

**UW System Board of Regents
Audit Committee**
UW-Milwaukee, 2200 East Kenwood Blvd.
UWM Union – Ballroom West
Milwaukee, Wisconsin

June 4, 2015

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 8:15 a.m. by Regent Gerald Whitburn. Roll call was taken and Regents Whitburn, Farrow, Higgins, Mueller and Pruitt were in attendance.

I.5.a. Approval of the minutes of the April 9, 2015 meeting of the Audit Committee

Upon the motion of Regent Farrow and the second of Regent Higgins, the Committee unanimously approved the minutes of the April 9, 2015 meeting of the Audit Committee.

I.5.e. Report of the Chief Audit Executive

Regent Whitburn explained the proposed new requirement established by the Joint Committee on Finance – Wisconsin State Legislature for an external firm to perform the financial audit of UW System financial statements for fiscal years 2016 and 2017. Should this provision be enacted as part of the final budget, a Request For Proposal (RFP) process will need to be expedited given the size of the engagement and the eminent start of fiscal 2016. There are a number of details to be worked out regarding how the external audit firm and the Legislative Audit Bureau (LAB) work together. In addition, there will need to be discussion/resolution regarding the impact on the State's audit and System's OMB A-133 audit. Regent Whitburn emphasized the importance of educating the Chief Business Officers (CBOs) about responding to data requests in a timely manner once the audit process gets underway. The costs associated with this requirement will likely be significant.

I.5.c. System Audit Team Integration

Chief Audit Executive, Lori Stortz, reported that the integration plan is on schedule for July 1, 2015. President Cross distributed a memo to the Chancellors and CBOs in mid-May explaining the administrative details of the change and the funding for System Internal Audit.

I.5.d. Waste, Fraud and Abuse Hotline

Chief Audit Executive, Lori Stortz, reported that the hotline went live on May 15. The communication strategy was extremely effective with 40 reports received so far. Summary updates will be provided to the Audit Committee at future meetings.

I.5.b. Audit Plan Review and Approval

Assistant Director, Steve Mentel, reviewed the fiscal 2016 audit plan which was developed based on results of the risk assessment survey, emerging topics in higher education, and discussion with peer institutions. Mr. Mentel provided a high level summary of audit topics and objectives. Brief discussion followed clarifying certain aspects of the international education and emergency preparedness audits.

Upon the motion of Regent Mueller and the second of Regent Farrow, the Committee unanimously approved Resolution I.5.b., adopting the Fiscal 2016 Audit Plan.

The meeting was adjourned at 8:41 a.m.

Respectfully Submitted,



Renee Thums
Recording Secretary