

**UW System Board of Regents
Audit Committee
UW-Eau Claire
Davies Center, Menominee Room
Eau Claire, Wisconsin**

October 6, 2016

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 10:45 a.m. by Chair Regent Michael Grebe. Roll call was taken and Regents Grebe, Petersen, Mueller, Steil, and Whitburn were in attendance.

I.5.a. Approval of the minutes of the August 18, 2016 meeting of the Audit Committee

Upon the motion of Regent Mueller and the second of Regent Steil, the Committee unanimously approved the minutes of the August 18, 2016 Audit Committee meeting.

I.5.b. Fiscal 2017 Audit Plan Progress

Ms. Stortz briefly reviewed the status of audits that were approved as part of the fiscal 2017 audit plan. Ms. Stortz noted upcoming audits such as the continuous monitoring of Payroll, Code of Ethics and Governance, Parking/Housing Auxiliaries, Facilities Inventory, DoIT, Research, and Internal Control and Structure at various institutions. Regent Grebe asked if all the projects on the Plan would be completed on a timely basis. Ms. Stortz responded that she is satisfied with the progress being made toward completion and that the Office is adequately staffed, although the office will need additional IT staff in the future.

I.5.c. Discussion of Recently Issued Reports

Mary Luebke, IT Audit Director, briefly reviewed the Auxiliary Services – Separation of Duties Information Technology report for UW-Madison and the audit recommendations. The focus of the audit was to determine if there was an adequate separation of duties in the applications utilized to process financial transactions for the Wisconsin Union.

Regent Grebe asked how much revenue goes through these programs and Ms. Luebke replied that it is approximately \$40 million. Regent Mueller noted that she was disappointed with the audit comments surrounding the passwords and security. Another Madison Union audit will be issued and discussed in December and a more detailed discussion will take place then.

The committee heard from Jane Oberdorf, Assistant Director for Administration, regarding plans to address the comments and confirmed that the organization takes them very seriously, is agreeable to the changes recommended, and will own the response to the issues raised.

Steve Mentel, Audit Director, then briefly reviewed the International Education reports for UW-Parkside and the audit recommendations.

The committee heard from Chancellor Deborah Ford regarding plans to address the comments identified in the UW Parkside International Education report and action that has already taken place to address many of these concerns.

Steve Mentel, Audit Director, also reviewed the UW-Superior Emergency Preparedness report and the audit recommendations.

Chief Business Officer Gigi Koenig from UW-Superior discussed plans to address the comments identified in the Emergency Preparedness report, confirmed that she takes the comments seriously, noted that the campus has already taken action to address many of the comments, and confirmed that her organization will own the response to the issues raised.

Paul Rediske, Audit Director, then briefly reviewed the Cash Handling report for UW-Parkside and the audit recommendations.

Ms. Amanda Nehmer, Audit Director, briefly reviewed the Cash Handling – Custodian Funds report for UW-Madison and the audit recommendations.

Steve Mentel, Audit Director, then briefly reviewed the audit recommendations for the following reports including the Cash Handling report for UW Superior, two Grading Data Security reports for UW Parkside and UW-Oshkosh, one International Education report for UW-Whitewater, seven Emergency Preparedness reports for UW-Eau Claire, UW-Extension, UW-La Crosse, UW-Parkside, UW-Platteville, UW-River Falls, UW-Stevens Point, and UW-Superior, and the Systemwide P Card Report.

Regent Mueller noted that she was disappointed with the P Card audit comments and noted that with technology some of these issues could be resolved even though there is a higher volume of these transactions with lower dollar amounts. Ms. Stortz stated that she will bring these comments to the next Chief Business Officer conference for discussion.

I.5.d. Management Response Progress

Mr. Mentel reviewed a summary of progress management has made toward resolving the comments and recommendations included in previously issued and open audit reports. Mr. Mentel believes management has been responsive during the follow up process and he is not concerned about any particular area at this time.

I.5.e. 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

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

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Steve Mentel", is written on a light blue rectangular background.

Steve Mentel
Recording Secretary