Fox, Rebecca Darden, Kailee Keatts
Other Attendees: None

III. ADOPTION OF MINUTES: July 30, 2025 Audit Committee Meeting
Lynn Stokes made a motion to adopt the minutes. Elizabeth Rankin seconded the motion. The motion was approved unanimously.

IV. DEPARTMENT REPORT
A. Department Update
Stephanie presented the department update, including the budget report and an update on departmental activity.

V. NEW BUSINESS
A. None

VI. COMMITTEE ACTION REQUIRED
A. Audit Committee Candidate Consideration
The committee reviewed qualifications for a potential candidate to serve on the committee from January 2026 - December 2027. The vote for this item is recorded under City Council action required.

UNAPPROVED

VII. CITY COUNCIL ACTION REQUIRED

A. Nomination of Audit Committee Member for January 2026 - December 2027

Lynn Stokes made a motion to nominate Rodney W. Wright to serve on the Audit Committee from January 2026 through December 2027. Keri Lovato seconded the motion. The motion was approved unanimously.

VIII. ADJOURNMENT OF PUBLIC MEETING

Elizabeth Rankin made a motion to adjourn the public meeting and move into executive session. Lynn Stokes seconded the motion. The public meeting was adjourned at 3:42 pm.

IX. PUBLIC COMMENTS (5 minutes each)

X. NEXT MEETING - **February 4, 2026 3:00 PM**

XI. EXECUTIVE SESSION - Vote by Committee to go into executive session.

During executive session and for the remainder of the meeting, the Audit Committee will be discussing only matters that are considered confidential under TCA Section 9-3-405 (d). These items may include:

A. Items deemed not subject to inspection under TCA Section 10-7-503 and 10-7-504
B. Current or pending litigation and pending legal controversies
C. Pending or ongoing audits or audit related investigations
D. Information protected by federal law
E. Matters involving information under TCA Sections 9-3-406 where the informant has requested anonymity.

At this point in the meeting everyone other than Audit Committee members and those asked to attend by the Audit Committee to address an item related to the categories above will be asked to leave.

The following items were discussed during executive session.

a. Ongoing audits and investigations

XII. ADJOURNMENT OF EXECUTIVE SESSION

During executive session, the committee requested to re-enter regular session. Keri Lovato made a motion to re-enter regular session. Elizabeth Rankin seconded. The motion passed unanimously.

Keri Lovato made a motion directing Internal Audit to review prior recommendations and provide internal control recommendations to the Finance Department. Lynn Stokes seconded the motion. The motion was approved unanimously.

Keri Lovato made a motion to adjourn the executive session. Elizabeth Rankin seconded. The meeting was adjourned at 4:04 pm.

YEAR-TO-DATE BUDGET REPORT

FOR 2026 13

	ORIGINAL APPROP	TRANFRS/ ADJSTMTS	REVISED BUDGET	YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
1100 General Fund							
10415211 Salaries and Wages-Inter.Audit							
10415211 4111 Full-Time Employe	353,251	0	353,251	164,634.49	.00	188,616.51	46.6%
10415211 4112 Part-Time Employe	2,700	0	2,700	.00	.00	2,700.00	.0%
10415211 4113 Longevity Pay	500	0	500	500.00	.00	.00	100.0%
10415211 4211 Health Insurance	66,192	0	66,192	33,785.50	.00	32,406.50	51.0%
10415211 4212 Dental Insurance	1,656	0	1,656	845.25	.00	810.75	51.0%
10415211 4213 Life Insurance	212	0	212	106.82	.00	105.18	50.4%
10415211 4214 Disability Insura	1,519	0	1,519	707.87	.00	811.13	46.6%
10415211 4221 Social Security C	25,976	0	25,976	12,068.99	.00	13,907.01	46.5%
10415211 4231 TCRS Contribution	46,148	0	46,148	21,043.81	.00	25,104.19	45.6%
TOTAL Salaries and Wages-Inter.Audit	498,154	0	498,154	233,692.73	.00	264,461.27	46.9%
10415213 Operating Expenditures-Int.Aud							
10415213 4321 Employee Training	10,400	0	10,400	1,075.00	.00	9,325.00	10.3%
10415213 4322 Memberships & Con	2,325	0	2,325	694.62	.00	1,630.38	29.9%
10415213 4323 Employee Testing	105	0	105	48.00	.00	57.00	45.7%
10415213 4324 Software License	42,200	0	42,200	.00	.00	42,200.00	.0%
10415213 4325 Software Renewals	1,078	0	1,078	384.76	.00	693.24	35.7%
10415213 4334 Accounting/Auditi	87,000	0	87,000	32,877.50	212.50	53,910.00	38.0%
10415213 4442 Rental of Equipme	120	0	120	55.21	47.85	16.94	85.9%
10415213 4521 Property Insuranc	315	0	315	270.84	.00	44.16	86.0%
10415213 4523 General Liability	714	0	714	685.19	.00	28.81	96.0%
10415213 4530 Communications	381	0	381	190.97	.00	190.03	50.1%
10415213 4580 Travel	100	0	100	.00	.00	100.00	.0%
10415213 4610 General Supplies	2,000	0	2,000	231.14	.00	1,768.86	11.6%
10415213 4640 Books & Periodica	1,115	0	1,115	.00	.00	1,115.00	.0%
TOTAL Operating Expenditures-Int.Aud	147,853	0	147,853	36,513.23	260.35	111,079.42	24.9%
GRAND TOTAL	646,007	0	646,007	270,205.96	260.35	375,540.69	41.9%

** END OF REPORT - Generated by Fox, Stephanie **

<u>Audit Plan Status</u>

The table below shows FY 2026 projects and their current status.

Project	Status	Note
Building & Codes Permitting Audit	Completed	Issued in October 2025
City General Contract Management Change Order Audit Clarksville Gas & Water Contract Management Change Order Audit	Ongoing - Reporting Phase	Draft reports will be sent to management for comments and action plans within the next week. These should be released by February 28, 2026.
FY 2026 Ethics Survey	Ongoing - Planning	Survey will be open for responses from employees from 2/18/26 - 3/6/26.
IT Assessment	Ongoing - Planning	Currently working on procurement for this engagement.
Wire Transfer Controls Advisory Engagement	Not Yet Started	
AVL Program Advisory Engagement	Not Yet Started	
Senior Management Expense Audit (Calendar Years 2023-2024)	Not Yet Started	

Ongoing Project Hours

Project	Hours Actual	Hours Budgeted
City General Contract Management Change Order Audit Clarksville Gas & Water Contract Management Change Order Audit	1,142	1,000
FY 2026 Ethics Survey	15.50	300
IT Assessment	9.5	100

Hotline Activity

We have received 21 total hotline reports since July 1, 2025. Thirteen of these were received after the last committee meeting in October. All of the reports have been resolved and are considered closed.

Staff Metrics

Continuing Professional Education Requirements

Auditor	Percentage of Required Hours Completed
Stephanie	2.5%
Emily	0%
Kailee	0%
Becca	0%

Engagement Fees

At Crosslin, we share with our customers a desire for professional fees to be commensurate with the value delivered. Through our people, commitment and drive, we strive to ensure that this equation is always balanced. We seek not to be the lowest-cost provider in the markets we serve, but rather to provide services that offer compelling value to our customers. We believe that the fees proposed are competitive for comparable services, but we do not want fees to be the sole reason on which you base your decision. Should this proposal yield materially different fee results, and you wish to engage our firm, we would appreciate the opportunity to discuss the differences with you to ensure that our proposal has considered all of the relevant facts.

Other firms may propose lower fees, but our experience, together with our reasonable fees, make Crosslin an effective choice.

Our not-to-exceed cost proposal for external auditing services for the City for fiscal year 2024 and for two-one year renewal options is as follows:

Year Ended	Clarksville City General	Clarksville Gas, Water, and Wastewater	CDE Lightband	Total
June 30, 2024	$77,000	$49,500	$47,500	$174,000
Optional Renewal				
June 30, 2025	$80,100	$51,500	$49,400	$181,000
June 30, 2026	$83,300	$53,550	$51,400	$188,250

The overall engagement fee has been allocated among City General and the City's Departments based on expected hours to be incurred in the performance of the respective engagements, which is based on our previous history with the City.

The previously mentioned fees are FIXED unless the City's activities result in changes which increase the scope of our engagement(s). In those circumstances, we would review the complexities and scope of the change (e.g., formation of entities, major structure changes, significant changes in controls processes, significant GASB pronouncements, etc.) and obtain your approval of the fee increase. The increase would correspond to the hourly rates and fees quoted previously. At this time, we do not expect any changes from the above fixed fees.

All administrative, online confirmation costs, and technology costs are included in this quotation as are all out-of-pocket expenses.

Chris Reneau - Statement of Qualifications – Audit Committee

I can bring extensive executive leadership and financial oversight experience to the City of Clarksville Internal Audit Committee, including service as Chief Financial Officer for the Clarksville Montgomery County School System, where I was fiscally accountable for a $600+ million operating budget, multiple capital projects, and federally funded programs exceeding $100 million. I also served as Chief Financial Officer for Millan Enterprises, with responsibility for accounting, finance, procurement, capital projects, analytics, budgets, payroll, and enterprise system implementation, establishing fiscal controls and improving organizational cash flow. Earlier in my career at Staples, I held senior leadership roles in Financial Planning and Analytics, where I led working capital improvements, accelerated month-end close cycles, strengthened forecasting accuracy, and implemented performance metrics supporting financial governance. Across both public and private sectors, I have consistently focused on internal controls, risk management, audit readiness, and data-driven decision making, supported by an MBA, a degree in Chemical Engineering, and multiple professional certifications in county financial management, project management, quality, and operational excellence, enabling me to provide independent, analytical, and practical oversight in support of the City's fiduciary and governance responsibilities.