

**KENTUCKY STATE UNIVERSITY BOARD OF REGENTS  
FINANCE & ADMINISTRATION COMMITTEE  
SPECIAL CALLED MEETING**

**\*\*\* Meeting Was Conducted in Person and by Teleconference \*\*\*  
Tuesday, April 4, 2023  
10:00 a.m. EDT**

**Board of Regents Room  
Julian M. Carroll Academic Services Building, 2nd Floor  
Frankfort, Kentucky 40601  
(Primary Physical Location)**

**MINUTES**

\*\*\*\*\*

**I. Call To Order**

The Committee's Chair, Regent Edward B. Hatchett, Esq., called the meeting to order at 10:00 a.m.

**II. Roll Call**

The Board's Secretary, Zach Atwell, called the roll:

|                                   |             |
|-----------------------------------|-------------|
| Regent Ed Hatchett, Chair         | Present     |
| Regent Tammi Dukes                | Present     |
| Regent Charles Moyer, PhD         | Present     |
| Regent Robert Ramsey, Sr.         | Present     |
| Dr. James Tidwell, Faculty Member | Not Present |
| Ms. Christina Jones, Staff Member | Present     |

At least three (3) members were in attendance and present during roll call; therefore, a quorum was established. Chair Hatchett announced that Dr. Tidwell was no longer on the Committee due to his recent retirement, and he thanked him for his service.

**III. Approval of the Agenda**

**MOTION** by Regent Moyer:

Move the Committee to approve the agenda for the April 4, 2023, Special Called Meeting of the Board of Regents' Finance & Administration Committee.

Seconded by Regent Dukes and passed without dissent.

**IV. Internal Audit Update**

Chair Hatchett requested that Mr. Frank Campagna, Managing Director of CBIZ, present this agenda item.

Dr. Edwards, Associate VP of Finance & Business Affairs, announced that Mr. Campagna would not be present and requested to present the CBIZ update instead, as he had been working closely with CBIZ and

was very familiar with the work they had performed to date. Chair Hatchett agreed, so Dr. Edwards proceeded.

Chair Hatchett queried when CBIZ actually began working with KSU. Dr. Edwards referred the question to Dr. Daarel Burnette, Interim Executive VP, Finance & Business Affairs, and Interim Chief of Staff.

Chair Hatchett asked Dr. Burnette if he was comfortable with the progress CBIZ had made to date since January 1 of 2023. Chair Hatchett then asked Dr. Edwards if he had any additional perspective to add to Dr. Burnette's comments.

Chair Hatchett requested that Dr. Edwards comment on the six additional areas of concern that had been identified by CBIZ.

Chair Hatchett further inquired how many KSU employees are on site and involved in the audit work that Dr. Edwards described; he also asked how Dr. Edwards would characterize their experience levels and tenure/time at KSU.

Regent Dukes asked Dr. Burnette whether (and how) the CBIZ audit, APA audit, and MIP were being meshed to ensure that the Board has a holistic view of the issues facing KSU, and she requested that a specific meeting be scheduled with the Audit Committee and CBIZ to go through their findings.

Regent Moyer inquired whether it would be accurate to say that since January 1, all accounts payable have been paid within the time in which they are due. Dr. Burnette replied in the negative. Regent Moyer then inquired into the extent or magnitude of accounts payable that are not being paid when they are due.

Regent Moyer asked how long the Committee and Board could reasonably expect for KSU to become current on all accounts payable. Dr. Burnette replied that he hoped KSU could become current by the end of the fiscal year.

Regent Dukes sought clarification from Dr. Burnette regarding his statement that outstanding invoices were still being discovered that, until recently, no one had been made aware of.

Chair Hatchett remarked that it was significant that CBIZ was not physically present to communicate their findings to the Committee. He requested that, in the future, it to be made clear to KSU's contractors that these meetings are critically important in terms of communication.

Next, Chair Hatchett invited Zach Atwell, the Board's secretary and the University's in-house counsel, to comment on the status of the Lexion training plan for the online contract repository.

Chair Hatchett inquired as to the extent CBIZ has access to the Lexion repository.

## **V. Hotline Update**

Dr. Burnette and Dr. Edwards provided the hotline update.

Dr. Edwards reported that CBIZ had recommended a "Tell It" hotline, and they discussed the process for establishing the hotline, as well as issues that had been encountered.

Chair Hatchett queried who the current hotline vendor was and who the new hotline provider would be. Dr. Burnette commented that the University did not currently have a hotline provider, as the previous hotline had been directly routed to the former internal auditor's cellphone. Chair Hatchett then asked if that meant that the University did not previously have a website that people who wanted to disclose information to the Board could go to.

Regent Dukes requested that, in order to maintain transparency, any hotline reports received by the University also be channeled directly to the Board, stating her preference for reports to come directly to the Board from the source.

Regent Dukes asked Dr. Edwards whether a detailed status update of the MIP deliverables could be presented at the next Audit Committee meeting.

## **VI. External Audit Update**

Chair Hatchett invited Mr. R. Allen Norvell, Director of Blue & Co., LLC, to present this agenda item.

Mr. Norvell began by sharing what has been accomplished to date, including the review of predecessor audit work papers; interviews of accounting personnel, documentation of accounting processes and controls in place during FYE June 30, 2021, and June 30, 2022, including completion of walkthroughs; compilation of initial document request lists for FYE June 30, 2021, and June 30, 2022, most of which have been fulfilled by KSU; assisting KSU staff with structure of FYE June 30, 2021, working trial balance (WTB) to generate in a format appropriate for audit purposes (just completed March 28, 2023); and initial draft of financial statements and note disclosures for FYE June 30, 2021.

Chair Hatchett queried how Blue had been interacting with Protiviti, then asked Dr. Burnette to expand on Mr. Norvell's comments.

Mr. Norvell also addressed the next steps to be taken as he moves forward through the audit process.

Chair Hatchett requested Dr. Burnette to comment on Mr. Norvell's recommendations, especially as to the feasibility of posting updated financial information on the University's webpage as soon as possible.

Mr. Norvell also addressed five significant issues identified to date. Regarding those identified issues, Chair Hatchett asked Dr. Burnette whether the University has a designated HEERF compliance officer. Dr. Burnette responded that KSU has a Federal compliance officer, but it does not have a HEERF campus compliance officer.

Chair Hatchett asked Dr. Burnette whether he could add to Mr. Norvell's comments regarding his conversation with the Department of Education, during which potential accounting/reporting issues related to the Perkins loan portfolio were discussed.

In conclusion, Mr. Norvell stated that progress on the audit has been steady but slow due to staff turnover that occurred subsequent to the audit periods and the current staff's lack of knowledge regarding the periods under audit.

Chair Hatchett asked Mr. Norvell whether a hard deadline for completion had been established and whether he was still comfortable with the calendar/timeline he described.

Regent Ramsey queried whether the audit timelines could be incorporated into this presentation so the Committee will have a basis for knowing when each step is to be completed.

Chair Hatchett thanked Mr. Norvell for his presentation.

## **VII. Banner Accounting System Discussion**

Dr. Edwards and Dr. Wendy Dixie, Chief Information Officer, presented this agenda item.

Dr. Dixie began the presentation, sharing accomplishments to date, next steps needed, significant issues (including policies and procedures, cross-training, and continuity books) and comments regarding KSU staff support.

Chair Hatchett inquired how many KSU employees use Banner and who has the authority to access, input, and change information within that system.

Regent Dukes asked whether anyone had ever looked at access roles and responsibilities to ensure proper controls and accesses are used, with proper segregation of duties.

Regent Dukes further queried whether the module managers also have read/write access into the Banner system, commenting that at some point a formal access audit should be conducted.

Chair Hatchett queried whether the Board could review Banner reports on a regular basis so actual expenditures could be compared to budgeted expenditures, and requested Dr. Burnette to provide a timeline as to taking a step in that preliminary direction.

Dr. Burnette requested Dr. Dixie to elaborate on the Banner optimization assessments.

Regent Dukes asked when the optimization and system updates would be vetted and implemented.

Chair Hatchett inquired as to how institutional knowledge/ memory could be guarded or managed relative to Banner.

Chair Hatchett thanked Dr. Dixie and Dr. Edwards for their presentation.

#### **VIII. Finance & Administration Personnel Update**

Dr. Burnette presented this agenda item and began by offering a snapshot of new hires in key positions within Finance & Administration, within areas that had been problematic or short-staffed in the past.

Hearing no questions following the Personnel Update, Chair Hatchett thanked Dr. Burnette for his presentation.

#### **IX. Contracts Management Update**

Dr. Burnette and Dr. Dixie presented this agenda item and discussed what had been accomplished to date regarding third-party software tools (Lexion and Concur), as well as the Ellucian Spend Management integrated suite of tools.

Dr. Dixie shared information regarding the Ellucian Spend Management integrated suite of tools, and discussed the next steps to be taken in rolling out this software for KSU employee use.

Chair Hatchett asked Dr. Burnette if he anticipated any issues or problems during the transition from Lexion and Concur to the Ellucian Spend Management integrated suite of tools.

Dr. Burnette and Dr. Dixie also reported on significant issues noted, and commented on KSU staff support and development.

#### **X. Closing Remarks**

Chair Hatchett closed the meeting by thanking the Committee for their work, remarking that future agendas should to be tied to the special examination findings and thoroughly studying a few at a time.

#### **XI. Adjournment**

**MOTION** by Regent Moyer:

Move the Board to adjourn.

Seconded by Regent Dukes and passed without dissent.


The meeting was adjourned at 11:48 a.m.

Submitted by:



---

Zach Atwell, Board Secretary  
Kentucky State University  
Board of Regents



---

Regent Edward Hatchett, Chair  
Kentucky State University  
Board of Regents  
Finance & Administration Committee

Approved with no corrections

Approved with corrections