

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
AUDIT COMMITTEE

MINUTES

November 19, 2021
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Audit Committee met on Friday, November 19, 2021, at 9:15 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 9:17 a.m.

II. Roll Call

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

Committee members present were:

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

Trustees Virginia Foley, Charles Allen, and Steve DeCarlo also participated in the meeting.

III. Approval of the Audit Committee Minutes from September 17, 2021

The minutes from September 17, 2021, were approved as submitted, with Trustee Ron Ramsey making the motion and Trustee Virginia Foley seconding the motion. The motion passed unanimously.

IV. Review of Audit Committee Responsibilities

Ms. Rebecca Lewis provided an annual overview of the Audit Committee responsibilities, which are based on State Law, Requirements of State Audit, 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. Policy Review

The Audit Committee is charged with reviewing the institution's policies on Employee Code of Conduct and Conflicts of Interest and Commitment annually.

A review of the ETSU Employee Code of Conduct was presented by Dr. Mark Fulks, University Counsel. The purpose of this policy specifies expectations of Employees to conduct themselves in a responsible and ethical manner during their employment with ETSU.

Dr. Fulks also reviewed the Conflicts of Interest and Commitment policy. This policy specifies how a Covered Employee should disclose Conflicts of Interest or Conflicts of Commitment and how a conflict is evaluated.

VI. Audit Work Completed September to November 2021

Ms. Lewis reported that Internal Audit had completed three audits and two investigations since August.

Internal Audit completed a follow-up of the most recent financial statement audit issued by State Audit. The original finding indicated that controls were inadequate in three areas. The details of the findings were issued as a Limited Official Use Report and considered confidential under state law. Internal Audit also released their follow-up as a Limited Official Use Report. It was concluded that based on the examination, it appears management has taken appropriate steps to implement proper controls and procedures in these three areas.

An audit of Softball Expenditures was completed upon the resignation of the Head Coach. No notable concerns were discovered during this review.

An annual audit of the President's Expenses for FY 2021 was completed. State Law requires this audit. No concerns were identified during the audit.

An investigation into the Health Sciences petty cash fund was conducted. This fund, held by a faculty member in Health Sciences, was believed to be missing when they failed to respond to the Bursar's Office inquiries. The cash was later returned by the department. The audit also addressed concerns regarding temporary employees who also volunteered for the same supervisor after the grant ended.

A College of Nursing investigation involved discrepancies and inconsistencies in overload pay for faculty and assistant deans. Management has begun implementing corrective actions to help ensure transparency and consistency related to overload pay within the college.

President Noland informed the Audit Committee that it is customary for both the Softball Expenditures Audit and the College of Nursing Investigation to be performed due to management changes.

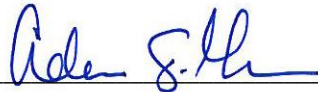
VII. Recommendation Log Status

A recommendation log included in the Board of Trustees materials contained a listing of issues found in prior audit reports. The Internal Audit office performed follow-up audits to ensure corrective actions have been taken. Those follow-up reviews completed in September and October are shown in blue on the recommendation log. Ms. Lewis explained that corrective actions for those reviews have been implemented.

VIII. Other Business

There were no other business items to discuss. A motion was made and seconded to adjourn to Executive Session. Chair Steagall-Jones stated that no actions will be taken while the committee is in Executive Session, and that the committee will not reconvene.

Respectfully submitted,



Adam Green
Secretary of the Board of Trustees

Approved by the Board of Trustees at its February 18, 2022 meeting.