

11/20/13

**BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM**

I.5. Audit Committee

Thursday, December 5, 2013  
UW-Madison  
1920 Van Hise Hall  
Madison, Wisconsin

8:00 a.m. Audit Committee – Room 1920

- a. Update on Chief Audit Executive (CAE) Hiring
- b. Discussion of Dual Employment Audits
- c. Audit Status Update
- d. 2014 Audit Plan
- e. Committee Goals and Priorities

## **AUDIT UPDATE**

### **BACKGROUND**

The Office of Internal Audit provides objective review and analysis services in order to add value to, protect, and strengthen the University of Wisconsin System.

### **REQUESTED ACTION**

No action requested.

### **DISCUSSION**

The attached document provides an overview of items to be discussed during the Board of Regents Audit Committee meeting on December 5, 2013, including activities of the Office of Internal Audit since September 6, 2013. Specifically, the following will be covered:

- (1) Dual Employment/Overload Audits
- (2) 2013 Major Project Activity
- (3) Active Engagements
- (4) Legislative Audit Bureau Update
- (5) 2014 Audit Plan

### **RELATED REGENT POLICIES**

None.

# DUAL EMPLOYMENT/OVERLOAD AUDITS

December 5, 2013

# Dual Employments/Overloads

---

## □ Objectives

- Overload payments were accurately coded.
- Forms supporting overload payments were completed in accordance with institution instructions.
- Overload payments were approved, in advance, by the chancellor or designee, as required by Unclassified Personnel Guideline #4, Section 4.09(2)(a).
- Aggregate overload payments for calendar year 2011 and 2012 (January through June only for 2012) were within statutory limits.
- Overload payments were made within a reasonable timeframe of performing the work.
- Summer session compensation was less than two-ninths of the academic year salary, or supported with an explicit exception granted by the Chancellor or designee, as required by Unclassified Personnel Guideline #4, Section 4.08(3)(b).
- Overloads were for tasks in excess of course load indicated within appointment letter.

# Dual Employments/Overloads

---

- Comments
  - Timing of Approvals
  - Coding errors
  - Lack of supporting documentation
  - Compensation in excess of the statutory limit
  - Timing of Payments

# Dual Employments/Overloads

---

- Resolution/Management Action
  - Change in statue
  - Policy changes
  - Training/Education/Communication
  - New account coding
  - Internal controls (approval forms implemented, additional reviews)
  - Risk Accepted by management and no action taken

# AUDIT UPDATE

# Table of Contents

---

	<u>Page Number(s)</u>
2013 Major Project Activity	5 – 10
Overview of Active Engagements	11 – 12
Legislative Audit Bureau Update	13
2014 Audit Plan	14

# 2013 Major Project Activity

Title	#	Status
<b>Compliance with §16.417 Wis. Stats. Related to Dual Employment</b>		
• Platteville	2013-01	Report Date – June 20, 2013
• Superior	2013-02	Report Date – May 23, 2013
• La Crosse	2013-03	Report Date – June 28, 2013
• Green Bay	2013-10	Report Date – June 28, 2013
• Madison	2013-11	Report Date – July 23, 2013
• Eau Claire	2013-12	Report Date – August 30, 2013
• Extension	2013-13	Report Date – April 11, 2013
• System Administration	2013-14	Report Date – August 9, 2013
• Stevens Point	2013-15	Report Date – June 20, 2013
• Colleges	2013-16	Report Date – June 20, 2013
<b>Employee Payroll Information</b>		
• Eau Claire	2013-04	Report Date – August 7, 2013
• Oshkosh	2013-05	Report Date – June 20, 2013
• Stevens Point	2013-06	Active
• River Falls	2013-17	Report Date – June 28, 2013
• Parkside	2013-18	Expected Date – November 2013

## 2013 Major Project Activity, Continued

Title	#	Status
<b>Employee Payroll Information (continued)</b>		
• Colleges	2013-19	Active
• Extension	2013-20	Active
• Whitewater	2013-21	Expected Date – November 2013
• La Crosse	2013-22	Active
• Stout	2013-23	Expected Date – November 2013
• Milwaukee	2013-62	Active
• Madison	2013-63	Active
<b>Placement Rates</b>		
• Green Bay	2013-07	Report Date – April 9, 2013
• Milwaukee	2013-08	Report Date – May 23, 2013
• Madison	2013-09	Report Date – April 9, 2013
<b>Human Resource System</b>		
• UW Service Center Management Letter	2013-25	Report Date – August 9, 2013

## 2013 Major Project Activity, Continued

Title	#	Status
<b>IT Backup and Data Recovery Procedures</b>		
• Milwaukee	2013-26	Report Date – September 4, 2013
• Oshkosh	2013-27	Report Date – September 4, 2013
• Parkside	2013-28	Report Date – October 18, 2013
• Platteville	2013-29	Report Date – August 22, 2013
• River Falls	2013-30	Report Date – August 5, 2013
• Stout	2013-31	Report Date – August 21, 2013
• Superior	2013-32	Report Date – August 22, 2013
• System Administration	2013-33	Report Date – October 25, 2013
• Whitewater	2013-40	Report Date – August 9, 2013
• La Crosse	2013-41	Report Date – August 9, 2013
• Green Bay	2013-42	Report Date – August 9, 2013
• Stevens Point	2013-43	Report Date – August 13, 2013
• Colleges and Extension	2013-44	Report Date – August 9, 2013
• Madison	2013-45	Report Date – August 9, 2013
• Eau Claire	2013-46	Report Date – August 9, 2013

## 2013 Major Project Activity, Continued

Title	#	Status
<b>Clery Act Compliance</b>		
• Milwaukee	2013-35	Active
• Madison	2013-36	Active
<b>Compliance with UW System Travel Regulations</b>		
• System Administration	2013-24	Report Date – June 28, 2013
• Superior	2013-34	Report Date – September 16, 2013
• Green Bay	2013-47	Report Date – September 16, 2013
• Madison	2013-48	Active
• Eau Claire	2013-49	Report Date – September 9, 2013
• La Crosse	2013-56	Report Date – September 13, 2013
• Colleges	2013-59	Active
• Extension	2013-60	Expected Date – November 2013
• Stevens Point	2013-61	Active
<b>COBRA Continuation of Health Coverage</b>		
• Madison	2013-37	Active
• Milwaukee	2013-38	Active
• Whitewater	2013-39	Active

## 2013 Major Project Activity, Continued

Title	#	Status
<b>Review of Purchasing Card Expenditures</b>		
• Stout	2013-50	Expected Date – November 2013
• Parkside	2013-51	Expected Date – November 2013
• River Falls	2013-52	Active
• Platteville	2013-53	Active
• Oshkosh	2013-64	Active
• Stevens Point	2013-65	Active
• Extension	2013-67	Active
• Green Bay	2013-68	Active
• La Crosse	2013-69	Active
<b>Payroll Accounting Gross to Net Calculation</b>		
• System	2013-54	Active
• Madison	2013-55	Active
<b>Physical Security and Access</b>		
• Milwaukee	2013-57	Planning
• Madison	2013-58	Planning
• Whitewater	2013-66	Planning

# OVERVIEW OF ACTIVE ENGAGEMENTS

---

# Physical Security and Access to Facilities Used in Camps and Programs for Children

---

- ❑ Audits will be conducted at UW-Whitewater, Milwaukee, and Madison.
- ❑ Scope:
  - ❑ Identification of facilities used in camps and programs for children
  - ❑ Policies related to requesting, granting, removing, and reviewing access to facilities
  - ❑ Existence of mechanisms used to restrict and/or monitor access
  - ❑ Existence of detective controls to identify inappropriate access to facilities, and other procedures to monitor physical access
  - ❑ Access verification procedures
- ❑ Period of engagement considered is policies and procedures currently developed and in place at the institutions.
- ❑ Engagement memorandum is being drafted.

# Legislative Audit Bureau Update

---

- Annual compliance audit (as part of the Statewide Single Audit) fieldwork related to federal compliance for fiscal year 2012-2013.
- Program evaluation entitled University of Wisconsin System Oversight and Management of Payroll and Benefit Processing and the Human Resource System, as approved on January 22, 2013 by the Joint Legislative Audit Committee.
- Financial audit of University of Wisconsin System, as required under Section 13.94 (1)(t), Wis. Stats. Including work related to HRS, UW-Madison's Division of Information Technology data center, and UW System's program revenue balances. LAB released the report on program revenue balances on November 15, 2013.

# 2014 Audit Plan

---

- ❑ Multi-phased collaborative approach
- ❑ Emphasis on financial, compliance, reputational, and operational
- ❑ Survey developed and sent out across the UW System
- ❑ 2013 projects carried over
- ❑ Follow up of 2013 projects completed
- ❑ Investigations
- ❑ Consulting
- ❑ Committee involvement