

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
AUDIT COMMITTEE

MINUTES

February 17, 2023
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Audit Committee met on Friday, February 17, 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.

Committee members attending were:

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

Dr. Green informed the chair that a quorum was physically present.

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

III. Approval of the Committee Minutes from November 18, 2022

The minutes from the November 18, 2022, meeting of the Audit Committee were approved as submitted with Trustee Ron Ramsey making the motion and Trustee Dorothy Grisham seconding the motion. The motion passed unanimously.

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

Ms. Becky Lewis, Chief Audit Executive, provided a listing of additions to the fiscal year 2022-2023 audit plan since the last meeting of the Board of Trustees. Those additions were:

- FWA 23-04: Internal Audit received a possible fraud, waste, or abuse concern. This will be investigated by Internal Audit and/or assigned to the appropriate authority.
- FWA 23-05: Internal Audit received a possible fraud, waste, or abuse concern. This will be investigated by Internal Audit and/or assigned to the appropriate authority.
- Tennessee Tech Quality Assurance Peer Review: Martha Winegar, Associate Director of Internal Audit, was selected as a peer review team member for TTU.

Trustee Latimer made a motion that the revisions to the plan be adopted as presented. Trustee Grisham seconded the motion. It passed unanimously.

V. Audits and Investigations Performed November 2022 through January 2023

Ms. Lewis told the committee that three reports were issued from November 2022 to January 2023. This includes one audit and two investigations.

- An executive-level audit of the Chief Financial Officer in Athletics was conducted. At the request of the President, at least one executive-level employee is audited annually. Operational and travel expenditures under the CFO's direct control were reviewed, as well as all payments made directly to the CFO. Based on the testwork performed, expenditures complied with applicable policies in all material respects.
- An investigation was completed related to a loss that occurred in the Athletic Ticket Office. A total of \$2,000 was stolen. Public Safety identified a suspect and is handling the criminal aspect of the case. This individual is not an employee of the university. Both Internal Audit and Public Safety identified control weaknesses. Based on the recommendations, Athletics has strengthened controls to help prevent a future loss from occurring.
- Internal Audit also conducted a review related to the employees and any personal use of flu tests at the College of Nursing-managed practice sites. The audit revealed that procedures related to flu testing for staff and/or family members were inconsistent. It appears that self-administering flu tests by employees without documentation, billing, or reimbursement has occurred. Management will be implementing new policies and procedures to help ensure compliance and consistency.

VI. Recommendation Log Status as of January 31, 2023

Included in the Audit Committee material was the recommendation log, which shows the status of prior audit report recommendations. Since the last Audit Committee meeting, a follow-up review has not been completed.

VII. Annual Public Safety and Clery Report Update

ETSU's Director of Public Safety, Chief Cesar Gracia, presented an overview of ETSU's 2022 Annual Security and Fire Safety Report, which is published in accordance with the Jeanne Clery Disclosure of Campus Security Policy and Crime Statistics Act. Chief Gracia pointed out that ETSU is required to report not only all crimes on campus but also those within the definition specified in the Clery Act, which encompasses any area within a one-mile geographic circumference of the campus. He noted that crime statistics on campus have largely remained the same, as outlined in the report. In relation to off-campus crimes, he pointed to a recent homicide at Monarch Apartments, which will be reflected in next year's report.

Chief Gracia commented that this is a challenging time for law enforcement, and he stressed the increasing importance of mental health for officers and the communities they serve. Finally, Chief Gracia announced a "see something, say something" campaign that will get underway in the fall as a means to aid crime prevention on campus.

Jeff Blanton from the Office of Administration reviewed a list of recent accomplishments in the area of faculty and staff training. He highlighted the fact that 2,628 faculty, staff, and students have been trained recently in subjects such as active shooter/emergency response, infrastructure protection, crisis management, and civil rights. That number represents a 300 percent increase over FY22. In addition, 1,788 training hours have been received in de-escalation, mental illness, community engagement, use of force, and ALERRT, which stands for Advanced Law Enforcement Rapid Response Training. A total of 15 safety assessments of campus buildings have been conducted, and ETSU is an active participant in the Regional Active Shooter Response Group, which involves every law enforcement agency in the Washington County area, plus fire departments, EMS, and school boards. Other major initiatives forthcoming are an on-campus training exercise with internal and external partners and a partnership with Student Life for student awareness related to Delta 8/9 and other THC derivatives.

Discussion then took place about the issue of building access on campus. President Noland commented on the challenges presented by the fact that ETSU is an open campus, where anyone can be here at any time of day or night. He expressed thanks to Mr. Ross, Chief Gracia, and Mr. Blanton for doing their jobs so well in a complex environment. He summarized the presentation by saying that in threat assessment, preparation, readiness, and professionalism, ETSU is markedly different than it was five years ago.

VIII. Other Business

There was no other business to come before the committee.

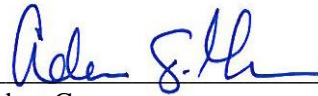
IX. Executive Session to Discuss Active Audits and Enterprise Risk Management

The committee then adjourned to discuss active audits and enterprise risk management.

X. Adjournment

The meeting was 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 21, 2023 meeting.