

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
AUDIT COMMITTEE

MINUTES

May 24, 2024
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Audit Committee met on Friday, May 24, 2024, at 11:31 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

I. Call to Order

Committee Chair Melissa Steagall-Jones called the meeting to order at 11:31 a.m.

II. Roll Call

Board Secretary Dr. Adam Green conducted the roll call. The following committee members were physically present:

Committee Chair Melissa Steagall-Jones
Trustee Dorothy Grisham
Trustee Ron Ramsey
Trustee Tony Treadway

Other Trustees in attendance were Charles Allen, Steve DeCarlo, Dr. Steph Frye-Clark, and Aamir Shaikh.

III. Approval of the Committee Minutes from February 16, 2024

The minutes from the February 16, 2024, meeting of the Audit Committee were approved as submitted with Trustee Ron Ramsey making the motion and Trustee Tony Treadway seconding the motion. The motion passed unanimously.

IV. Annual Review of Charters

Ms. Becky Lewis, Director of Internal Audit, reported to the committee that her office has reviewed the following three charters and has recommended no changes in them:

Audit Committee Charter
Internal Audit Charter
Compliance Charter

In addition, Ms. Lewis said, the Office of Legal Counsel and the Office of Compliance did not recommend any changes.

The committee also did not recommend any changes.

V. Annual Review of Policies

Ms. Lewis reported that her office has reviewed the Internal Audit Policy and the Preventing and Reporting Fraud, Waste, and Abuse Policy and found that no amendments or changes were needed. The other two policies on the agenda are under the auspices of the Office of Human Resources, and no changes were identified. Those are the Conflict of Interest Policy and the Employee Code of Conduct Policy. The Audit Committee concurred on all four policies and did not recommend any changes.

VI. Action Item: Revisions to the FY2023-24 Audit Plan

Ms. Lewis requested that the committee approve the addition of three potential fraud, waste, or abuse concerns to the plan. She also requested permission to delete the Northeast Tennessee Community Health Centers audit. It was initially a special request from the College of Nursing, but the Office of Internal Audit has been asked to postpone the audit until after the implementation of the Voyager system.

Trustee Grisham made a motion that these revisions to the Audit Plan be accepted. Trustee Ramsey seconded the motion. It passed unanimously.

VII. Audits and Investigations Performed February through April 2024

Ms. Lewis summarized the results of three different audits performed during this period. The first was the annual WETS-FM audit, a requirement of the Corporation for Public Broadcasting. The Office of Internal Audit concluded that the financial statements fairly present the financial position of the radio station as of June 30, 2023, and the office issued an unqualified opinion.

The next audit was an executive-level audit of the Chief Information Officer, conducted in accordance with the annual Audit Plan. The administrator to be audited each year is randomly selected. There were no findings as a result of this audit.

The third audit completed dealt with athletics revenue, also in accordance with the annual Audit Plan. It is the first audit the office conducted under its revised procedures. There were no findings.

VIII. Recommendation Log Status as of April 30, 2024

Included in the committee's packet of information is a report on the status of prior audit recommendations. Ms. Lewis indicated that all of the audits on the list have either been completed or are progressing in a timely fashion.

IX. Review of Audited Financial Statements from the Comptroller of the Treasury

Ms. Christy Graham, Chief Financial Officer, reported that once again ETSU has received an unqualified opinion on its financial statements and the financial statements are fairly presented. ETSU has remediated all previous findings, and there were no repeat findings. Ms. Graham said the report indicates that ETSU's financial position is strong.

X. Other Business

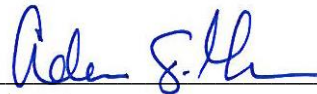
There was no other business to come before the committee.

XI. Executive Session to Discuss Active Audits, Enterprise Risk Management, and Review University Risks and Related Internal Controls

The committee adjourned at 11:47 a.m. to go into executive session.

XII. Adjournment

Respectfully submitted,



Adam Green
Secretary of the Board of Trustees

Approved by the Board of Trustees at its September 13, 2024 meeting.