

**UW System Board of
Regents Audit Committee
Room 1511 Van Hise Hall
Teleconference
March 2, 2015**

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 8:03 a.m. by Chair Regent Gerald Whitburn. Roll call was taken and Regents Whitburn, Farrow, Higgins, and Pruitt were in attendance. Regent Mueller was unable to attend and her absence was excused.

Discuss selection process for a waste, fraud, and abuse hotline service for the UW System

Chief Audit Executive Lori Stortz provided an update on the recently-completed Request for Proposals (RFP) process for a waste, fraud, and abuse hotline for the UW System. The process was led by Marcel DuBois in procurement and the evaluation committee consisted of Lori Stortz, Renee Thums, Erin Kastberg (legal), and Paul Rediske (UW-Milwaukee internal audit).

The RFP was issued on December 23, 2014 with responses due back in late January of 2015. Four vendors submitted proposals. Each member of the evaluation committee independently scored each proposal on technical merits. Two vendors received the highest scores, with little variation. Following the technical scoring, pricing was factored in; and contract negotiations, led by Procurement, began with the lead vendor. These negotiations were unsuccessful, and Procurement began negotiations with The Network, Inc. Further review of The Network Inc.'s pricing revealed some opportunities for savings to UW System and final pricing came in below the first vendor. The total annual cost of the hotline will be approximately \$36,000/year with a cost of implementation of \$5,500.

The Network, Inc. has extensive experience with higher education clients and reference checks indicated a high degree of satisfaction among its clients.

Procurement issued the intent to award the contract to The Network on February 25, 2015. Contract implementation is expected to take approximately eight weeks, so Ms. Stortz is hopeful that the hotline will be in place in early May. Regent Whitburn requested that an implementation timeline be shared at the April Audit Committee meeting.

Regent Whitburn commended Ms. Stortz on her leadership and timely completion of the process. He suggested Ms. Stortz contact President Cross to let him know of the vendor selection. Regent Whitburn also requested that President Cross consider preparing a letter to the state auditor and co-chairs of the legislative Joint Audit Committee, outlining the process and summarizing the industry experience of the selected vendor. He suggested the letter be co-signed by Regent President Falbo and President Cross. Ms. Stortz added that given the current environment, the implementation of the hotline is more critical than ever.

The meeting was adjourned at 8:23 a.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Renee Thums". The signature is written in black ink and is positioned below the typed name.

Renee Thums
Recording Secretary