

EAST TENNESSEE STATE UNIVERSITY  
BOARD OF TRUSTEES  
AUDIT COMMITTEE

MINUTES

February 18, 2022  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Audit Committee met on Friday, February 18, 2022, at 11:30 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

**I. Call to Order**

Committee Chairperson Melissa Steagall-Jones called the meeting to order at 11:30 a.m.

**II. Roll Call**

Board Secretary Dr. Adam Green led the roll call and confirmed to the Committee Chair that a quorum was present.

Committee members present were:

Board Chair Dr. Linda Latimer  
Trustee Ron Ramsey  
Committee Chair Melissa Steagall-Jones  
*Absent: Trustee Dorothy Grisham*

Trustees Charles Allen, Janet Ayers, Steven DeCarlo, Dr. Virginia Foley, Kara Gilliam, and Kelly Wolfe also participated in the meeting.

**III. Approval of the Audit Committee Minutes from November 19, 2021**

The minutes from November 19, 2021, were approved as submitted, with Board Chair Dr. Linda Latimer making the motion and Trustee Ron Ramsey seconding the motion. The motion passed unanimously.

#### **IV. Revisions to the FY 2021-2022 Audit Plan**

Rebecca A. Lewis, CPA, Chief Audit Executive, requested approval for three additions to the FY 2021-2022 Audit Plan.

##### **Additions:**

- Men's Soccer – At the request of Administration, due to the head coach's resignation.
- Football – At the request of Administration, due to the head coach's resignation.
- FWA 22-04 – Internal Audit received a possible fraud, waste, or abuse concern. Internal Audit will investigate and/or assign to the appropriate authority.

The revisions to the Audit Plan for FY 2021-2022 were approved as presented in the meeting materials, with Trustee Ron Ramsey making the motion and Board Chair Dr. Linda Latimer seconding the motion.

#### **V. Audit Work Performed November 1, 2021, through January 31, 2022**

Between November 1, 2021, and January 31, 2022, Internal Audit completed two audit reports and one investigation. Chief Audit Executive Rebecca A. Lewis, CPA, provided an overview of the audit reports and the investigation.

Ms. Lewis delivered her first audit report on women's basketball spending within the Department of Intercollegiate Athletics in accordance with the Annual Audit Plan. The audit was carried out following the resignation of the Women's Basketball Head Coach. The Coach was discovered to have direct control over one institutional index within the Banner system during the audit. This index's operational and travel expenditures were reviewed and tested for compliance with university policies and procedures. All direct payments to the Coach were chosen for testing, as well as a sample of other indirect expenditures, which included not only travel and miscellaneous operating expenses, but also purchasing card (procard) transactions. Based on the results of the testing, it appears that the Coach's expenditures are in accordance with the applicable University policies and procedures. The audit resulted in no observations or findings, and the audit objectives were met.

The second audit report provided by Ms. Lewis was a financial statement audit for WETS-FM Radio, which was conducted by Internal Audit personnel to determine the fair presentation of the financial statements for FY 2021, as required by the Corporation for Public Broadcasting (CPB). The audit report for WETS-FM Radio was issued with an unmodified opinion. Ms. Lewis stated that the financial statements fairly represented the radio station's financial position as of June 30, 2021, and that

the audit objectives were met. A summary of WETS-FM Radio's revenues, expenditures, and changes in net position for the year ending June 30, 2021, and June 30, 2020, was included in the meeting materials.

An investigation into the theft of cash and three iPads from Health Services Management was presented to the Committee by Ms. Lewis. The Mobile Alabama Police Department investigated the incident, and the Office of Internal Audit reviewed internal controls. Internal Audit received notification of a break-in at an employee's apartment in Mobile, Alabama, on June 7, 2021. This employee was working on the Health Services Management's Choose Well Evaluation Project, which was taking place in several adjacent states. The employee had between \$80 and \$100 of an ETSU petty cash fund stolen during the robbery. On June 14, 2021, Internal Audit was notified that three ETSU iPads were also stolen during the break-in. The iPads were valued at \$2,370, according to an asset report provided by Procurement and Contract Services. As of yet, there have been no recoveries. According to conversations with Health Services Management Administration, no Personal Private Information (PPI) appears to have been stored on the iPads. Internal Audit concluded that more controls should be considered to improve the security of university-owned assets and cash. The total loss was around \$2,500.

#### **VI. Recommendation Log Status as of January 31, 2022**

A recommendation log, included in the Board of Trustees meeting materials, listed previous audit recommendations for improving internal controls or procedures. Ms. Lewis explained that appropriate, corrective actions have been taken by management or are progressing in a timely fashion.

#### **VII. Campus Safety and Emergency Overview/Annual Security & Fire Safety Report**

ETSU's Chief Operating Officer, Jeremy Ross, provided an overview of staffing and outcomes related to safety and emergency preparedness. The presentation included the following topics:

- Operations and the Department of Emergency Management have been restructured, bringing the total number of full-time employees from zero to four. Existing talents have been used in new ways, allowing them to work together or act as a liaison between different units as well as national state agencies.
- Over 1,000 ETSU faculty and staff across campus have been trained in emergency procedures by the Emergency Management.

- Emergency Management created and implemented new active shooter training and simulation in collaboration with Walters State University, where executive staff and others were present.
- The University's THEC security assessment has been completed. All hazards were examined, and positive responses were received.
- A new Incident Command Center has been established.
- New security cameras have been installed.

The 2022 goals of the Department of Emergency Management include:

- Host the Team Awareness Kit (TAK) server for coordinated emergency response from federal, state, and local partners.
- Begin implementing a federated security ecosystem to incorporate current cameras and update access control.
- Utilize online platforms to more efficiently and effectively train the campus community and use the community as a force multiplier.
- Increase tabletop exercises to determine strengths and weaknesses.
- Increase preparedness through partnerships and training with external partners.

Mason Bowen, Director of Operations for Emergency Management, and Campus Police Chief Cesar Gracia gave an overview of ETSU's 2021 Annual Security & Fire Safety Report, which is published in accordance with the Jeanne Clery Disclosure of Campus Security Policy and Crime Statistics Act. The full report can be found on ETSU's website. Highlights of the overview were:

- Mr. Bowen provided an overview of how ETSU collaborates, plans, and coordinates with our surrounding agencies through the use of Team Awareness Kit technology (TAK). ETSU will soon host a server for the entire region, including fire, EMS, and law enforcement.
- Chief Gracia stated that his team worked closely with the Office of Legal Counsel's Clery Compliance Coordinator to compile the 2021 Annual Security and Fire Report. They were also able to work with the Campus Security Authority (CSA) to obtain accurate data about campus incidents for the report.

## **VIII. Other Business**

There was no other business to discuss.

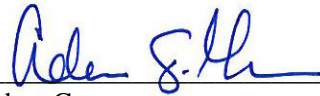
**IX. Executive Session to Discuss Active Audits, Enterprise Risk Management**

The Committee Chair asked the Audit Committee to adjourn to Executive Session to discuss active audits and enterprise risk management.

**X. Adjournment**

The Audit Committee adjourned at the conclusion of the Executive Session.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Adam Green", is written over a horizontal line.

Adam Green  
Secretary of the Board of Trustees

Approved by the Board of Trustees at its April 22, 2022 meeting.