TENNESSEE HOUSING DEVELOPMENT AGENCY
AUDIT & BUDGET COMMITTEE
July 28, 2026

Pursuant to the call of the Chairman, the Audit & Budget Committee of the Tennessee Housing Development Agency Board of Directors (the "Committee") met on Tuesday, July 28, 2026, at 10:00 AM CT at the William R. Snodgrass Tennessee Tower, Tennessee Room #2, 312 Rosa Parks Blvd; Nashville, TN 37243.

The following Committee members were present in person: Treasurer David Lillard (Chair); Secretary of State Tre Hargett; Rick Neal; Stephen Dixon; and Micheal Miller.

Recognizing a quorum present, Treasurer Lillard called the meeting to order at 10:00 AM CT. For the first order of business, Treasurer Lillard called for consideration and approval of the May 12, 2026, Audit & Budget Committee Meeting Minutes. Upon motion by Secretary Hargett, second by Mr. Miller, and following a vote with all members identified as present voting "yes", the motion carried to approve the May 12, 2026, minutes.

Treasurer Lillard recognized Mr. Jason Redd, Director of Internal Audit, to present the Internal Audit Plan. Mr. Redd noted the Internal Audit Plan outlines the priorities of the Internal Audit Department for the 2027 Fiscal Year and that process is driven by a risk assessment that is used to develop the Internal Audit Plan and its related schedule. Mr. Redd noted the Internal Audit Plan and a list of ongoing audit projects as of the June 30, 2026, was provided to the Comptroller's Office. Treasurer Lillard asked Mr. Redd to address the External Quality Assessment included in the Internal Audit Plan. Mr. Redd described the nature of the External Quality Assessment and stated that it will commence on August 31, 2026. Treasurer Lillard called for consideration and approval of the Internal Audit Plan. Upon motion by Mr. Neal, second by Secretary Hargett, and following a vote with all members identified and present as voting "yes", the motion carried to approve the Internal Audit Plan.

Treasurer Lillard asked Mr. Redd to make a few comments regarding his first year with THDA as the Committee prepares to address the Director of Internal Audit Performance Evaluation. Mr. Redd stated that the first year in the Director of Internal Audit role has presented several learning opportunities and that the strength of the Internal Audit staff and the responsiveness of the THDA Leadership have proven invaluable. As discussion moved to the review of the Director of Internal Audit Performance Evaluation, Mr. Redd and Executive Director Ralph Perrey exited the room. Treasurer Lillard stated the overall evaluation result is Advanced and that, upon his review of the comments, the Committee agrees with the rating. Upon motion by Treasurer Lillard to accept the evaluation and approve the salary and bonus as set by THDA standards based for the rating, second by Secretary Hargett, and following a vote with all members identified and present voting "yes", the motion carried to approve the Director of Internal Audit Performance Evaluation.

Treasurer Lillard addressed the Executive Director Performance Evaluation and stated the evaluation reflects an Advanced rating. Treasurer Lillard stated the general salary is set to commensurate with other state government employees that will be in effect under the new Governor. Upon motion by Treasurer Lillard to accept the evaluation and set the salary and bonus at the same as state commissioners accordingly, second my Secretary Hargett, and following a vote with all members identified and voting "yes", the motion carried to approve the Executive Director Performance Evaluation

There being no further business, Treasurer Lillard adjourned the meeting at 10:06 AM CT.

Respectfully submitted,

Jason Redd
Director of Internal Audit
Approved this 15th day of September, 2026