

5/26/2015

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.5. Audit Committee

Thursday, June 4, 2015
8:15 a.m.-8:55 a.m.
UW-Milwaukee
2200 East Kenwood Boulevard
UWM Union, Ballroom West
Milwaukee, Wisconsin

- a. Approval of the minutes of the April 9, 2015 meeting of the Audit Committee
- b. Audit Plan Review and Approval
[Resolution I.5.b.]
- c. System Audit Team Integration
- d. Waste, Fraud and Abuse Hotline
- e. Report of the Chief Audit Executive

UW System Administration
Office of Internal Audit
Fiscal Year 2016 Audit Plan

AUDIT COMMITTEE:

Resolution:

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents approves the Fiscal Year 2016 Audit Plan.

June 5, 2015

Agenda Item I.5.b.

**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
FISCAL YEAR 2016 AUDIT PLAN
EXECUTIVE SUMMARY**

BACKGROUND

The Office of Internal Audit provides independent, objective assurance and consulting services designed to add value to, protect, and strengthen the management of the University of Wisconsin System and its universities, colleges, and extension. Annually, the Office develops a risk-based audit plan to determine internal audit activity priorities, consistent with the organization's goals.

REQUESTED ACTION

Adoption of Resolution I.5.b., approval of the Fiscal 2016 Audit Plan.

DISCUSSION

The *2016 Audit Plan* highlights proposed topics to be audited during fiscal year 2016.

Additionally, it should be noted that this plan assumes full staffing within the Office of Internal Audit and does not include reserves for unplanned projects, such as investigations. During the year should significant modifications to the 2016 audit plan be deemed necessary for any reasons, the Chief Audit Executive (CAE) will notify the Chair of the Audit Committee of the Board of Regents as soon as practicable.

RELATED BOARD OF REGENTS POLICIES

NA

FISCAL 2016 AUDIT PLAN

June 5, 2015

Engagement Topics

Title and Audit Type	Objectives
1) Code of Ethics, Conduct, and Governance (Operational)	<ul style="list-style-type: none">• Review of ethics policies• Education and training• Conflicts of interest• Best practices in higher education and comparison of policies
2) Reserves and Reporting (Financial)	<ul style="list-style-type: none">• Accuracy of reserves classifications and restrictions• Evaluation of source data for calculating the restrictions• Test a sample of the obligations• Material dollar amounts
3) Purchasing Cards (Continuous Monitoring)	<ul style="list-style-type: none">• Risk-based identification of purchasing card expenditures that may not be allowable using automated techniques• Determination and evaluation of whether systematically-identified expenses are allowable• Ensure consistent testing methodology for institution data submitted to UW System Administration
4) Travel and Expense Reimbursement (Continuous Monitoring)	<ul style="list-style-type: none">• Risk-based identification of travel expenditures that may not be allowable using automated techniques• Determination and evaluation of whether systematically-identified expenses are allowable

Engagement Topics (continued)

Title	Objectives
5) Cash Handling (Financial)	<ul style="list-style-type: none">• Review internal controls over the process• Test a sample of transactions for compliance• Recommend possible closure of accounts• Two-year effort to complete projects
6) Payroll (Continuous Monitoring)	<ul style="list-style-type: none">• Systematic identification of conditions or trends that warrant further review or investigation related to unclassified and classified employees. Examples of items to be systematically identified include overload payments, termination payments, and supplemental pay and pay adjustments.• Retiring and rehired annuitants
7) Auxiliary Services (Operational)	<ul style="list-style-type: none">• Review of reporting structure at institutions• Review of policies and activities• Review of conflict of interest policies and compliance
8) Emergency Preparedness (Operational)	<ul style="list-style-type: none">• Review policies in place for different scenarios• Interview staff responsible for the emergency plan• Audit the emergency plans

Engagement Topics (continued)

Title	Objectives
9) System Security and Access (Information Technology)	<ul style="list-style-type: none"> • Uniform information technology framework and standards across the System • Review structure, governance, implementation, etc. • Review information technology security framework
10) Data Integrity, Definition, Governance, and Ownership – Top Three Systems/ Applications (Information Technology)	<ul style="list-style-type: none"> • Document the users of the data and those with ownership • Review provisioning, de-provisioning, and administrator, application, and operating system access • Review current standard definitions
11) International Education (IE) (Operational)	<ul style="list-style-type: none"> • Review policies in place over the IE Department • Test a sample of students in the program • Review international programs • Two-year effort to complete the process
12) NCAA Athletics Division I and II Audits	<ul style="list-style-type: none"> • Agreed upon procedures audits (Green Bay, Milwaukee, Parkside) • Review departments for compliance with NCAA regulations • Audit financial statements

Consulting/Committee Work

Title

- Drug Free Workplace
- Travel Management and Operations Committee
- Affordable Care Act Employer Compliance
- Risk Management
- Enhancements to HRS