

MOREHEAD STATE UNIVERSITY

AUDIT COMMITTEE MEETING

June 17, 2021 at 9:00 a.m.
Morehead State University
Adron Doran University Center (ADUC)
Room 329



**MOREHEAD STATE UNIVERSITY
BOARD OF REGENTS
AUDIT COMMITTEE MEETING**

Thursday, June 17, 2021 at 9:00 a.m.

Committee Members:

Sanford Holbrook, Audit Committee Chair
Eric Howard
Wayne Martin
Adam Hinton

AGENDA

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVE MINUTES OF MARCH 25, 2021 AUDIT COMMITTEE MEETING
- IV. RECOMMENDATIONS AND REPORTS
 - A. Accept 2019-2020 Single Audit Report
- V. UNIVERSITY DEBT POLICY AMENDMENTS
- VI. ADJOURNMENT

Agenda materials are available online at <http://www.moreheadstate.edu/bor>

BOARD OF REGENTS
AUDIT COMMITTEE MEETING MINUTES
March 25, 2021

The Audit Committee met on March 25, 2021 at 9:00 a.m. at the Morehead State University Mt. Sterling campus. Due to the coronavirus pandemic, the meeting room provided ample room for social distancing and guests were encouraged to wear a mask.

Audit Committee Chair Sanford Holbrook presided. The following members were present: Chair Sanford Holbrook, Eric Howard, Wayne Martin, and Adam Hinton.

Chair Holbrook moved to approve the October 16, 2020 Audit Committee Meeting minutes. Wayne Martin seconded the motion and the motion carried unanimously.

RECOMMENDATION: That the Audit Committee accept the Agreed Upon Procedures Report required by the NCAA and the WMKY-FM audit report for the fiscal year ended June 30, 2020 as presented by Dean Dorton Allen Ford, PLLC.

KRS 164A.570 requires an annual audit to be conducted for all universities in the state system. The audit is to be conducted by an independent public accounting firm. On April 16, 2020, the Board approved the recommendation of Dean Dorton Allen Ford, PLLC to conduct the 2019-20 fiscal year audits. The Board also approved at that time the Audit Committee's recommendation for the minimum scope of the audit work to be performed. Dean Dorton Allen Ford, PLLC completed the Agreed Upon Procedures Report required by the NCAA and WMKY-FM audit report for the June 30, 2020 fiscal year. A copy of the reports was provided to each member of the Board of Regents prior to the Audit Committee Meeting. David Richard, Assurance Director, Dean Dorton Allen Ford, PLLC, was in attendance to respond to any questions.

MOTION: Wayne Martin moved that the Audit Committee approve the recommendation and Adam Hinton seconded the Motion.

VOTE: The Motion carried unanimously.

RECOMMENDATION: That the Audit Committee approve the audit price and the appointment of Dean Dorton Allen Ford, PLLC in Lexington to conduct the required annual audits for Morehead State University for the fiscal year that will end on June 30, 2021.

KRS 164A.570 requires an annual audit to be conducted for all universities in the state system. The bylaws of the Board of Regents provide that the Audit Committee will review, evaluate, and recommend to the full Board, an accounting firm to conduct the University's required annual audits. State statutes specify that the auditing firm must be selected through a request for proposal process, and that a personal services contract be issued to engage the firm.

On January 8, 2021, the University issued a request for proposals from qualified public accounting firms to perform the auditing services. The request for proposals was posted on the University's online plan room and registered vendors were notified. The process closed on January 29, 2021. Responses were submitted by four firms: BKD, LLP, Louisville; Crowe, LLP, Lexington; Dean Dorton Allen Ford, PLLC, Lexington; and Plante Moran, Cincinnati.

The proposals were independently evaluated by the Chief Financial Officer and VP for Fiscal Services, the Director of Internal Audits, the Director of Accounting and Financial Services, the Assistant Director of Accounting and Financial Services, and the Director of Finance for the MSU Foundation. The evaluations were based on cost factors and on technical factors; such as the audit firm's technical experience and the audit firm's experience with performing public higher education audits.

Based on the evaluations, it was recommended that the Audit Committee approve the audit price and the appointment of Dean Dorton Allen Ford, PLLC to conduct the annual audits. The contract will be awarded for the fiscal year that will end on June 30, 2021 with the option to extend the contract for seven additional one year periods. The fee for the first year of the contract will be \$97,200. Fee adjustments for future contracts will be based on the consumer price index.

MOTION: Eric Howard moved that the Audit Committee approve the recommendation and Adam Hinton seconded the Motion.

VOTE: The Motion carried unanimously.

RECOMMENDATION: That the Audit Committee approve the minimum scope of the University's audit for the year ending June 30, 2021.

The University is required to have an annual audit conducted of its financial activities. The bylaws of the Board of Regents specify that the Audit Committee review, evaluate, advise and recommend to the full Board the minimum scope of the annual audit.

The Director of Accounting and Financial Services and the Director of Internal Audits have outlined the scope of the audit that will comply with all local, state, and federal audit requirements. A summary of the audit scope was provided to regents prior to the Audit Committee Meeting.

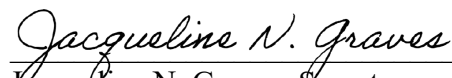
MOTION: Wayne Martin moved that the Audit Committee approve the recommendation and Eric Howard seconded the Motion.

VOTE: The Motion carried unanimously.

President Morgan announced that the Internal Auditor's Report, customarily presented at the March Audit Committee meeting, is postponed until the next Audit Committee meeting due to Internal Auditor, Ms. Cynthia Hunt, being on maternity leave.

There being no further business to conduct, Eric Howard moved that the meeting adjourn and Wayne Martin seconded the motion. The motion carried unanimously.

Respectfully submitted,


Jacqueline N. Graves, Secretary
Board of Regents

ACCEPT 2019-20 SINGLE AUDIT REPORT

**BOR (IV-A)
June 17, 2021**

Recommendation:

That the Audit Committee accept the Single Audit Report for the fiscal year ended June 30, 2020 as presented by Dean Dorton Allen Ford, PLLC.

Background:

KRS 164A.570 requires an annual audit to be conducted by all universities in the state system. The audit is to be conducted by an independent public accounting firm. On April 16, 2020, the Board approved the recommendation of the Audit Committee to appoint the accounting firm of Dean Dorton Allen Ford, PLLC to conduct the 2019-20 fiscal year audit. The Board also approved at that time, the Audit Committee's recommendation for the minimum scope of the audit work to be performed.

Dean Dorton Allen Ford, PLLC has completed the Single Audit for the June 30, 2020 fiscal year. The report was issued with an opinion that the University complied, in all material respects, with the compliance requirements reviewed as part of their audit. A copy of the audit report has been provided to each member of the Board of Regents.



Morehead State University is committed to providing equal educational opportunities to all persons regardless of race, color, national origin, age, religion, sex, sexual orientation, gender identity, gender expression, disabled veterans, recently separated veterans, other protected veterans, and armed forces service medal veterans, or disability in its educational programs, services, activities, employment policies, and admission of students to any program of study. In this regard the University conforms to all the laws, statutes, and regulations concerning equal employment opportunities and affirmative action. This includes: Title VI and Title VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Executive Orders 11246 and 11375, Equal Pay Act of 1963, Vietnam Era Veterans Readjustment Assistance Act of 1974, Age Discrimination in Employment Act of 1967, Sections 503 and 504 of the Rehabilitation Act of 1973, Americans with Disabilities Act of 1990, and Kentucky Revised Statutes 207.130 to 207.240; Chapter 344 and other applicable statutes. Vocational educational programs at Morehead State University supported by federal funds include industrial education, vocational agriculture, business education, and the associate degree program in nursing. Any inquiries should be addressed to: Affirmative Action Officer, Morehead State University, 301 Howell-McDowell Administration Building, Morehead, KY 40351, 606-783-2097.