



POLICY TITLE:

Annual Financial Statement Audit

APPLIES TO:

Board of Regents, Executive Management, Finance & Administration

ADMINISTRATIVE AUTHORITY:

Division of Finance & Administration

Chief Financial Officer (CFO)

APPROVED BY:

Kentucky State University Board of Regents

EFFECTIVE DATE:

August 8, 2025

NEXT REVIEW DATE:

August 8, 2028

POLICY STATEMENT:

As required by Kentucky Revised Statutes and the bylaws of Kentucky State University (KSU), the university shall undergo a financial statement audit on an annual basis. The purpose of this audit, conducted by an independent organization, is to render an objective opinion on the fairness and accuracy of the university's financial condition. This policy outlines the governance structure for the selection of the auditor and the review and approval of the annual audit.

DEFINITIONS:**Independent Auditor**

A certified public accounting firm selected in accordance with the Kentucky Model Procurement Code to examine KSU's financial statements and provide an objective opinion.

PROCESS:

Requirement for Annual Audit

KSU shall obtain a financial statement audit on an annual basis, as required by KRS 164.096, KRS 164A.570, and KSU's bylaws (The Gold Book).

Selection of the Independent Auditor

- The KSU Board of Regents holds the final authority for selecting the independent auditor.
- The selection will be based upon the recommendation of the Board of Regents' Finance & Advancement Committee.
- The procurement process for selecting an auditor shall follow all requirements of the Kentucky Model Procurement Code.

Review and Approval of the Audit

- The Finance & Advancement Committee will review and approve the draft audit report, including the management letter and any management responses.
- The final, issued audited financial statements will be presented to the full Board of Regents for its formal approval.

REFERENCES AND RELATED MATERIALS:

- *The Gold Book* (KSU Bylaws)
- KRS 164.096
- KRS 164A.570
- Kentucky Model Procurement Code (KRS Chapter 45A)

CONTACTS:

Subject	Office	Telephone	E-mail
Policy Questions	CFO/Vice President of Fin. & Admin.	(502) 597-6429	Melissa.Hicks@kysu.edu

HISTORY:

Revision Type	Date of Issuance/Revision	Drafter(s)/Editor(s)
Issued (New Policy)	August 2024	YPTC
Substantive Revisions	June 2025	Zach Atwell
