

EAST TENNESSEE STATE UNIVERSITY BOARD OF TRUSTEES  
AUDIT COMMITTEE

MINUTES

November 18, 2022  
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Audit Committee met on Friday, November 18, 2022, at 10:45 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 10:45 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:

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

**III. Approval of the Audit Committee Minutes from September 16, 2022**

The minutes from the September 16, 2022, meeting of the Audit Committee were approved as submitted with Trustee Ramsey making the motion and Trustee Grisham seconding the motion. The motion passed unanimously.

**IV. Review of the Audit Committee Responsibilities**

Staff provided the annual overview of the Audit Committee's responsibilities as outlined in the meeting materials. The document's content is derived from State Law, State Audit Requirements, the Audit Committee Charter, and/or the Internal Audit Policy. These requirements are used to determine the agenda of each audit committee, including such things as audit plans and reports, fraud, waste, and abuse responsibilities, and the department's Quality Assurance and Improvement Program.

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

Ms. Lewis reported that Internal Audit had received two concerns of possible fraud, waste, or abuse and asked the committee for approval to add these to the 2022-23 audit plan. The revisions to the Audit Plan for 2022-23 were approved as submitted with Trustee Ramsey making the motion and Board Chair Latimer seconding the motion. The motion passed unanimously.

**VI. Audits and Investigations Performed September 2022 through October 2022**

An overview of the audits completed from September 1, 2022, through October 31, 2022, was presented to the committee. Three audits were completed during this period, and a summary was included in the meeting materials along with a heat map of completed audits including:

- Follow-up to the Financial Statement Audit – The Department of Internal Audit has performed a follow-up of the Tennessee Comptroller of the Treasury Financial Statement Audit findings and recommendations contained in the audit report of June 30, 2021. The follow-up was conducted under the authority delegated in East Tennessee State University’s Internal Audit Policy. The audit objective was to determine whether adequate corrective actions have been implemented to comply with State Audit’s recommendations.
- President’s Expenses – An audit of the President’s expenses was conducted in compliance with Tennessee Code Annotated, Title 49, Chapters 7 and 14. TCA requires an annual financial audit of the Office of the President. The objectives were to determine compliance with state statutes and institutional policies regarding expenses and to identify and report all expenses made by, at the direction of, or for the benefit of the President regardless of the funding source.
- Research Development Committee Grants – An audit of East Tennessee State University’s Research Development Committee (RDC) Grants was conducted by Internal Audit personnel. The audit was requested based on issues discovered in a previous investigation. The audit also serves as the follow-up to that investigation.

**VII. Recommendation Log Status as of October 31, 2022**

Ms. Lewis reported that her office continues to perform follow-up reviews to ensure that prior recommendations have been addressed. A status of prior audit recommendations as of October 31, 2022, was included in the agenda materials.

**VIII. Quality Assurance and Improvement Program**

As reported by staff, state law requires Internal Audit to have an active quality assurance and improvement program, which includes periodic self-assessment and external assessments. The assessment aims to determine whether the internal audit function follows the International Professional Practices Framework's (IPPF) mandatory guidance. The Audit committee previously recommended that the audit be completed using the self-assessment with independent validation option. As a follow-up, staff worked with the Committee Chair Stegall-Jones to select the following QAR team members:

- Lead – Doug Horr, Associate Vice Chancellor – Audit, Risk, and Compliance, Vanderbilt University
- Member – Kayla Faulkner, Assistant Director – Internal Audit, Virginia Community College System
- Member – Brian Daniels, Chief Audit and Compliance Officer, University of Tennessee
- Alternate: Amy Wilegus, Director – West Tennessee Audit, University of Tennessee

The review and report will be completed during the 2023 calendar year.

**IX. Other Business**

No other business was brought before the committee.

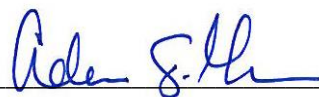
**X. Executive Session to Discuss Active Audits and Enterprise Risk Management**

At the request of the Committee Chair, the Audit Committee adjourned to Executive Session to discuss active audits and enterprise risk management.

**XI. Adjournment**

The meeting was adjourned at the conclusion of the Executive Session.

Respectfully submitted,



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Adam Green  
Secretary of the Board of Trustees

Approved by the Board of Trustees at its February 17, 2023 meeting.