

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
AUDIT COMMITTEE
MINUTES

February 22, 2019
Johnson City, Tennessee

The East Tennessee State University Board of Trustees Audit Committee met at 9 a.m. on Friday, February 22, 2019, at the Millennium Center in Johnson City.

I. Call to Order

Mr. David Golden, chair of the Audit Committee and vice chair of the Board of Trustees, called the meeting to order at 9 a.m.

II. Roll Call

Board of Trustees Secretary Dr. David Linville led the roll call. Trustees in attendance were:

Ron Ramsey
David Golden

Other trustees in attendance were Janet Ayers, Dr. Linda Latimer, and Jim Powell.

Guests at the meeting were Rebecca Lewis, chief internal auditor; Dr. Brian Noland, ETSU president; Dr. Bill Block, dean of the Quillen College of Medicine; James Batchelder, assistant dean for fiscal affairs, College of Clinical and Rehabilitative Health Sciences; Dr. Lauren Collier, director of institution and board affairs, Tennessee Higher Education Commission; and Joe Smith, executive assistant to the president for University Relations (taking minutes).

III. Approval of the Minutes of the Audit Committee, November 16, 2018

The minutes of the November 16, 2018 Audit Committee meeting were presented. Trustee Ramsey made the motion for approval and Chairman Golden seconded the motion. Minutes approved.

IV. Revisions to the FY 2018-2019 Audit Plan

Ms. Rebecca Lewis reported that several investigations have been added since the November 2018 audit committee meeting. These included four allegations of fraud and abuse. Two of these

investigations were logged by the Office of Internal Audit but referred to another department at ETSU.

An audit of volleyball expenditures has been added following the resignation of the head ETSU volleyball coach. It is ETSU's protocol to audit each head coach when he/she departs the university.

A follow-up of the payroll services fraud investigation was added to this fiscal year. Ms. Lewis noted it was her desire to perform this follow-up investigation as soon as possible to ensure proper controls are in place to mitigate the risks of future theft of payroll.

Because new audits have been added to the FY 2018-19 audit plan, others have been removed from the schedule and will be added in a future audit plan.

V. Audit Work Performed November 2018 through January 2019

Ms. Lewis provided an overview of the audit of WETS-FM public radio station for fiscal year 2018. This audit was conducted in accordance with the Annual Audit Plan, and an annual financial statement audit is required by the Corporation for Public Broadcasting (CPB) for all non-commercial radio stations that receive Community Service Grants. There were no findings associated with this audit.

A copy of the completed audit heat map was presented.

VI. Recommendation Log Status as of January 31, 2019

Ms. Lewis reported on the follow-up reviews that have been performed since the November 2018 audit committee meeting. Corrective actions had been recommended in regards to a previous case and have since been implemented.

VII. Other Business

No other business items were brought forward. The Audit Committee concluded its meeting and moved into Executive Session.

Respectfully submitted,



David Linville
Secretary of the Board of Trustees

Approved by the Board of Trustees at its April 26, 2019 meeting.