



**MIKE HARMON**  
**AUDITOR OF PUBLIC ACCOUNTS**

April 28, 2022

Clara Stamps, Acting President  
Kentucky State University  
Hume Hall, Suite 202  
207 University Drive  
Frankfort, Kentucky  
Via Email: [clara.stamps@kysu.edu](mailto:clara.stamps@kysu.edu)

RE: Special Examination

Dear President Stamps:

In accordance with House Bill 1 of the 2022 legislative session, the Auditor of Public Accounts (APA) will open an engagement to conduct a special examination to review the governance and certain financial activity of Kentucky State University (KSU). The examination will focus on the time period of July 1, 2018 through June 30, 2021. At its discretion, the APA may expand the subject areas or scope of this examination to address high risk areas identified during our work.

Upon completion of the special examination, APA will issue a report describing any weaknesses or deficiencies identified and will offer recommendations to strengthen and improve KSU governance and financial controls. KSU will have an opportunity to provide an initial response to the report, and will be required by KRS 43.090 to provide a corrective action plan to the APA and the state legislature within sixty days of the report's release. The estimated period for completion of this engagement is dependent upon multiple factors, including timely receipt of requested information and cooperation from KSU management and staff.

The Kentucky General Assembly has provided some funding to APA to conduct this engagement. APA ordinarily operates under KRS 43.050 which requires the APA to bill for any expenses incurred for this type of engagement to the entity that is the subject of the examination. In light of this statute, to minimize potential billing of KSU beyond funding appropriated to APA, please note that circumstances such as delays in the production of information requested or unavailability of personnel for interviews may result in additional APA staff hours being used to complete the work. APA's current billing rate is \$84/hour, with charges based on actual hours worked and expenses occurred.

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KRS 43.080 mandates that APA has access to and may examine all KSU, “books, accounts, reports, vouchers, correspondence files, records, money and property” and that every KSU officer or employee having such records or property in his or her possession or under his or her control permit access to and examination of such upon APA’s request. In that regard, our engagement will be conducted with the understanding that KSU management has a responsibility to provide APA with:

- a. Access to all information that APA may request for the purpose of the special examination.
- b. Unrestricted access to current and former KSU personnel from whom APA determines it is necessary to obtain audit evidence.
- c. An audit liaison at KSU who can promptly provide requested documentation to APA and answer questions.
- d. Suitable workspace and parking at KSU for APA auditors, as needed to conduct interviews of KSU staff, review documents, or perform other examination-related work.

APA would like to conduct an entrance conference on the KSU campus during the first part of May 2022. Please contact me at your earliest convenience to discuss a mutually agreeable date and time. APA appreciates your time and attention to this matter as well as the assistance you and your staff will provide during the course of our work. If you have any questions or concerns, please contact me, or Tiffany Welch, Executive Director, at 502-564-5841.

Sincerely,



Farrah Petter, CPA

Assistant Auditor of Public Accounts

- c: Lisa Lang, KSU General Counsel [Lisa.Lang@kysu.edu](mailto:Lisa.Lang@kysu.edu)  
Gerald Patton, KSU Board of Regents Chair *(via U.S. Postal Mail)*  
Herman Walston, KSU Board of Regents Vice-Chair [herman.walston@kysu.edu](mailto:herman.walston@kysu.edu)  
Michael Adams Jr. KSU Board Regent *(via U.S. Postal Mail)*  
Tammi Dukes, KSU Board Regent *(via U.S. Postal Mail)*  
Edward Fields, KSU Board Staff Regent [edward.fields@kysu.edu](mailto:edward.fields@kysu.edu)  
Ernie Fletcher, KSU Board Regent *(via U.S. Postal Mail)*  
Edward Hatchett, KSU Board Regent *(via U.S. Postal Mail)*  
Jason Moseley, KSU Board Regent *(via U.S. Postal Mail)*  
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