

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
AUDIT COMMITTEE

MINUTES

September 12, 2025
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Audit Committee met on Friday, September 12, 2025, at 11:21 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 11:21 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 Wade Farmer
Trustee Dorothy Grisham
Trustee Melissa Steagall-Jones

Other Trustees present were Janet Ayers, Steve DeCarlo, Dr. Steph Frye-Clark, Jon Lundberg, Grant Summers, Tony Treadway, and Aashi Vora.

III. Approval of the Committee Minutes from May 23, 2025

The minutes from the May 23, 2025, meeting of the Audit Committee were approved as submitted with Trustee Melissa Steagall-Jones making the motion and Trustee Dorothy Grisham seconding the motion. The motion passed unanimously.

IV. Action Item: Audit Plan for FY26

Ms. Becky Lewis, Chief Audit Executive, explained the various types of audits that her office conducts and presented a list of planned audits for FY26.

Trustee Grisham made a motion that the Audit Plan for FY26 be approved as presented, and Trustee Farmer seconded the motion. It passed unanimously.

V. Action Item: Internal Audit Employee Profiles

Ms. Lewis reported on the salaries for each of her office's four staff.

Trustee Steagall-Jones made a motion that the profiles be approved as presented, and Trustee Grisham seconded the motion. It passed unanimously.

VI. Audits and Investigations Performed May through August 2025

Ms. Lewis said that since April, her office has completed four audits and one advisory service. They are:

- A. Professional Development Audit: Ms. Lewis said it appears that adequate controls are in place regarding revenues, budget transfers, and operations within the Camps and Conferences unit.
- B. Complimentary Tickets Audit: This audit examined the complimentary ticket procedures for intercollegiate athletic events and for the Martin Center for the Performing Arts. No issues were discovered.
- C. ITS General Controls Audit: This audit looked at high-risk areas such as access controls, succession planning, and disaster recovery planning. Test work indicated that the university's policies and procedures were being followed.
- D. Grade Changes Audit: The audit found that the university has policies in place regarding grade appeals and incomplete grades and that the Registrar's Office includes grade change procedures in its manual. A finding was issued related to controls over grade changes, primarily due to missing documentation, approvals, and explanations, as well as insufficient monitoring of the required assignment of incomplete grade form submissions.
- E. Memo on Advisory Services: In the summer of 2025, Ms. Lewis reported her office issued its first full advisory services engagement. It was for the Department of Continuing Education for Health Professionals.
- F. Completed Audit Heat Map: Ms. Lewis presented a heat map showing the status of the audits.

VII. Recommendation Log Status as of August 31, 2025

Ms. Lewis reviewed the Internal Audit Recommendation Log as of August 31, 2025. Four items were in the green area, meaning that actions are progressing in a timely manner. One item, controls over ProCard purchases, is in yellow, meaning that further follow-up will be done. President Noland added that the university will continue to review and tighten operations related to ProCard purchases through the Office of Internal Audit.

VIII. Report on Audit Functions for FY25

Ms. Lewis called the committee's attention to the Annual Report for the Department of Internal Audit for the 2025 fiscal year, noting that in this period, 12 audits and seven

investigations were completed, along with several follow-up services. Ms. Lewis also highlighted the very positive results of the department's customer satisfaction surveys.

IX. Report on Internal Audit Operating Expenses

Ms. Lewis presented to the committee, as an information item, the Internal Audit travel and operating budgets for FY26.

X. Other Business

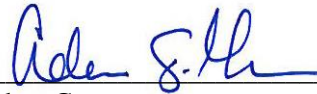
There was no other business to come before the committee.

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

The committee adjourned at 11:36 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 November 14, 2025 meeting.