

**UW System Board of Regents
Audit Committee
UW-Milwaukee
UWM Union, 1st Floor, Fireside Lounge
Milwaukee, Wisconsin**

June 9, 2016

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 10:44 a.m. by Chair Regent Michael Grebe. Roll call was taken and Regents Grebe, Farrow, Mueller, and Whitburn were in attendance.

I.5.a. Approval of the minutes of the April 7, 2016 meeting of the Audit Committee and the April 7, 2016 joint meeting of the Audit Committee and Business and Finance Committee

Upon the motion of Regent Farrow and the second of Regent Whitburn, the Committee unanimously approved the minutes of the April 7, 2016 Audit Committee meeting and the April 7, 2016 joint meeting of the Audit Committee and Business and Finance Committee.

I.5.b. Fiscal 2016 Audit Plan Progress

Ms. Stortz briefly reviewed a document summarizing the status of audits that were approved as part of the fiscal 2016 audit plan. Any audits not completed by the end of the fiscal year have been included in the 2017 plan including the deferred information security audits. There was a brief discussion about staffing as it relates to the completion of the 2017 plan. Ms. Stortz noted an auditor was recently hired for the northwest part of the state and four positions remain open. She is satisfied with the progress being made toward completion of the 2016 plan.

I.5.c. Fiscal 2017 Audit Plan Review and Approval

Ms. Stortz reviewed the fiscal 2017 audit plan which was developed based on results of the risk assessment survey, emerging topics in higher education, and discussion with peer institutions. Ms. Stortz provided a high level summary of audit topics and objectives noting that the plan includes more audits but with a more limited scope focusing on areas with higher risk. Auditing of the implementation of recent Fair Labor Standards Act changes will be a high priority in the second half of fiscal 2017. Ms. Stortz indicated that the highest priority is IT security given its widespread implications. The committee echoed Ms. Stortz's comments about the importance of implementing and monitoring IT security policies. Committee members also stressed the importance of emergency preparedness at each campus, particularly the ability to respond to lock down or "shelter in place" situations which typically happen with little to no advance notice. Ms. Stortz responded to questions from the committee clarifying certain aspects of the audit plan.

Upon the motion of Regent Whitburn and the second of Regent Farrow, the Committee unanimously approved Resolution I.5.c., adopting the Fiscal 2017 Audit Plan.

I.5.d. Discussion of Recently Issued Reports

Mr. Mentel briefly reviewed audit reports that were issued since the last meeting including the Purchasing Card Continuous Auditing Letter for all institutions and four Grading Data Security reports for UW-Eau Claire, UW-Green Bay, UW-Milwaukee, and UW-Stout. The committee expressed their concern with results of the Purchasing Card audit as well as the Grading Data Security audit. They emphasized the need to address these issues more expeditiously.

Mr. Rediske briefly reviewed the NCAA Athletics report for UW-Green Bay, the UW-Stout Counseling Center report, and the Program Revenue Balances report that was completed systemwide. The committee was appreciative of the work done on the Program Revenue Balances audit and was hopeful the comments will assist in completing the process this year.

I.5.e. Management Response Progress

Mr. Mentel provided a summary of progress management has made toward resolving the comments and recommendations included in audit reports from the 2014 audit plan. A new report format will be presented at the next meeting as audit comments from the 2016 audit plan begin to enter the follow up process. Regent Grebe emphasized the importance of the Audit Committee's oversight role in ensuring management is completing the recommendations identified during the audit process.

I.5.f. Move into closed session to confer with legal counsel regarding pending or potential litigation, as permitted by s. 19.85(1)(g), Wis. Stats.

Upon the motion of Regent Whitburn and the second of Regent Farrow, the motion to go into closed session was adopted on a roll call vote, with Regents Grebe, Farrow, Mueller, and Whitburn voting in the affirmative. There were no dissenting votes and no abstentions.

The meeting adjourned at approximately 12:10 p.m.

Respectfully Submitted,



Renee Thums
Recording Secretary