

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
AUDIT COMMITTEE

MINUTES

April 21, 2023
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Audit Committee met on Friday, April 21, 2023, at 11:00 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 11:00 a.m.

II. Roll Call

Board Secretary Dr. Adam Green conducted the roll call. All committee members were physically present.

Committee members attending were:

Committee Chair Melissa Steagall-Jones
Trustee Dorothy Grisham
Trustee Dr. Linda Latimer
Trustee Ron Ramsey

Other Trustees who attended the committee meeting included: Charles Allen, Allen Archer, Janet Ayers, Steve DeCarlo, and Dr. Virginia Foley.

III. Approval of the Committee Minutes from February 17, 2023

The minutes from the February 17, 2023, meeting of the Audit Committee were approved as submitted with Trustee Ron Ramsey making the motion and Trustee Dr. Linda Latimer seconding the motion. The motion passed unanimously.

IV. Annual Review of Charters

Ms. Becky Lewis, Chief Audit Executive, reported that her office has reviewed all three charters currently subject to review: the Audit Committee Charter, the Internal Audit Charter, and the Compliance Charter. In addition, the Office of University Counsel and the Office of

Compliance reviewed the Compliance Charter. Ms. Lewis indicated that no changes are needed in any of these charters.

V. Annual Review of Policies

Ms. Lewis said that these four policies must undergo an annual review:

- Internal Audit Policy
- Preventing and Reporting Fraud, Waste, and Abuse Policy
- Conflict of Interest Policy
- Employee Code of Conduct Policy

Reviews were conducted by Internal Audit, Human Resources, and the Office of University Counsel. No adjustments were identified, nor did the Audit Committee suggest any adjustments.

VI. Action Item: Revisions to the FY 2022-2023 Audit Plan

Ms. Lewis asked that the committee approve one revision to the FY 2022-2023 audit plan: one potential fraud, waste, and abuse concern that has arisen since February 2023.

Trustee Grisham made a motion that the item be added to the plan. Trustee Ramsey seconded the motion. It passed unanimously.

VII. Audits and Investigations Performed February 2023 Through March 2023

Ms. Lewis reported the completion of two audits during this period: the annual financial statement audit of public radio station WETS-FM, which is required by the Corporation for Public Broadcasting, and a randomly selected audit of the ETSU Department of Obstetrics and Gynecology. Both of those audits are referenced in the Office of Internal Audit's Heat Map of Completed Audits from February 1, 2023, to March 31, and both are weakness discovered were minor.

VIII. Recommendation Log Status as of March 31, 2023

The log presented by Ms. Lewis lists 14 different recommendations. She indicated that all are progressing in a timely fashion.

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

This report was presented by Ms. Christy Graham, Chief Financial Officer. The Tennessee Comptroller of the Treasury, Division of State Audit, issued a final audit report of ETSU's financial statements for the fiscal year ending June 30, 2022.

The two findings in the report have been addressed. The first was a repeat from a prior audit: that university staff in the Bursar's Office and College of Nursing did not conduct proper collection procedures on accounts receivable. Ms. Graham pointed out that management has taken several steps to ensure that staff adhere to policies to ensure timely collections. The other finding in the report was that the ETSU Office of Financial Aid and Scholarships did not adequately monitor the eligibility of Title IV financial aid recipients. Ms. Graham reported that management has implemented procedures to confirm student eligibility for financial aid. She added that this finding involved only a very small number of students, and she commended the Office of Financial Aid and Scholarships for compliance in excess of 99 percent.

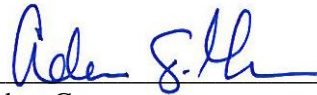
X. Other Business

There was no additional business to come before the committee. The committee adjourned to go into executive session at 11:22.

XI. Executive Session to Discuss Active Audits and Enterprise Risk Management

XII. Adjournment

Respectfully submitted,



Adam Green
Secretary of the Board of Trustees

Approved by the Board of Trustees at its September 15, 2023 meeting.