

## MINUTES OF FEBRUARY 19, 2025

**City Council Office**  
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<https://www.KnoxvilleTN.gov/CityCouncil>



**Audit Committee Meeting**

400 W Main St  
Room 461  
Knoxville, TN 37902

<https://www.KnoxvilleTN.gov/Agenda>

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**Audit Committee – Regular Meeting – Minutes**  
**Wednesday, February 19, 2025 - 3:00 PM**

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**1. CALL TO ORDER**

Chairperson Lauren Rider called the meeting to order at 3:04pm.

**2. ROLL CALL**

**Attendance      Attendee Name**

Present      Dusty Brock, Committee Member  
Nicole Elliott, Committee Member  
Lynne Fugate, Councilmember  
Debbie Helsley, Councilmember  
Amelia Parker, Board Member  
Lauren Rider, Chairperson

Absent      Ronnie Brabson, Committee Member

**Other staff in attendance**

Savannah Kirk, Internal Auditor, Boyce Evans, Chief Financial Officer, Kittrin Smith, Deputy Chief Financial Officer, Will Johnson, City Recorder

Curtis Payne, Principal at Crosslin, PLLC, was present.

**3. APPROVAL OF MINUTES**

a. MINUTES OF DECEMBER 18, 2024

The minutes were approved as distributed.

**4. PUBLIC COMMENTS GERMANE TO AGENDA ITEMS**

There were no persons on the list to speak.

## 5. REPORTS OF OFFICER OR SUBCOMMITTEES

### a. REPORT OF AUDIT COMMITTEE CHAIR

This report was taken up after Section 9. New Business.

Chairperson Rider reported on the recently effective Executive Order by Mayor Kincannon concerning the reporting of fraud, waste and abuse. She reviewed some of the committee's history concerning this topic.

The Chairperson spoke about some concerns Mrs. Kirk had raised about the ability of person to make anonymous reports. She noted that Russ Jensen, Director of the 311 Center for Service Innovation, has made an adjustment to the online form to ensure individuals understand they may submit tips anonymously.

Chairperson Rider invited committee members to provide agenda topics for the April regular meeting. She asked that committee members speak with Mr. Johnson or Mrs. Kirk about requested agenda items.

Committee members requested that Mr. Jensen be invited to the April meeting. There was a dialogue about concerns from committee and Internal Auditor receiving all the complaints from the Administration.

There was a conversation about the committee's desired frequency with which they wish to receive reports from the Administration.

A discussion ensued about the possibility of the committee recommending to City Council an ordinance or resolution to codify a process.

There was dialogue concerning using formal motions to express the will of the committee in future meetings.

Dialogue ensued about the independence of the process created by the executive order and the internal auditor's role in same.

The committee expressed its wish to consider at its April meeting the following topics related to the fraud, waste, and abuse reporting process:

- The desired frequency the committee wishes to receive reports.
- Whether the committee wishes to receive all reports or all substantiated reports.
- Confirming anonymity is an option for all reporting methods. The committee will invite Mr. Jensen and Mark Parker, Information Systems Director, to this meeting to participate in this discussion.
- Whether the internal auditor should receive the reports at the same time as the Administration receives the same.

There was a discussion about whether the online reporting form should also include a link to the Tennessee Comptroller of the Treasurer's reporting form.

A conversation ensued concerning Mrs. Kirk bringing additional agenda items from previous work items to the April meeting.

b. REPORT OF INTERNAL AUDITOR

Mrs. Kirk did not give a report.

**6. REPORTS OF SPECIAL COMMITTEES**

There are no special committees.

**7. SPECIAL ORDERS**

There are no special orders.

**8. UNFINISHED BUSINESS**

There is no unfinished business.

**9. NEW BUSINESS**

a. REVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024

Mr. Payne presented a report on the audit results for FY2024 financial statements. (a copy of this report is attached to these minutes)

A discussion ensued about staffing changes at Crosslin including who will be the principal for the audit of fiscal year 2025.

There was discussion about how and what is tested and the risk-based nature of the review.

There was further conversation about single-audit testing and materiality calculations.

A discussion ensued concerning component units like the Metropolitan Knoxville Airport Authority and Knoxville Utilities Board.

There was a discussion of uncompensated absences and the coming next year with Government Accounting Standards Board Statement 101.

There was a conversation about a document from Mrs. Kirk, which was an example of findings from a previous audit. (a copy of this handout is attached to these minutes)

Committee members and Mrs. Kirk expressed thanks to the Finance Department for their efforts this past year.

There was dialogue about staffing changes, vacancies, and hires in the Finance Department, especially with respect to how these affect preparation of the financial statements.

Mr. Evans and Ms. Smith left the meeting room.

There was further discussion about the vacancy in the comptroller position in the Finance Department, as well as a contract employee in the department.

A dialogue ensued concerning compensation reviews that the City undertakes for its employees.

The committee invited Mr. Evans and Ms. Smith back to the meeting room.

b. VOTE ON WHETHER TO RENEW THE CONTRACT WITH CROSSLIN, PLLC

There was a discussion about whether to renew the contract with Crosslin, PLLC for the external audit.

A dialogue ensued concerning the procurement process

Councilmember Fugate moved to Approve the Routine Item, and Councilmember Helsley seconded the motion. Upon voice-vote, the motion was declared carried by the following vote:

<b>Yes:</b>	<b>6</b>	Brock, Elliott, Fugate, Helsley, Parker, Rider
<b>No:</b>	<b>0</b>	None
<b>Recused:</b>	<b>0</b>	None
<b>Absent:</b>	<b>1</b>	Brabson

At this time, the committee returned to Section 5. Reports of Officer or Subcommittees.

**10. ADJOURNMENT**

Chairperson Rider announced that the meeting was adjourned at 4:22PM.

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Chair

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City Recorder