

**Minutes of the Audit, Risk and Compliance Committee  
Northern Kentucky University Board of Regents  
Thursday, October 2, 2025**

**Call to Order:** Chair Smith called the meeting to order at 9:00 a.m., and requested Tammy Knochelmann, Secretary to the Board of Regents, to call the roll.

**Roll Call:**

**Present:**

Ashley Himes (via Zoom), Collin Jarrell, Greg Mecher (via Zoom), Nathan Smith, Kara Williams

Note: Regent Mecher joined at 9:03 a.m. and Regent Himes joined at 10:23 a.m.

A quorum of the Committee was confirmed.

**NKU Senior Staff in attendance:** Chris Calvert, Vice President for Administration & Finance/CFO; Grant Garber, Vice President for Legal Affairs/General Counsel; Jacqueline Graves, Assistant General Counsel; Amy Hunt, Associate General Counsel; Kristi Horine, Senior Staff Auditor; Tammy Knochelmann, Executive Assistant to the President & Secretary to the Board; Karen Mefford, Associate Vice President, Financial Services; Larry Meyer, Director Institutional & Operational Auditing; Cady Short-Thompson, President; Leah Stewart, Assistant VP, Financial Aid & Operations

**Others in attendance:** Amy Ishmael

**Approval of Minutes:**

Regent Williams moved to approve the minutes of the June 10, 2025, meeting.

Regent Jarrell seconded the motion. The minutes were approved without corrections.

**Special Recognition of Larry Meyer**

Chair Smith thanked Larry Meyer for his many years of dedicated service to the University and presented him with the following resolution and a gift from the Committee. The resolution is entered into the official record.

**Resolution of Appreciation  
Honoring the Service of Mr. Larry Meyer  
Director of Financial & Operational Auditing  
Northern Kentucky University**

**Whereas**, Mr. Larry Meyer has served Northern Kentucky University with distinction as Director of Financial & Operational Auditing from October 31, 2005, to October 31, 2025; and

**Whereas**, throughout his two decades of dedicated service, Mr. Meyer has exemplified the highest standards of professionalism, integrity, and independence in his work, safeguarding the university's resources and strengthening its systems of accountability; and

**Whereas**, his diligence, thoroughness, and commitment to excellence have enhanced the effectiveness of the university's financial, operational, and compliance practices, ensuring transparency and fostering trust at every level of the institution; and

**Whereas**, Mr. Meyer's deep knowledge, sound judgment, and steady guidance have provided invaluable support to the Audit, Risk, and Compliance Committee, university leadership, and the Board of Regents in fulfilling their oversight responsibilities; and

**Whereas**, beyond his technical expertise, Mr. Meyer has been a trusted colleague, mentor, and partner whose thoughtful counsel and collaborative spirit have strengthened the university community; and

**Now, therefore, be it resolved**, that the Audit, Risk, and Compliance Committee of the Northern Kentucky University Board of Regents expresses its deepest appreciation to Mr. Larry Meyer for his exemplary service, dedication, and contributions to the university; and

**Be it further resolved**, that this resolution be entered into the official records of the Committee and that a copy be presented to Mr. Meyer as a token of gratitude and respect upon his retirement.

**RESOLVED**, by the Audit, Risk, and Compliance Committee  
Northern Kentucky University Board of Regents  
this day, the Second of October, Year Two Thousand and Twenty-Five,  
in Highland Heights, Kentucky.

## **Business Items:**

### **1. External Auditors: Financial Statement and Single Audit Review**

Jim Tencza, Director in charge of Audits for Dean Dorton presented the results of the annual independent audit for the fiscal year ended June 30, 2025, noting excellent cooperation from university management and staff, with no restrictions placed on audit procedures.

#### **Financial Statements**

- Received an **unmodified opinion** on the University's financial statements.
- Issued an **unmodified report** on compliance and internal control over financial reporting, in accordance with Government Auditing Standards.

#### **Single Audit**

- Audit includes testing of major federal programs.
- One deficiency noted to date (details to be finalized following completion of the Compliance Supplement review).
- Assistance will be provided with the Data Collection Form filing within 30 days of the Single Audit's issuance.

#### **Other Audits and Reports**

- Kentucky Lease Law Report – completed.
- House Bill 622 Compliance Report – completed.
- Northern Kentucky University Foundation, Inc. – unmodified audit report issued September 11, 2025.
- Northern Kentucky University Research Foundation, Inc. – unmodified audit report to be issued October 2, 2025.
- Preparation of Form 990/990-T for both foundations.
- NCAA Agreed-Upon Procedures Report – due by December 11, 2025.
- Subsequent Event Letter to Kentucky Auditor of Public Accounts – due by December 11, 2025.

#### **Audit Results**

- Clean audit opinion.
- Assets increased by \$35M; liabilities by \$9M.
- Operating revenues: \$141M; expenses: \$250M.
- Net position increased by \$26.6M, a significant improvement compared to prior year. Net position increased primarily due to capital activity, but the change in net position from operating revenues, less operating expenses, plus net non-operating revenues also improved significantly compared to the prior year.
- Single audit 90% complete; one finding on Title IV (\$3,729 impact).
- Clean reports for Kentucky Lease Law and House Bill 622.

- Foundation and Research Foundation audits completed.
- 990 and 990T tax returns prepared.
- NCAA agreed-upon procedures completed.
- Letter to state due December 11 on subsequent events.

#### **Accounting Policies and Estimates**

- New GASB pronouncement on compensated absences.
- Accrual of \$3.8M shown as an adjustment to beginning net assets.
- Estimates reviewed: doubtful accounts, fair value, useful lives, pension, and OPEB.

#### **Internal Controls**

- No material weaknesses or significant deficiencies.
- Minor IT recommendations due to system transition.
- Internal audit contributed ~200 hours; work reviewed and relied upon.

#### **Financial Statement Highlights**

- Single-year format due to GASB changes.
- MD&A provides comparative insights.
- Discussion on institutional vs. external scholarship funding and the presentation within the audit report of student tuition and fees, net compared to presentations of net tuition revenue and institutional scholarships/discounts in management reports.

#### **Future Standards**

- GASB 103: Changes to MD&A presentation.
- New disclosures for capital assets.

#### **Closing Remarks**

- Final audit reports ready for issuance.
- No consultations with other firms or independence issues.
- Reports to be distributed electronically and in hard copy.

## **2. Cybersecurity**

Jason Allen Chief Information Security Officer provided an overview of the cybersecurity tabletop exercise.

#### **Exercise Details**

- Two-day exercise simulating a ransomware incident.
- Day 1: Technical teams reviewed response modules.
- Day 2: Communications, legal, and compliance teams participated.
- Used NIST Cybersecurity Framework 2.0 for evaluation.

#### **Key Findings and Recommendations**

- Identified gaps in documentation and decision-making authority.
- Need for clear chain of command during incidents.
- Importance of communication protocols and authorization.

#### **Technical Improvements**

- Implementation of immutable backups to prevent tampering.
- Reduction of unused student accounts and local admin privileges.
- Active Directory hardening and endpoint protection.

### **Password Policy Updates**

- Plan to increase minimum password length from 8 to 12 characters by Fall 2026.
- Maintain two-factor authentication and annual password changes.
- Exceptions for system limitations will be tracked.

### **Communication and Documentation**

- Emphasis on maintaining playbooks and documentation for incident response.
- Consideration of alternative communication methods (e.g., Gmail) in case of outages.

### **Strategic Planning**

- Replay of tabletop exercise for Cabinet.
- Discussion on ransomware response strategies and cyber insurance implications.

VP Garber acknowledged cybersecurity as a major institutional risk and emphasized the cybersecurity team's commitment to ongoing exercises and preparedness.

## **3. Internal Audit Update**

Kristi Horine, who has been promoted to the role of Director of Financial & Operational Auditing upon Larry Meyer's retirement, provided the internal audit update.

Ms. Horine noted no major issues in the Reports distributed, which included Procurement Card Review, Time and Expenditure Review, and Athletic Clearance Operation. An audit of Admissions is currently in progress.

### **External Audit Support**

The internal audit team dedicated significant time supporting external auditors during late summer, which required pausing other internal audit activities due to firm deadlines.

### **Preliminary Audit Plan (FY 25-26)**

A draft internal audit plan was included in the meeting materials.

Planned audits and monitoring projects include:

- Admissions Audit
- House Bill 4 Monitoring
- NIL (Name, Image, Likeness) Monitoring
- Workday System Review
- Science Center Expansion Oversight

There will be an emphasis on smaller projects due to limited staffing and internal priorities.

## **4. Compliance Report**

VP Garber highlighted one item from the compliance materials, noting the theme for the current year is Immigration, following last year's focus on DEI and House Bill 4.

- The Trump administration announced a new \$100,000 fee on H-1B visa petitions.
- Uncertainty remains regarding the scope and applicability of the fee.
- Potential impact on hiring international faculty and student enrollment.
- NKU is monitoring the situation closely and participating in national legal discussions.

Following the compliance report, Chair Smith congratulated Kristi Horine on her promotion and emphasized his desire that the University maintain a calm and uneventful year.

Following the agenda, Chair Smith thanked the presenters and the Committee and called for a motion to adjourn.

Regent Jarrell moved to adjourn. Regent Williams seconded the motion. The motion carried, and the meeting was adjourned at 10:29 a.m.

The next meeting of the Audit Risk and Compliance Committee will be on Tuesday, March 3, 2026, at 9:00 a.m.

Respectfully submitted,



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Tammy Knochelmann  
Secretary to the Board of Regents

Approved by the Audit, Risk and Compliance Committee on 3/3/26 .  
/tkk