

11/23/2016

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.5. Audit Committee

Thursday, December 8, 2016
10:15 a.m. - 11:45 a.m.
Gordon Dining and Event Center
770 W. Dayton Street, 2nd floor
Concerto Room
Madison, Wisconsin

- a. Approval of the minutes of the October 6, 2016 meeting of the Audit Committee
- b. Fiscal 2017 Audit Plan Progress Report
- c. Discussion of Recently Issued Audit Reports related to Auxiliary Services, Cash Handling, International Education and Emergency Preparedness
- d. Progress on Management Responses to Audit Reports
- e. UW System Waste, Fraud and Abuse Hotline Update
- f. Move into closed session, as permitted by s. 19.85(1)(f), Wis. Stats., to consider personal histories or disciplinary data of specific persons and the investigations of charges against specific persons, which, if discussed in public, would be likely to have a substantial effect upon the reputation of such persons

December 8, 2016

Agenda Item I.5.b.

**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
FISCAL 2017 AUDIT PLAN PROGRESS**

BACKGROUND

One of the responsibilities of the Audit Committee, as outlined in the committee charter, is to review and approve the annual internal audit plan and receive interim progress reports at least quarterly.

REQUESTED ACTION

No action requested. Item for information and discussion only.

DISCUSSION

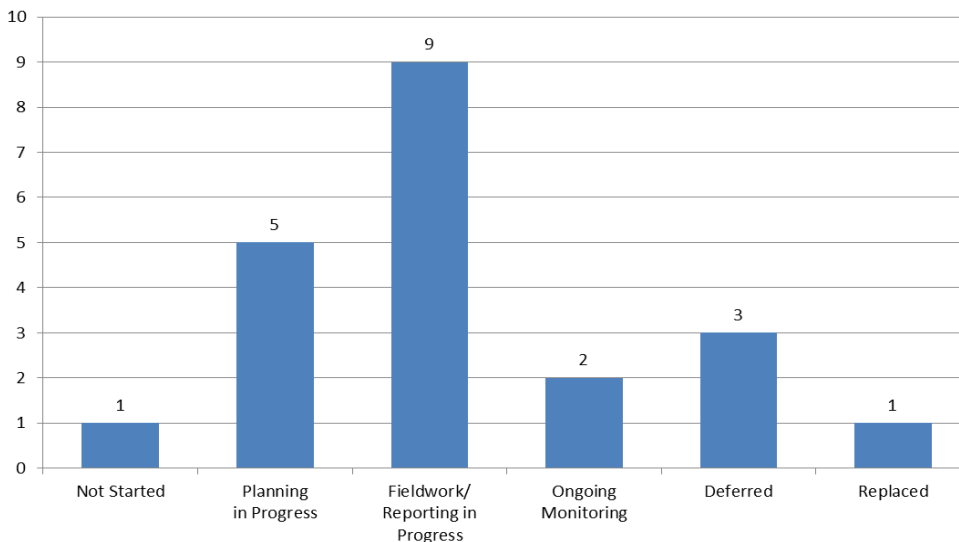
The attached chart provides a summary of audit progress for the Fiscal 2017 Audit Plan.

RELATED BOARD OF REGENTS POLICIES

NA

**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
FISCAL 2017 AUDIT PLAN PROGRESS**

	Title and Audit Type	Status
1	Purchasing Cards (Continuous Monitoring)	Three reports issued and monitoring is ongoing
2	Travel and Expense Reimbursement (Continuous Monitoring)	Not started as data is not yet available
3	Payroll (Continuous Monitoring)	Monitoring has started
4	Cash Handling	Nine reports issued and fieldwork and reporting are in progress
5	International Education (IE)	Eleven reports issued and fieldwork and reporting are in progress
6	Code of Ethics, Conduct, and Governance	Fieldwork and reporting are in progress
7	Auxiliary Services	UW-Madison Union issued Parking or housing at other institutions planned and fieldwork has begun
8	Emergency Preparedness	Thirteen reports issued and reporting is in progress
9	System Security and Access (Information Technology)	Deferred until fourth quarter
10	Data Integrity, Definition, Governance, and Ownership – Top Three Systems/Applications (Information Technology)	Deferred until fourth quarter
11	Federal TriO Programs	Planning has begun
12	Facilities	Fieldwork in progress
13	Payment Card Industry Compliance	Planning has begun
14	Human Resource System Segregation of Duties	Deferred after planning meeting
15	DoIT	To be replaced with consulting work
16	Research	Fieldwork in progress
17	Internal Control and Compliance Structure and Governance	Fieldwork in progress
18	Clery Audit Follow-up	Planning has begun
19	Fair Labor Standards Act	Planning has begun
20	Tuition and Enrollment Management	Planning has begun
21	NCAA Athletics Division I	Madison compliance in reporting; Green Bay and Milwaukee fieldwork in progress.



**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
ISSUED REPORTS**

BACKGROUND

One of the responsibilities of the Audit Committee, as outlined in the committee charter, is to take appropriate actions to strengthen the University of Wisconsin System's compliance, internal controls, and ethics.

REQUESTED ACTION

No action requested. Item for information and discussion only.

DISCUSSION

The reports listed below have been issued since the last meeting and will be discussed by the Audit Committee:

Approved Audit Plan

- Auxiliary Services – Wisconsin Union Financial Statements UW-Madison
- Cash Handling UW-Eau Claire
- International Education UW-Eau Claire
UW-Superior
- Emergency Preparedness UW-Colleges
UW-Green Bay
UW-Madison
UW System
UW-Whitewater

RELATED BOARD OF REGENTS POLICIES

NA

**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
MANAGEMENT RESPONSE PROGRESS**

BACKGROUND

One of the responsibilities of the Office of Internal Audit (Audit) as outlined in the charter is to establish a follow-up process to monitor and identify whether corrective actions have been effectively implemented, or whether senior management has accepted the risk of not taking action. The Audit Committee has requested regular progress reports on this monitoring.

REQUESTED ACTION

No action requested. Item for information and discussion only.

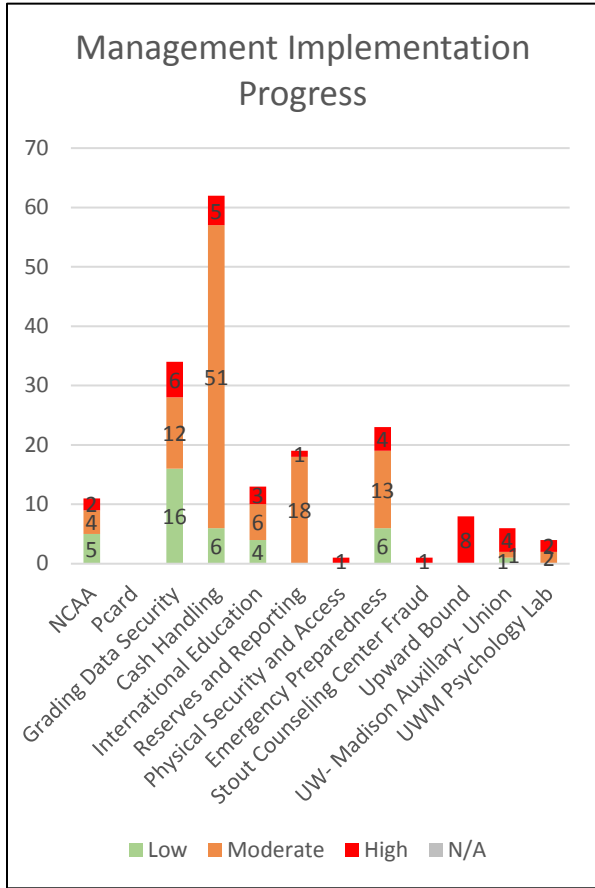
DISCUSSION

The attached charts present audits previously issued and the progress management has made toward resolving the comments and recommendations included in the audit reports. The charts illustrate the number of comments issued by Audit since the last Audit Committee meeting by comment priority rating, the number of audit comments by completion date, the audit comments followed up on by the Audit and the percentage of comments addressed by management. Management's corrective action plans were audited by the Audit to determine if they were completed. Once Audit has concluded that management has completed its response to the audit, the audit is closed.

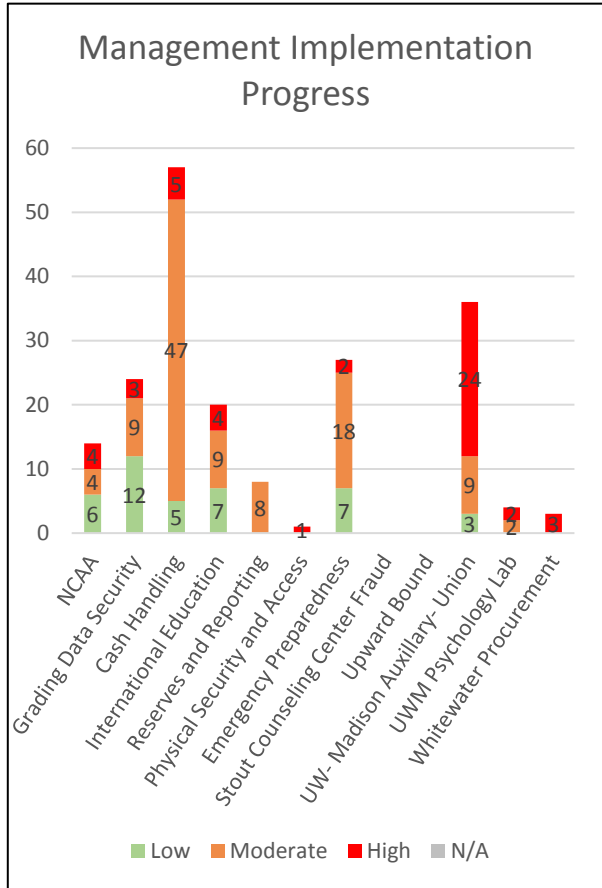
RELATED BOARD OF REGENTS POLICIES

NA

Prior Reporting Period

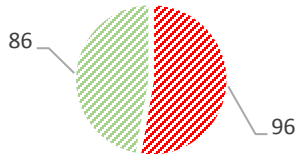


Current Reporting Period



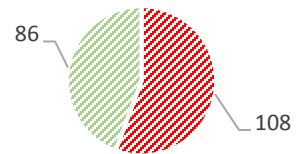
Progress by Anticipated Completion Date

▨ Past Due Date ▨ Not Past Due Date

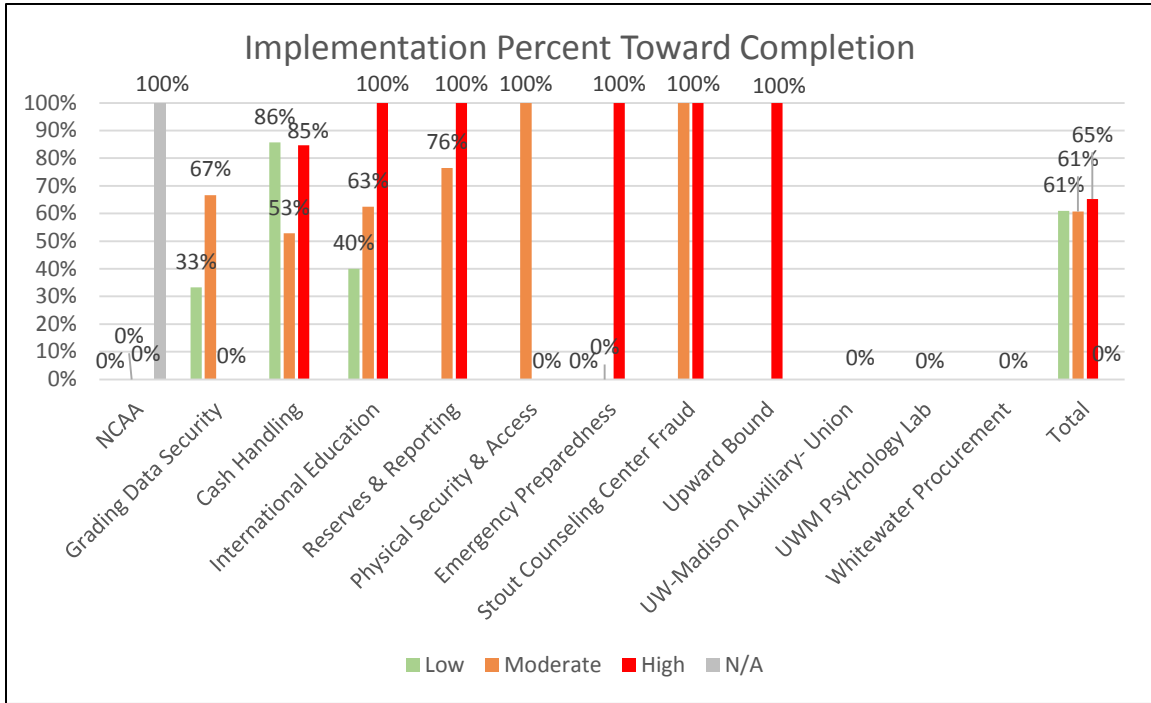


Progress by Anticipated Completion Date

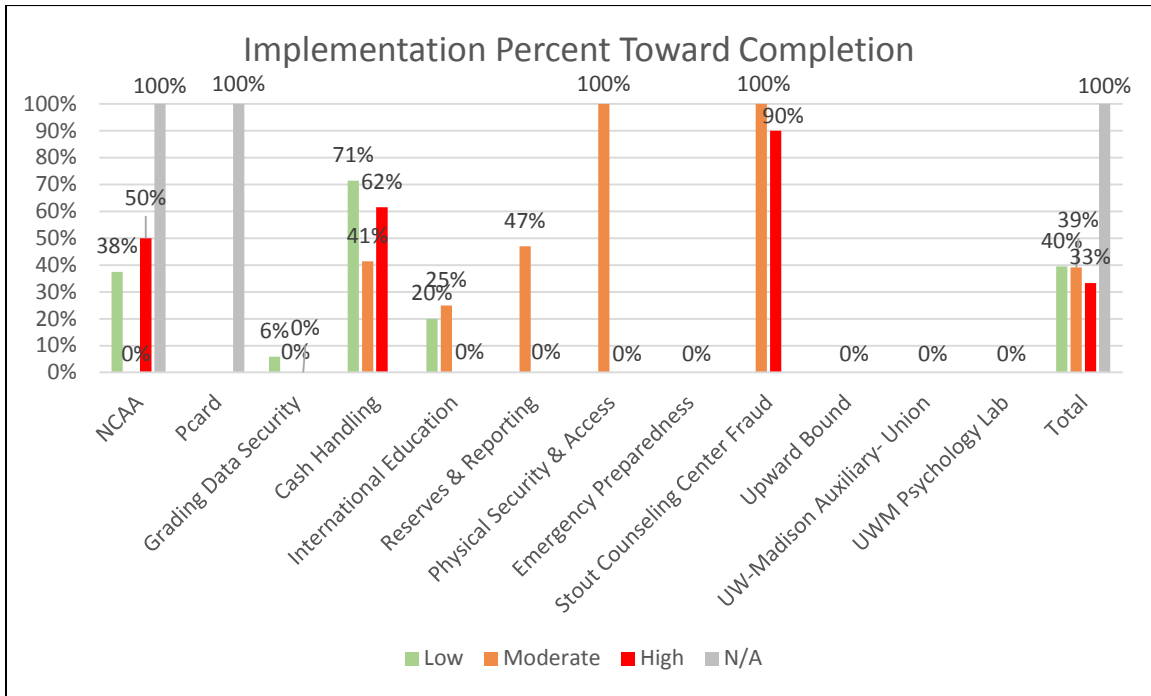
▨ Past Due Date ▨ Not Past Due Date



Current Reporting Period



Prior Reporting Period



**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
WASTE, FRAUD AND ABUSE HOTLINE
SUMMARY REPORT TO THE AUDIT COMMITTEE**

BACKGROUND

The UW System Waste, Fraud and Abuse Hotline (Hotline) went live on May 15, 2015. The Audit Committee requested periodic updates to ensure reports are being addressed in a timely manner.

REQUESTED ACTION

No action requested. Item for information and discussion only.

DISCUSSION

For the period of February 15, 2016 through November 15, 2016, 26 incidents were reported. The dissemination, analysis, investigation and resolution of the incidents reported continues to go well. As of November 15, 2016, 22 of the 26 incidents have been closed. Of the closed incidents, 19 did not require an investigation or the Office of Internal Audit determined that no corrective action was necessary. Three of the incidents resulted in corrective action being taken, including an employee termination and a referral to law enforcement.

The Office of Internal Audit has received reports of incidents in each of the risk categories with most classified as financial or academic. Incidents were open an average of 49 days.

RELATED BOARD OF REGENTS POLICIES

NA