EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
AUDIT COMMITTEE

MINUTES

September 11, 2026
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Audit Committee met on Friday, September 11, 2026, at 10:02 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

I. Call to Order

Committee Chair Ron Ramsey called the meeting to order at 10:02 a.m.

II. Roll Call

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

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

Other Trustees present were Charles Allen, Janet Ayers, Thomas Bales, Dr. Steph Frye-Clark, Jon Lundberg, Dr. Bert Smith, Grant Summers, and Tony Treadway.

III. Approval of the Committee Minutes from May 21, 2026

The minutes from the May 21, 2026, meeting of the Audit Committee were approved as submitted with Trustee Dorothy Grisham making the motion and Trustee Melissa Steagall-Jones seconding the motion. The committee approved the motion by voice vote.

IV. Action Item: Audit Plan for FY27

Ms. Becky Lewis, Chief Audit Executive, reviewed the general contents of the audit plan. They include the annual required audit of the president's expenses; follow-up reviews; investigations; consultations; advisory services; special requests; and risk-based audits.

Trustee Dorothy Grisham made a motion that the plan be adopted, and Trustee Melissa Steagall-Jones seconded the motion. The committee approved the motion by voice vote.

V. Action Item: Internal Audit Employee Profiles

Ms. Lewis provided to the committee salary information, professional certifications, and years of service for all employees in the department. Each year, she said, the Board of Trustees is required to approve the salaries of those employees.

Trustee Grisham made a motion that the salaries of the Internal Audit staff be approved as presented in the meeting materials. Trustee Steagall-Jones seconded the motion. The committee approved the motion by voice vote.

VI. Audits and Investigations Performed May through August 2026

Ms. Lewis reported that since April her office has performed three audits, two investigations, and two advisory services.

An audit was conducted of the Institutional Animal Care and Use Program. Ms. Lewis said the report contained one finding, related to noncompliance with controlled substance management requirements within the research program. Multiple laboratories were reviewed, but deficiencies were concentrated within one lab. Ms. Lewis indicated that the audit noted many positive practices across the program, including strong safety and occupational health protocols, effective oversight of pain management and animal procedures, compliant euthanasia practices, and robust physical and data security controls.

An audit was conducted of the Office of Planning and Decision Support. There were no findings as a result of the audit.

An NCAA compliance audit resulted in two findings. Ms. Lewis said Internal Audit identified significant weaknesses in the documentation, oversight, and approval processes for official recruiting visits and related transportation expenses within the football program. And Internal Audit identified a control weakness in the administration of football student-host funds during prospective student-athlete official visits.

Ms. Lewis reported on the results of two investigations. An investigation related to ETSU-Con, an annual student-run campus event, was conducted due to concerns related to the handling of revenues and delayed deposits. It was reported that revenue received during the March 2025 event was not deposited until February 2026. The investigation revealed that internal controls were insufficient to ensure event-related revenues were complete and accurate. Ms. Lewis indicated that Student Activities and Organizations has carefully evaluated the findings and has developed a comprehensive corrective action plan that establishes clear accountability, enhanced reconciliation processes, improved financial oversight, and formal cash handling procedures when cash transactions are permitted. The other investigation occurred after the Office of Internal Audit was notified that the direct deposit of an employee was sent to a fraudster's bank account. There is no evidence that a university employee was involved in the scheme. Following the incident, the Office of Financial Services and the Office of Information Technology Services

began implementing control enhancements to strengthen current processes to help prevent future occurrences.

Ms. Lewis told the committee that her office was also involved in two advisory services, for ETSU GEAR UP and for the Office of Professional Development.

VII. Recommendation Log Status as of August 31, 2026

Ms. Lewis said her office is continuing to conduct follow-up reviews to ensure that prior recommendations have been addressed. She added that the ProCard audit is near completion, with no findings or observations.

VIII. Report on Internal Audit Operating Expenses

As an information item, Ms. Lewis reported that the Internal Audit operating budget stands at $10,790 and the travel budget at $4,750.

IX. Other Business

There was no other business to come before the committee.

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

The committee recessed at 10:20 a.m. to go into executive session.

XI. Adjournment

Respectfully submitted,

Adam Green
Secretary of the Board of Trustees

Approved by the Board of Trustees at its November 6, 2026 meeting.