

# **Tennessee Public Utility Commission Audit Committee Meeting Minutes June 29, 2026**

**Present:** Chairman David Jones  
Vice Chairman John Hie  
Commissioner Clay Good  
Commissioner Robin Morrison  
Commissioner David Crowell  
Commissioner Kenneth Hill (by telephone)  
Commissioner Herbert Hilliard

**In attendance:** Earl Taylor, Executive Director  
Kelly Grams, General Counsel  
Ashlee Hatfield, Director of Operations  
Michelle Mairs, Deputy Director of Utilities/Internal Auditor  
Chris Eaton, Director of Utilities, Audit Committee Secretary

## **MINUTES OF MEETING**

### **A. Call to Order**

Chairman Jones called the meeting of the Audit Committee to order on June 29, 2026. The meeting was held remotely through the Webex platform.

### **B. Quorum**

A quorum of the Audit Committee was deemed present, and the meeting was opened for business. Electronic copies of meeting materials had been previously supplied to Commissioners and Staff..

### **C. Presentation of Internal Audit Report**

Ms. Mairs presented the internal audit report for the fiscal year ended June 30, 2026. As detailed in the report, four audits were performed in accordance with the annual audit plan approved previously by the Committee: (1) Inspection Fees and Charges; (2) Hiring and Separation Procedures; (3) Data Security and Integrity; and (4) Shared Databases.

Ms. Mairs reported that, based on the audit work conducted, internal audit concluded that the agency was generally in material compliance with applicable statues, policies and procedures governing inspection fees, filing fees, record retention, and conflict of interest. No substantial, material deficiencies or improprieties were discovered in the areas reviewed. Additionally, all recommendations from the prior audit report have been addressed and implemented by management.

### **D. Approval of Internal Audit Report**

Following review and discussion, on motion duly made by Chairman Jones, seconded by Vice Chairman Hie, and carried by unanimous vote of the Audit Committee, it was resolved that the internal audit report for the fiscal year ending June 30, 2026, be approved as submitted. In

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accordance with the Audit Committee Charter, Ms. Mairs will transmit a copy of the report to the Comptroller of the Treasury.

### **E. Presentation of Internal Audit Plan**

Ms. Mairs presented the internal audit plan for the upcoming fiscal year ending June 30, 2027. Ms. Mairs stated that, based on risk assessments and available resources, a plan to conduct internal audits in the following areas was recommended: (1) Inspection Fees; (2) Policy and Processes; (3) Utility Cyber-Security Reports; (4) Rule Review; and (5) Follow-up of Prior Audit Recommendations. A report on the results of all internal audits will be issued prior to the end of the fiscal year ending June 30, 2027.

### **F. Approval of Internal Audit Plan**

Following review and discussion, on motion duly made by Chairman Jones, seconded by Vice Chairman Hilliard, and carried by unanimous vote of the Audit Committee, it was resolved that the proposed internal audit plan for the fiscal year ending June 30, 2026, be approved. In accordance with the Audit Committee Charter, Ms. Mairs will transmit a copy of the plan to the Comptroller of the Treasury.

### **G. Internal Audit Charter**

Mr. Eaton provided the Committee with information regarding the drafting of a functional internal audit charter. A broad explanation of the charter and the reasons for its creation were summarized and it was stated that a draft would be submitted to the Commissioners for review within the next two weeks. After allowing review by the Commissioners, the Internal Audit Committee will be reconvened in August for a vote to adopt the charter.

### **H. Scheduling of Next Meeting**

Following discussion, it was determined that staff would coordinate a date in June of 2027 agreeable to Commissioners to consider the internal audit report for the fiscal year ending June 30, 2027, and the internal audit plan for the fiscal year ending June 30, 2028.

### **I. Public Comments**

Pamela Moses from Memphis and the founder of the organization Rise up America. Unhappy with rates and billing practices of Memphis Light Gas and Water. Commissioner Hilliard and General Counsel Grams informed Ms. Moses that TPUC has no jurisdiction over the activities of Memphis Light Gas and Water or other municipal utilities and that such concerns would be more appropriately brought before the Memphis City Council.

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**J. Adjourn**

There being no further business, Chairman Jones adjourned the meeting.

**Minutes prepared by Chris Eaton, Secretary, on 6/30/2026**