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 were in attendance, Regent Whitburn was absent.

I.5.a. Approval of the minutes of the February 2, 2017 meeting of the Audit Committee

Upon the motion of Regent Petersen and the second of Regent Mueller, the Committee unanimously approved the minutes of the February 2, 2017 Audit Committee meeting.

I.5.b. Fiscal 2017 Audit Plan Progress

Lori Stortz, Chief Audit Executive, reviewed the status of audits that were approved as part of the fiscal 2017 audit plan. Ms. Stortz noted that there was satisfactory progress on the audit plan. Regent Grebe asked if the Office is still on target to complete the plan. Ms. Stortz stated that the audit plan would be completed timely.

I.5.c. Discussion of Recently Issued Reports

Paul Rediske, Audit Director, reviewed the UW-Stout Emergency Preparedness report (overall rating: excellent). This report contained one audit comment with a “moderate” audit priority rating regarding Continuity of Operations Plans. Regent Grebe asked what worked well at UW-Stout that other institutions across the System could follow. Mr. Rediske stated that UW-Stout devoted resources and made this area a priority at their institution.

Steve Mentel, Audit Director, reviewed the first Payroll Continuous Audit letter for UW System Administration. The letter contained six comments regarding payroll transactions.

Amanda Nehmer, Audit Director, reviewed UW-Milwaukee International Education report (overall rating: satisfactory, with opportunity for improvement). This report contained two audit comments with one “high” and one “moderate” audit priority rating. Regent Grebe questioned Ms. Nehmer to explain the reasoning for the priority ratings given to each comment within the report.
I.5.d. **Best Practices Letters to the Chancellors**

Steve Mentel, Audit Director, reviewed the first Best Practices Letters to the Chancellors for Grading Data Security and International Education. The letters contained comments related to Best Practices recognized by the Office of Internal Audit during the audit process regarding policies and procedures. Regent Steil asked for an explanation of policy comments versus best practice suggestions. Ms. Stortz provided examples of each and the differences. Regent Grebe then asked how the best practices letters were received by the institutions. Ms. Stortz stated that most of the feedback had been positive, however with the first communication of these letters there was some questions regarding the responsibilities of management. The Office is working with management to discuss the expectation of these letters.

I.5.e. **UW System Management Information Security Status Report**

Rob Cramer, Vice President of Administration, David Stack, Interim Associate Vice President & CIO, and Mohamed Elhindi, Assistant Vice Chancellor/Chief Information Officer for UW-La Crosse discussed the status of the five information security policies adopted and last fall and their implementation at institutions across the UW System. They went on to discuss the Legislative Audit Bureau report that included one finding related to Information Technology (IT) policies, procedures, and controls. Regents Peterson Grebe and Steil asked questions regarding limited resources within our budget and what the System would be doing if there were additional resources available. Mr. Cramer stated that some priority items are a third party assessment of our IT policies and procedures across the System as well as more training for our staff. The regents expressed their appreciation that these items are moving forward faster than expected. Regent Mueller suggested that the Business and Finance and Audit Committees meet in June in a joint session to discuss Information Security.

Finally, the committee expressed its appreciation for the diligence and professionalism that the audit staff exhibited and noted the benefits of their hard work.

I.5.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**

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

The meeting adjourned at 11:30 a.m.

Respectfully Submitted,

Steve Mentel
Recording Secretary