

**UW System Board of Regents
Audit Committee
UW-Whitewater
James R. Connor University Center, Room UC 261
Whitewater, Wisconsin**

September 10, 2015

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 9:00 a.m. by Regent Gerald Whitburn. Roll call was taken and Regents Whitburn, Farrow, Grebe, Mueller and Pruitt were in attendance.

I.5.a. Approval of the minutes of the June 4, 2015 meeting of the Audit Committee

Upon the motion of Regent Mueller and the second of Regent Pruitt, the Committee unanimously approved the minutes of the June 4, 2015 meeting of the Audit Committee.

I.5.e. Discussion of Recent UW System Office of Internal Audit Reports

Regent Whitburn provided introductory comments emphasizing the importance of creating a culture of accountability within the UW System as a whole.

NCAA Division III Athletics – UW-River Falls and UW-Superior: Steve Mentel, Audit Director, reviewed audit comments from the NCAA Division III Athletics audits for UW-River Falls and UW-Superior. Comments were primarily focused on cash handling, timely deposits, employment contract language, and agreements with third party vendors.

Chancellor Van Galen from UW-River Falls and Vice Chancellor Koenig from UW-Superior discussed their plans to address the comments and actions taken to date. Mr. Mentel added that Internal Audit staff will follow up on the audit comments and management responses and report back to the Committee.

Office of International Education – UW-La Crosse: Lori Stortz, Chief Audit Executive, provided an overview of the Office of International Education audit at UW-La Crosse that was initiated at the request of the chief business officer.

Chancellor Gow and Vice Chancellor Hetzel discussed their plans to address the comments. Ms. Stortz added that similar issues may exist at other institutions and the 2016 Audit Plan includes an audit of International Education at each institution.

Physical Security and Access - UW-Milwaukee – Mr. Mentel summarized the Physical Security and Access audit report comments for UW-Milwaukee. In addition to UW-Milwaukee, UW-Madison and UW-Whitewater were also audited primarily due to the number of camps,

clinics, and programs they offer. Following the completion of these audits, recommendations were made to all institutions to work with System Administration to develop a Two Deep Policy as well as policies related to Children in the Workplace.

Chancellor Mone and Vice Chancellor Van Harpen discussed their plans to address the comments, many of which have already been implemented. This is an area that requires zero tolerance for non-compliance and ongoing education of staff and volunteers is critical.

Office of Counseling - UW-Stout: Ms. Stortz provided background on the breach of fiscal integrity at UW-Stout that was brought to her attention by Vice Chancellor Phil Lyons. Mr. Lyons described the steps that were taken to conduct the investigation that led to termination of the employee. Oversight of fiscal responsibilities for this area has been assigned to another office. Felony charges have been filed and this remains an ongoing investigation.

Mr. Lyons discussed plans to address lack of controls and segregation of duties including a campus-wide assessment of cash handling processes.

Regent Whitburn thanked the Chancellors and Vice Chancellors for taking the time to discuss these sensitive but important issues with the Audit Committee.

I.5.c. System Audit Team Integration

Ms. Stortz reported that the integration of the System Audit Team was completed as scheduled on July 1. The search for a Director at UW-Madison is underway.

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

Ms. Stortz provided a summary report of hotline activity for May 15 – August 15 noting that 52 incidents were reported during that time period. There were no instances of fraud or theft and no formal personnel actions were taken as a result of the incidents reported.

Ms. Stortz has been working with the communications staff to discuss promoting the hotline in October now that the students are back on campus.

The meeting was adjourned at 10:06 a.m.

Respectfully Submitted,

Renee Thums
Recording Secretary