



OFFICE OF THE PRESIDENT

March 21, 2023

Ronald A. Johnson, PhD
Interim President
Kentucky State University
207 University Drive, Suite 201
Frankfort, Kentucky 40601

Ms. Farrah Petter
Assistant State Auditor
Auditor of Public Accounts
209 St. Clair Street
Frankfort, Kentucky 40601

RE: Response to Special Audit Report

Dear Assistant Auditor Petter:

I begin by expressing my sincere appreciation and gratitude to you and your team at the Office of the Auditor of Public Accounts for the special audit of Kentucky State University and for providing me and my team with the draft report. Your diligent work in examining the University's accounts and activities during the specified three-year period (2018 – 2021) has been invaluable in identifying areas that require immediate attention and continuous improvement.

As the draft report indicates, several of the issues identified in the audit findings are pertinent to the period during which the prior president and his administration were responsible for the University's operations. As the current interim president of Kentucky State University, I assure you that my administration is committed to addressing the concerns outlined in the audit report and that the institution operates with the highest standards of transparency, accountability, and fiscal responsibility.

Many of the issues and recommendations cited in the audit report are parallel to those identified by the 2022 Kentucky General Assembly (22 RS HB 250). As a result, several remedies are already in progress through the ongoing implementation of our **KSU Intended Future Plan**, which seeks to **restore**, **realign**, and **reignite** the promise of a sustainable future for the institution through improved practices, policies, and a comprehensive focus on innovation.

Through this plan, we have also begun taking actions in response to the recommendations provided in the audit report:

- **Tone at the Top:** The reconstituted Kentucky State University Board of Regents (22 RS SB265) along with new leadership—Interim President, Interim Chief of Staff/CFO, AVP of Finance, Legal Counsel, Title III Director, Controller, Grant Manager, and Budget Manager and others—strengthens the internal control environment. Additionally, we have engaged a new external auditor, an internal audit firm, and an accounting consultant. We have also leveraged the extensive financial and administrative expertise of the Interim President who has become the champion for change, leading the charge for a paradigm shift at KSU.
- **Policy Updates and Implementation:** We are in the process of reviewing and updating the University's policies to ensure that they are aligned with best practices and regulatory requirements. We will also execute a more efficient policy approval and implementation process and enforce compliance across all departments.
- **Financial Oversight:** We recognize the importance of prudent financial management and will work closely with our finance team to ensure that budgets are monitored and controlled and optimized to better serve our students, faculty, staff, and other stakeholders.
- **Board Involvement:** Our highest priority is to continue to ensure that the University's Board of Regents is kept informed of external and internal audit reports and any improvement opportunities that arise from these audits. This will enable the Board to provide valuable guidance and oversight in addressing these matters.
- **Record Maintenance:** We understand the significance of maintaining accurate and secure and complete and transparent records. We are committed to improving our record-retention policies, procedures, and practices by implementing more robust systems and processes.
- **Staff Training:** We are actively investing in the training and development of our staff, particularly in the use of accounting software and the appropriate policy implementation application of policies. These efforts will enhance the competencies of our staff and raise accountability at the University.

To further demonstrate our commitment to implementing the audit recommendations, I have attached to this letter a summary of the status of implementations and the corresponding personnel. Please do not hesitate to reach out if you require further information or have any questions. We appreciate your guidance and support.

Once again, I would like to express my sincere gratitude for your invaluable work, and we look forward to working together to enable an Intended Future for Kentucky State University.

Sincerely,

A handwritten signature in blue ink, reading "Ronald A. Johnson". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ronald A. Johnson, PhD
Interim President
Kentucky State University



BOARD OF REGENTS

March 22, 2023

Gerald W. Patton, PhD
Chair of the Board of Regents
Kentucky State University
400 East Main Street, Room 539
Frankfort, Kentucky 40601

Ms. Farrah Petter
Assistant State Auditor
Auditor of Public Accounts
209 St. Clair Street
Frankfort, Kentucky 40601

Re: Response to Special Audit Report

Dear Auditor Petter:

On behalf of the Kentucky State University Board of Regents, I would like to extend my heartfelt gratitude to you and your team for conducting a thorough examination of our university's finances and operations during the three-year period between July 1, 2018, and June 30, 2021. We genuinely appreciate the valuable insights and recommendations you have provided.

As a proud alumnus of Kentucky State University, I am committed to upholding the highest standards of excellence for this esteemed institution. Your report has identified crucial areas for improvement, including internal controls, policy implementation, financial controls, and overall transparency. The Board of Regents and I believe that addressing these concerns is vital to ensuring the long-term success of the university and the well-being of its students, faculty, and staff.

The current Board of Regents—comprised of dedicated and knowledgeable individuals—will work tirelessly to address the issues identified in your report. We have already taken steps to develop and implement comprehensive action plans that will strengthen our university's governance, management, and financial practices, and we will continue to do so in accordance with your office's recommendations. We are dedicated to fostering a culture of continuous improvement and learning, and your recommendations will serve as a valuable guidepost in our efforts to achieve this goal.

Additionally, we are fortunate to have Dr. Ronald A. Johnson as our university's current Interim President. Dr. Johnson has shown unwavering dedication and exceptional leadership in addressing the challenges faced by Kentucky State University. Although the Board of Regents is currently searching for the university's next permanent President pursuant to HB250, we still possess confidence in Dr. Johnson's ability to assist us in driving the necessary changes to enhance our institution's performance.

Moving forward, we aim to create an environment of openness and accountability, ensuring that all stakeholders are informed about our progress in implementing the recommendations provided in your report. We are committed to enhancing the transparency of our university's operations, and we welcome any further input from the Auditor of Public Accounts as we strive to better our institution.

Once again, thank you for your diligent work and insightful recommendations. Your contributions will undoubtedly play a significant role in ensuring that Kentucky State University fulfills its mission of advancing the Commonwealth of Kentucky, enhancing society, and positively impacting its students.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerald W. Patton". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gerald W. Patton, PhD
Chair of the Board of Regents
Kentucky State University

CC: Ronald A. Johnson, PhD