





OFFICE OF THE PRESIDENT

June 20, 2023

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Darlene Pe

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Adm. Pub. Acco

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Response: KSU has not implemented this recommendation. Board members may easily be DGGHG DV DXWKRULJHG XVHUV RI WKH 8QLYHU (Lexion), which will allow them to keep track of approved contracts. However, the Board has not yet developed a process for following up on deliverables from approved contracts. The Board has prioritized other pressing matters but will develop a process as soon as practicable.

- x KSU ensure findings and recommendations from the Procurement Card internal audit, performed by its prior internal auditing firm, are reviewed and considered in light of current procedures and activity.

Response: KSU has not implemented this recommendation. The University has asked the current internal auditing firm to contact the prior

Finding 6: KSU Failed to Implement an Effective System of Internal Controls Over Federal Grant Expenditures Putting Over \$3 Million Dollars in Federal Funds at Risk.

Recommendations:

x

- x The President appoint an Investment and Endowment Committee. This includes implementing monitoring and reporting controls.

Response: KSU has not implemented this recommendation. Per The Gold Book, the Chair of the Board of Regents is the only individual authorized to appoint members to the Investment and Endowment Committee. At the next quarterly meeting of the Board of Regents, the Chair will appoint members to all Board committees, including a newly created Investment and Endowment Committee.

- x Reporting to CPE and to applicable donors should occur as prescribed and in a transparent manner.

Response: KSU has not implemented this recommendation. The University has prioritized the completion of the Endowment Investment and Spending
he University has

Finding 12: KSU Failed to Apply a 5% Salary Reduction to Executive Salaries Despite a Signed Resolution.

Recommendations:

- x .68 GHWHUPLQH WKH DXWKRULW\ RI 3UHVLGHQW¶V &RXQFLO

Response: KSU has implemented this recommendation.

- x In addition, the KSU HR Director should provide confirmation of action taken at meetings RI WKH %RDUG RI 5HJHQWV VWDQGLQJ FRPPLWWHHV DQG resolutions or motions are passed that will affect payroll and benefits provided to any or all staff.

Response: KSU has implemented this recommendation.

- x The Board of Regents keep track of resolutions passed and request a status update to ensure passed resolutions are implemented.

Response: KSU has not implemented this recommendation. Unsigned resolutions are located within archived Board Books, which can be viewed on the Board of 5HJHQWV¶ However, signed resolutions are not available online. The University intends to add a resolution bank to its Board of Regents¶ webpage The bank will contain approved and signed resolutions.

Finding 13: Insufficient Communication and Relationship Between KSU and Its Foundation Has Led to Ineffective Oversight of Public Funds.

Recommendations:

- x KSU follow its own MOU and establish more consistent and clear communication with the)RXQG DWLRQ 7KLV VKRXOG LQFOXGH QRW RQO\ WKH 3UHVLGH Institutional Advancement offices, as appropriate, to promote integrity, accountability, and transparency in this process.

Response: KSU has implemented this recommendation.

- x KSU establish written policies and procedures to provide guidance for how requests for support from the Foundation are to be made and approved.

Response: KSU has implemented this recommendation.

- x KSU establish written policies and procedures to provide guidance for how University funds sent to the Foundation are to be processed and approved.

Response: KSU has implemented this recommendation.

- x KSU maintain its own records documenting expenditure requests and amounts the Foundation paid.

Response: KSU has implemented this recommendation.

- x KSU require monthly or quarterly reporting of available funds held at the Foundation be submitted to insti W X W L R Q D O V X S S R U W R U D F F R X Q W L Q J V R W K D W U H documentation to ensure charges and deposits are applied to the appropriate accounts as intended.

Response: KSU has not yet implemented this recommendation. KSU staff members are setting up an internal structure for tracking funds in and out of each KSU-held account at The KSU Foundation, Inc. ³ W K H) R X Q G D W L R Q ' the internal structure is in place, KSU staff will meet with the Foundation to implement the recommendation.

- x MOU should be updated to reflect actual operations/procedures between KSU and its Foundation.

Response: KSU has not yet implemented this recommendation. KSU has prioritized memorializing the processes for making deposits to, and requesting disbursements from , The KSU Foundation, Inc. ³ W K H) R X Q G D W L R Q ' will work with the Foundation to agree to modifications to the current MOU and establish amendments to reflect the actual operations and procedures now that updated processes have been put in place through Interim Policies.

Finding 14: Former EVP for Finance and Administration Failed to Notify KSU of His Dual Employment Creating a Conflict of Commitment.

Recommendations:

- x KSU seek legal guidance to determine options that may be available to recoup any payment for services not rendered by the employee.

Response: KSU has implemented this recommendation.

- x KSU provide annual training to all staff with a focus on select KSU policies, to include at a minimum Ethics, Conflicts of Interest, and Conflicts of Commitment.

Response: KSU has not implemented this recommendation. The University is establishing training procedures on select KSU policies to include, at a minimum, ethics, conflicts of interest, and conflicts of commitment.

x

