



Single Audit Report

for

NORTHERN KENTUCKY UNIVERSITY

A Component Unit of the Commonwealth of Kentucky

Year Ended June 30, 2025
with Independent Auditor's Report

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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

Board of Regents
Northern Kentucky University
Highland Heights, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northern Kentucky University's (the University) compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget's (OMB) *Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2025. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance requirements with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001, 2025-002, and 2025-003. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the University as of and for the year ended June 30, 2025, and have issued our report thereon dated October 2, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Dean Dotson Allen Ford, PLLC

Louisville, Kentucky
January 9, 2025

NORTHERN KENTUCKY UNIVERSITY
A Component Unit of the Commonwealth of Kentucky
Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor/Program Title/Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Education:				
Direct Programs:				
Student Financial Aid - Cluster				
Federal Supplemental Educational Opportunity Grant Program		84.007	\$ -	\$ 376,533
Federal Work Study Program		84.033	-	432,209
Federal Perkins Student Loan Fund (includes current year advances and prior year loan balances)		84.038	-	146,531
Federal Pell Grant Program		84.063	-	19,286,449
Federal Direct Loan Program		84.268	-	90,367,421
Teacher Education Assistance for College and Higher Education Grants		84.379	-	34,062
Nursing Faculty Loan Program		93.264	-	393,809
Total Student Financial Aid - Cluster			-	111,037,014
TRIO Cluster				
Student Support Services		84.042A	-	443,207
Upward Bound		84.047A	-	374,408
Total TRIO Cluster			-	817,615
AmeriCorps National Service Trust		84.UNKNOWN	-	51,756
CCAMPIS Program		84.335A		149,379
Total U.S. Department of Education			-	112,055,764
Research and Development Cluster:				
Direct Programs:				
U.S. National Science Foundation				
S3OAR 2019-2023		47.076	-	149,508
EPSCOR RII		47.083	-	221,859
KCV Edge		47.083	-	276,275
RII-Track-1 Climbs		47.083	-	15,929
MRI: Flow Cytometer		47.083	-	46,358
			-	560,421
Conference: NAIRR		47.070	-	7,001
Mid Career Advancement		47.075	-	38,783
I-Corps Teams Award		47.084	-	7,389
OHI Trust Badge		47.084	-	5,352
			-	12,741
Total U.S. National Science Foundation			-	768,454
U.S. National Institute of Health				
NIH Area R15 Curran		93.113	-	78,878
NIH Area R03 Curran		93.113	-	88,119
			-	166,997
NIH Area Williamson		93.242	-	113,061

NORTHERN KENTUCKY UNIVERSITY
A Component Unit of the Commonwealth of Kentucky
Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor/Program Title/Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
Research and Development Cluster, continued:				
Direct Programs, continued:				
U.S. National Institute of Health, cotinued				
NIH Area Brumback		93.273	-	21,654
NIH Area R15 Yates		93.279	-	128,276
NIH Area R00 Smith		93.279	-	254,540
			-	382,816
NIH Area Guy		93.859	-	75,474
NIH Area R16 Badgett		93.859	-	159,934
NIH Area R15 Strome		93.859	-	86,270
			-	321,678
Total U.S. National Institute of Health			-	1,006,206
U.S. National Aeronautics and Space Administration:				
Afterschool NASA		43.008	-	874
Pass-Through Programs:				
U.S. National Science Foundation				
University of Louisville Research Foundation				
Oaks	ULRF_23-0679-01	47.049	-	14,204
U.S. National Institute of Health:				
George Mason University				
JCOIN Rapid Response	E2060193-E2056591	93.279	-	5,253
JCOIN Rapid Response Supplement	E2065196	93.279	-	1,662
			-	6,915
KY Cabinet for Health & Family Services				
1115 Substance Use Yr 5	SC 746 2400001065	93.778	85,626	184,080
SUP 25 Peer Support	SC 746 2400001815	93.778	1,507	60,958
			87,132	245,038
University of Louisville Research Foundation				
KYINBRE Curran MCDA	ULRF_23-1033-06	93.859	-	29,909
KYINBRE Guy PPA Bridge	ULRF_23-1033B-06	93.859	-	15,434
KYINBRE Guy MCDA	ULRF_23-1033-06	93.859	-	19,796
KYINBRE Smith MCDA	ULRF_23-1033-06	93.859	-	28,916
KYINBRE Strome MCDA	ULRF_23-1033-06	93.859	-	44,734
KYINBRE Strome MCDA	ULRF_23-1033B-06	93.859	-	8,399
KYINBRE Yates MCDA	ULRF_23-1033-06	93.859	-	41,526
KYINBRE Curran MCDA	ULRF_23-1033B-06	93.859	-	12,273
KYINBRE Yaz DRPP RPA	ULRF_23-1033B-06	93.859	-	29,287

NORTHERN KENTUCKY UNIVERSITY
A Component Unit of the Commonwealth of Kentucky
Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor/Program Title/Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
Research and Development Cluster, continued:				
Pass-Through Programs, continued:				
U.S. National Institute of Health, continued:				
University of Louisville Research Foundation, continued				
KYINBRE Bardget Lead	ULRF_23-1033-06	93.859	-	17,889
KYINBRE Bardget SDRA	ULRF_23-1033-06	93.859	-	7,998
KYINBRE Bardget MCDA	ULRF_23-1033-06	93.859	-	29,274
KYINBRE Bardget MCDA	ULRF_23-1033B-06	93.859	-	6,695
			<u>-</u>	<u>292,130</u>
Kynetic U of L	ULRF_19-0888M1-01	93.310	-	17,797
Total U.S. National Institute of Health			87,132	561,880
U.S. Department of Agriculture:				
Kentucky State University				
Skin Cancer Awareness	210230-206013-3210-NKU	10.216	-	29,885
U.S. National Aeronautics and Space Administration:				
The University of Chicago				
Helix	SUB00000904	43.001	-	50,002
Washington University St. Louis				
Tigeriss	WU-23-0278	43.001	-	49,871
			<u>-</u>	<u>99,873</u>
Supertiger 2	WU-23-0403	43.012	-	1,020
University of Kentucky Research Foundation				
KY Space-REU SHIN	3210001706-24-030	43.008	-	6,294
Space Grant NIFS	3210001706-25-225	43.008	-	3,346
Space Grant MISL	3200003095-25-217	43.008	-	2,800
			<u>-</u>	<u>12,440</u>
Total U.S. National Aeronautics and Space Administration			<u>-</u>	<u>113,333</u>
Total Research and Development Cluster			<u>87,132</u>	<u>2,494,836</u>
Other Programs:				
U.S. Department of Health and Human Services:				
Direct Programs:				
HRSA Nat Program		93.124	-	46,371
HRSA CHWTP		93.516	-	1,054,878
Mental and Behavioral Health Education and Training Grants -				
HRSA Opioid-Impacted Family Support Program		93.732	-	225,434
HRSA OIFSP #2 2024-28		93.732	-	434,577
			<u>-</u>	<u>660,011</u>
CC Implementation		93.912	-	43,881
			<u>-</u>	<u>1,805,141</u>
Pass-Through Programs:				
KY Cabinet for Health & Family Services				
KTAP 2025	SC 736 2400001438	93.558	-	126,842
Vaccination Yr 2	PON2 540 2400001574	93.268	-	230,445
			<u>-</u>	<u>357,287</u>
KY Department of Education				
Preschool Partnership	PON2 540 2400005119	93.434	-	5,116

NORTHERN KENTUCKY UNIVERSITY
A Component Unit of the Commonwealth of Kentucky
Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor/Program Title/Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
KY Council on Postsecondary Education Gear Up KY	SC 15 24000001469	84.334S	-	100,454
World Learning, Inc. IDEAS Program	IDEAS23-NKU01	19.009	-	28,189
University of Kentucky Research Foundation CW PREP 2025	3200006559-25-212	93.658	-	27,848
Total U.S. Department of Health and Human Services			-	2,324,035
Other Programs, continued:				
U.S. National Security Agency:				
Pass-Through Programs:				
University of Louisville UL PSC Cybersecurity	PSC 24-035	12.905	-	9,600
Environmental Protection Agency				
Pass-Through Programs:				
KY Association for Environmental Education School Dist Land ANL	02D46723	66.951	-	1,000
U.S. Department of Treasury:				
Pass-Through Programs:				
KY Council on Postsecondary Education CPE HWC	SC 415 23000000390	21.027	-	349,290
Healthcare Summer Bridge	SC 415 25000000985	21.027	-	35,870
			-	385,160
Corporation for National and Community Service:				
Direct Programs:				
VISTA 2023		94.013	-	5,689
VISTA 2024		94.013	-	40,271
VISTA Communities		94.013	-	84,998
			-	130,958
Engage KY		94.021	38,638	83,048
Engage + VGF Year 2		94.021	103,061	247,355
			141,699	330,403
Foster Grandparent		94.011	-	23,060
			141,699	484,421
Pass-Through Programs:				
KY Cabinet for Health & Family Services AmeriCorps Prog 2024	PON37302200000025	94.006	-	321,554
AmeriCorps Prog 2025	PON37302400000037	94.006	-	1,402,367
			-	1,723,921
Total Corporation for National and Community Service			141,699	2,208,342
U.S. Department of Justice:				
Direct Programs:				
Norse Violence 21-24		16.525	41,789	82,622
Norse Violence 24-27		16.525	1,112	2,542
			42,901	85,164

NORTHERN KENTUCKY UNIVERSITY
A Component Unit of the Commonwealth of Kentucky
Schedule of Expenditures of Federal Awards, continued

Year Ended June 30, 2025

Federal Grantor/Program Title/Cluster Title	Pass-Through Entity Identifying Number	Federal Assistance Listing Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Commerce: Direct Programs:				
EDA CHEI-UC		11.303	-	99,419
U.S. National Aeronautics and Space Administration: Pass-Through Programs:				
University of Kentucky Research Foundation				
Kentucky First Lego	3200003095-24-158	43.008	-	10,936
Kentucky First Lego	3200003095-25-266	43.008	-	12,839
			<u>-</u>	<u>23,775</u>
 Total Other Programs			 <u>184,600</u>	 <u>5,136,495</u>
Total Federal Expenditures			<u>\$ 271,732</u>	<u>\$ 119,687,095</u>

See Notes to the Schedule of Expenditures of Federal Awards.

NORTHERN KENTUCKY UNIVERSITY

Notes to the Schedule of Expenditures of Federal Awards

Year ended June 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. Federal Student Loan Programs

Northern Kentucky University (the University) is responsible for the performance of certain administrative duties with respect to the Federal Direct Loan Program; accordingly, it is not practical to determine the balance of loans outstanding to students and former students of the University under this program at June 30, 2025.

The following schedule represents loans outstanding and advanced by the University as of and for the year ended June 30, 2025:

	<u>ALN</u>	<u>Advances</u>
Department of Education:		
Student Financial Aid Cluster		
Federal Perkins Loan	84.038	\$ 146,531
Department of Health and Human Services:		
Student Nursing Loan Program	93.264	<u>393,809</u>
		<u>\$ 540,340</u>

3. Facilities and Administrative Costs Rates

Predetermined fixed facilities and administrative costs rates have been approved as follows:

Period Covered	From 7/1/2024 until 6/30/2025:
Based on Financial Information for fiscal year	2019
Predetermined rate - on campus	40.0%
Predetermined rate - off campus	14.9%

These rates are applied to direct salaries and wages, excluding all fringe benefit costs.

The University does not utilize the 10% de Minimis indirect cost rate.

NORTHERN KENTUCKY UNIVERSITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2025

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

Noncompliance material to financial statements noted? ☐ Yes ☒ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified? ☒ Yes ☐ None Reported

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) ☒ Yes ☐ No

Identification of major programs:

<u>Federal Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Various	Student Financial Aid Cluster
Various	Research & Development Cluster
94.006	AmeriCorps State & National
93.516	Public Health Training Centers Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

NORTHERN KENTUCKY UNIVERSITY

Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2025

II. Financial Statement Findings:

Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*: **None noted**

III. Federal Award Findings and Questioned Costs:

Finding 2025-001:

Federal Program:

U.S. Department of Education:

Student Financial Aid Cluster:

Federal Pell Grant, Assistance Listing No. 84.063

Federal Supplemental Education Opportunity Grant, Assistance Listing No. 84.007

Federal Direct Loan Program, Assistance Listing No. 84.268

Criteria:

The University must comply with 34 CFR Section 668.22.

Condition:

During our testing of 40 official withdrawals, we reviewed the calculation used by the University for the return of funds and noted eight students in which the calculation was improperly calculated.

Our testing of 40 official withdrawals included five and three full-term students from the Fall and Spring semesters, respectively, for which the return of funds calculation was improperly calculated due to the University using various incorrect inputs. The incorrect withdrawal date was used for one student, incorrect institutional charges were used for five students, and incorrect total aid disbursed was used for two students.

Cause:

The University does not have a procedure in place to properly review the inputs used within return of funds calculations.

Effect:

The provisions of 34 CFR Section 668.22 were not followed and thus a total of eight students had incorrect return of funds calculations, however, four calculations resulted in questioned costs. The other four calculations were performed incorrectly, but students earned over 60% of aid.

NORTHERN KENTUCKY UNIVERSITY

Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2025

III. Federal Award Findings and Questioned Costs, continued:

Finding 2025-001, continued:

Questioned Costs:

Known questioned costs total net \$3,729 in Title IV aid that should have been earned as a result of our testing of 40 official withdrawals.

Use of the incorrect withdrawal date resulted in one student who earned an additional \$3,429.

Use of incorrect institutional charges resulted in no additional funds needing to be returned, but did change the amount the students were responsible for returning. The University returned \$600 that should have been the students' responsibility.

Use of the incorrect total aid resulted in one student earning \$300 less than they should have, if the proper aid had been used. The student attended more than 60% of the term, so no return was required.

Recommendation:

We recommend that the University review and revise their policies and procedures related to the return of funds calculation. Specifically, the University should:

- Implement a review process to verify calculations before finalizing returns.
- Provide training to relevant staff, including those outside of the student financial assistance department, on the proper calculation methods to enhance compliance and accuracy.

Views of responsible officials and planned corrective actions:

The University agrees with the auditor's finding and recommendations. The following corrective action will be taken:

The University has awarded aid in the amount of \$3,729 to students which represents student earned aid from an updated R2T4 calculation accounting for the proper use of the withdrawal date, institutional charges and total aid for 2024-25 academic year.

The University will review, and revise policies and procedures related to the return of funds calculation. Specifically, the University will:

- Update procedures to include a review of input items by AVP prior to finalizing returns.
- Provide training to relevant staff, including staff outside of the Office of Student Financial Assistance, on proper calculation methods to ensure compliance and accuracy of R2T4 calculations.

NORTHERN KENTUCKY UNIVERSITY

Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2025

III. Federal Award Findings and Questioned Costs, continued:

Finding 2025-001, continued:

The University is exploring opportunities to automate partially or completely the R2T4 process to support accurate and efficient processing and enhance compliance.

Finding 2025-002:

Federal Program:

Corporation for National and Community Service:
Kentucky Cabinet for Health & Family Services
AmeriCorps State & National, Assistance Listing No. 94.006

Criteria:

The University must have internal controls in place for compliance as required by 2 CFR Part 200.303. The University requires that interviews be conducted and documented prior to onboarding AmeriCorps members.

Condition:

During our testing of eligibility for 25 program participants, we noted that four participants did not have evidence of being interviewed prior to being hired.

Cause:

Until the implementation of a new system and procedure, the University's documentation process for interviews during a portion of the audit period did not include formalized controls to centralize retention and documentation of interview evidence. Interview documentation was maintained through individual staff email accounts and calendar systems lacked standardized filing and retention protocols, resulting in the inability to locate evidence that interviews were conducted for four participants.

Effect:

The University's internal control was not followed and thus a total of four program participants did not have evidence of being properly interviewed prior to being hired.

Questioned Costs:

There are no questioned costs.

NORTHERN KENTUCKY UNIVERSITY

Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2025

III. Federal Award Findings and Questioned Costs, continued:

Finding 2025-002, continued:

Recommendation:

We recommend the University review controls and implement a standardized process and refine its system to ensure ongoing compliance with established controls.

Views of responsible officials and planned corrective actions:

The University agrees with the auditors' finding and recommendations. The following corrective actions have been taken:

During the 2023-2024 academic year, EngageKY implemented a new process for recordkeeping related to the recruitment and selection of Kentucky College Coaches. As part of the implementation, site supervisors and program staff began to use Salesforce to maintain notes from screening interviews and general interviews. The missing documentation referenced in this finding was for individuals hired prior to the new process. EngageKY will continue to use Salesforce to document the recruitment and selection of Kentucky College Coaches.

Finding 2025-003:

Federal Program:

U.S. National Science Foundation:
Research and Development Cluster
Office of Integrated Activities, Assistance Listing No. 47.083

Criteria:

The University must have internal controls in place for compliance as required by 2 CFR Part 200.303. The University requires review by grant department before disbursement.

Condition:

During our testing of awarded scholarships for eight students, we noted that two student applications did not have evidence of being reviewed prior to disbursement of the scholarship.

Cause:

The University does not have a procedure in place to properly review scholarship applications prior to disbursement.

Effect:

Two students received scholarships that were not properly reviewed prior to disbursement.

NORTHERN KENTUCKY UNIVERSITY

Schedule of Findings and Questioned Costs, continued

Year ended June 30, 2025

III. Federal Award Findings and Questioned Costs, continued:

Finding 2025-003, continued:

Questioned Costs:

There are no questioned costs.

Recommendation:

We recommend that the University review and revise their policies and procedures related to reviewing and approving Research & Development grant scholarships prior to disbursement. Specifically, the University should:

- Implement a review process to verify scholarships are reviewed and approved by Grant Administration prior to disbursement.
- Provide training to relevant staff on proper documentation procedures to forward to Grant Administration to enhance compliance and accuracy.

Views of responsible officials and planned corrective actions:

The University agrees with the auditors' finding and recommendations. The following corrective action will be taken:

The University will review and revise policies and procedures related to reviewing and approving Research & Development grant scholarships prior to disbursement.

The University will do the following:

- Implement a review process to verify scholarships are reviewed and approved by Grant Administration prior to disbursement.
- Provide training to relevant staff on proper documentation procedures to forward to Grant Administration to enhance compliance and accuracy.

NORTHERN KENTUCKY UNIVERSITY

Summary Schedule of Prior Audit Findings

Year ended June 30, 2025

Finding 2024-001:

Summary of Finding: During 2024, 40 official withdrawals were tested as part of the Student Financial Aid Cluster. 23 student returns were identified to be incorrect, and based on additional analysis performed by the University it was discovered that a total of 73 students had incorrect return of funds calculations based upon incorrect use of calendar.

Current Year Status:

This finding was resolved in current year.

Finding 2024-002:

Summary of Finding: During 2024, 40 official withdrawals and 3 unofficial withdrawals were tested as part of the Student Financial Aid Cluster. 3 students were identified for which the National Student Loan Data System (NSLDS) was not notified timely of the correct student status, and based on additional analysis performed by the University it was discovered that an additional 22 students information was not notified to NSLDS in a timely matter of the correct student status change.

Current Year Status:

This finding was resolved in current year.

Finding 2024-003, (Repeat of 2023-002):

Summary of Finding: Based on finding 2023-002, the University identified 14 additional trainee stipends that exceeded maximum allowable amounts for Fall 2023.

Current Year Status:

No additional issues were identified in testing of Spring 2024. The finding is considered resolved.

Finding 2024-004:

Summary of Finding: During 2024, 40 students were tested for eligibility as part of the Student Financial Aid Cluster. 1 student was packaged using the incorrect cost of attendance, resulting in the student being awarded need-based aid when there was no unmet need.

Current Year Status:

This finding was resolved in current year.