July 2026

Office of Internal Audit Fiscal Year 2027 Audit Plan

Recurring Engagements	Risks	Objectives/Procedures	Internal Audit Estimated Hours	Internal Audit Estimated Cost*	Clients Impacted
Payroll	• Fraud • Data Accuracy • Compliance with Policy	• Risk-based identification of payroll expenditures that may not be allowable using automated techniques. • Risk-based monitoring of payroll expenditures or trends that may be indicative of a material error, deviation from data expectations, or require further review.	• 1,000	• $70,000	• Primarily work with UW-Shared Services (UWSS) • As necessary, questions and documentation requests will be directed to university Chief Human Resources Officers (CHROs) and payroll staff.
Purchasing Cards (P-Cards)	• Fraud • Embezzlement • Compliance with Policy	• Risk-based identification of P-Card expenditures that may not be allowable using automated techniques. • Summarization of active P-Cards, open credit, ineligible vendors, and other analytics. • Test internal controls over monitoring and non-compliance of expenditures.	• 1,000	• $70,000	• Primarily work with UWSS • As necessary, questions and documentation requests will be directed to university cardholders.
Fiscal Year 2026 In Process	**Risks**	**Objectives/Procedures**	**Internal Audit Estimated Hours**	**Internal Audit Estimated Cost**	**Clients Impacted**
Budgetary Controls at UW-Madison	• Fraud • Compliance • Reputational	• Test compliance with key internal controls recommended by Deloitte (budget project) after implementation.	• 125	• $8,750	• UW-Madison's Finance and Administration staff and CHRO
Cybersecurity	• Data Security • Fraud • Operational • Compliance with Policy	• Utilize the Institute of Internal Auditors (IIA) Cybersecurity Topical Requirement to assess overall governance, risk management, and controls. • Test compliance, based on risk, with SYS 1039, *Information Security: Risk Management*.	• 1,000	• $70,000	• UWSA, University Chief Information Officers (CIOs) and Chief Information Security Officers (CISOs)

*$70 per hour direct labor & fringes

Segregated Fees	• Financial • Compliance with Policy • Reputational	• Test compliance, based on risk, with RPD 30-5, *Policy and Procedures for Segregated University Fees* and SYS 820, *Segregated University Fees*.	• 400	• $28,000	• University Budget Directors and Controllers
Fiscal Year 2027 New Engagements	**Risks**	**Objectives/Procedures**	**Internal Audit Estimated Hours**	**Internal Audit Estimated Cost**	**Clients Impacted**
Cash and Cash Equivalents Handling	• Misappropriation of Cash • Lack of Internal Controls Over Cash	• Identify and evaluate the existence, safeguarding, and physical storage of cash. • Understand controls over cash handling processes, including separation of duties.	• 900	• $63,000	• All universities and UWSA • Controllers and Bursars
Information Technology (IT) Distributed Units	• Data Security • Operational • Reputational	• Determine whether processes implemented reduce risks associated with a decentralized IT environment such as inconsistent security practices and limited visibility.	• 900	• $63,000	• UW-Madison & UW-Milwaukee ○ CIOs ○ Chief Information Security Officers (CISOs)
Internal Assessment	• Conformance with the IIA Standards	• Perform and summarize a self-assessment of the internal audit activity. • Compile and present the Quality Assurance and Improvement Program report. ○ Compile and present the Office of Internal Audit Annual Report.	• 300	• $21,000	• This engagement will have no client impact.
National Automated Clearing House Association (Nacha) Operating Rules	• Compliance • Operational	• Assess compliance with the new 2026 Nacha operating rules for vendor/supplier automated clearing house (ACH) payments.	• 500	• $35,000	• UW-Madison shared supplier team
Physical Access Security	• Human Safety • Reputational • Compliance with Policy	• Assess governance of physical access security through RPD 23-2, *Health, Safety, and Security at UW universities*, and applicable university policies. • Evaluate whether a risk-based access control framework is in place and supported by access lifecycle management.	• 1,200	• $84,000	• All universities and UWSA • University Police, Facilities, and Risk Managers • CIOs and/or CISOs

Research Administration Management Portal (RAMP) – Phase 2	• Delayed Award Submissions • Noncompliance • Documentation Quality and Completeness • Financial (Loss of Funding) • Reputation	• Understand how governance structures, strategic priorities, and practices in the Offices of Sponsored Programs support: ○ grant administration through the life cycle of the award (proposal to closeout); ○ monitoring and oversight; and ○ escalation of compliance concerns or risks. • Also, understand how research administration practices are monitored across colleges/departments to identify inconsistencies.	• 900	• $63,000	• All universities and UWSA • Offices of Sponsored Programs • Exclude UW-Madison Research and Sponsored Programs (RSP); however, will include awards that are not administered by RSP.
Shared Services Advisory	• Compliance • Operational	• Assess whether service level agreements (SLA) are defined and establish expectations for service scope, performance, and responsibilities. • Evaluate whether SLA metrics, monitoring practices, and governance processes support accountability and transparency.	• 500	• $35,000	• Shared Services
Third-party Artificial Intelligence (AI) Procurement and Contracting Advisory	• Data Security and Privacy • Vendor Use of Data • Intellectual Property • Reputation	• Assess the current state of procurement and contracting practices to understand how they incorporate evaluation of third-party AI vendors. • Understand how future state procurement and contracting practices could better support responsible, secure, and compliant adoption of third-party AI technologies that enable innovation and operational efficiencies.	• 300	• $21,000	• UWSA ○ Office of Learning & Information Technology Services, Office of Procurement, Office of General Counsel • UWSS ○ Senior Associate Vice President • University CIOs
Workday	• Separation of Duties • Change Management • Operational	• Ongoing performance of work in support of Workday, with a focus on high-risk areas or emerging priorities. Specific areas of focus may include: ○ Separation of duties; ○ Change management; ○ Business process review; and • Ad-hoc projects as requested.	• 1,000	• $70,000	• Work will likely focus on the System level (UWSA/UWSS personnel or Workday and Enterprise Solutions Team (WEST) personnel); however; as necessary, questions or documentation requests may be directed to the university contacts.

Projects Performed In Lieu of External Independent Auditors	Risks	Objectives/Procedures	Internal Audit Estimated Hours	Internal Audit Estimated Cost	Clients Impacted
NCAA Athletics Division I Agreed-Upon Procedures Engagements	• Compliance with NCAA Agreed-Upon Procedures	• Agreed-upon procedures engagements over financial matters (UW-Green Bay and UW-Milwaukee).	• 900	• $63,000	• UW-Green Bay and UW-Milwaukee only • Athletic Director, Athletics Business Manager, Chief Business Officer, Controller, and minimal assistance from other departments such as the Financial Aid Office
NCAA Athletics Division II Consulting Project	• Compliance with NCAA Agreed-Upon Procedures	• Review preparation of NCAA Statement of Revenue and Expenditures (UW-Parkside).	• 125	• $8,750	• UW-Parkside only • Athletic Director, Athletics Business Manager, Chief Business Officer, Controller, and minimal assistance from other departments such as the Financial Aid Office
Office of Educational Opportunity (OEO)	• Compliance	• Review management's assertions in accordance with applicable Wisconsin Statutes and Wisconsin Department of Public Instruction Requirements.	• 80	• $5,600	• Director of UWSA OEO
Wisconsin Economic Development Corporation (WEDC) Grants Approximately 15 Grants	• Grant Compliance • Fraud	• Evaluate compliance with grant requirements.	• 500	• $35,000	• UW-Madison RSP • UWSA Office of Business & Entrepreneurship • Additional Universities receiving funds from WEDC, if requested

	Other	Internal Audit Estimated Hours	Internal Audit Estimated Cost	Clients Impacted
	Special Projects Related to Emerging Risks (e.g., Federal Executive Orders, New Legislation)	• 1,700	• $119,000	• Will vary
	Client Requested Audits and Special Projects	• 500	• $35,000	• Will vary
	Develop Data Analytics for Workday Environment	• 400	• $28,000	• No client impact
	Follow Up on Management Responses (Open Actions)	• 600	• $42,000	• Will vary
	Internal Practice Management	• 200	• $14,000	• No client impact
	K10 Audit Software Committee	• 400	• $28,000	• No client impact
	Total	**15,430**		

Note 1: Engagement objectives, associated risks, estimated hours, and clients impacted are subject to change as further planning is completed and as university priorities, operations, and risks evolve.

Note 2: The proposed clients impacted by the respective engagement are noted herein. As we begin the preplanning for the engagements, we will include more detailed information regarding the level of impact on the monthly status spreadsheet that is provided to the chief business officers.

Approved by the Audit, Risk, and Compliance Committee and BOR on 7/16/2026.