

**UW System Board of Regents
Audit Committee
UW-Madison
Union South, Fifth Quarter Studio
Madison, Wisconsin**

February 2, 2017

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 9:00 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 October 6, 2016 meeting of the Audit Committee

Upon the motion of Regent Petersen and the second of Regent Whitburn, the Committee unanimously approved the minutes of the December 8, 2016 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 being made through the audit plan. She also conveyed to the committee that the Office of Internal Audit will begin working on IT security audits in the fourth quarter of this fiscal year. Planning for fiscal year 2018 has also begun and will be brought to the audit committee in June 2017.

I.5.c. Discussion of Recently Issued Reports

Paul Rediske, Audit Director, reviewed the UW-Stout Cash Handling report (overall rating: unsatisfactory). This report contained a total of 18 audit comments including seven that have a “high” audit priority rating.

Regent Whitburn expressed concerned with the number of police with key card access. Phil Lyons, Chief Business Officer from UW-Stout, addressed Regent Whitburn’s concern and the comments identified in the Cash Handling report.

Regent Grebe asked if significant progress has been made and how we can assure that best practices are being shared with other campuses. Lori Stortz assured that progress has been made and that the audit team has best practice reports that will be discussed at the April meeting, but that University leadership can access the reports at any time. She agreed to look at additional ways to communicate the best practices.

Paul Rediske, Audit Director, also described the Cash Handling report for UW-River Falls (overall rating: satisfactory with opportunity for improvement). This report contained a total of 12 comments, none of which have a “high” audit priority rating.

Steve Mentel, Audit Director, reviewed the Purchasing Cards Audit for UW System Administration. The report contained various comments around Purchasing Cards transactions. Two new comments were discussed regarding Credit Analysis and Purchases through contracted and institution developed vendors. Regents stressed that the Purchasing Card issues are trending in the right direction, but that concerns still remain.

Amanda Nehmer, Audit Director, then summarized the NCAA Compliance audit at UW-Madison (overall rating: satisfactory with opportunity for improvement). This report contained a total of six comments. All of which had a “low” audit priority rating.

Paul Rediske, Audit Director, summarized the NCAA Agreed-upon Procedures audit reports for UW-Milwaukee and Green Bay. Regent Whitburn asked about the NCAA UW-Madison audit completed by Baker Tilly and if there were any concerns. Paul stated there were no concerns.

Amanda Nehmer, Audit Director, presented the International Education Audit for UW-Stevens Point (overall rating: satisfactory with opportunity for improvement). This report contained a total of two comments including one that had a “high” audit priority rating. The “high” priority comment was regarding the timeliness of account reconciliations, to allow timely refunds to students.

Paul Rediske then reviewed the Emergency Preparedness report for UW-Milwaukee. This audit achieved an overall rating of satisfactory with opportunity for improvement. There were two audit comments. Neither one received a “high” audit priority rating.

Regent Grebe asked about an audit from a year ago related to security issues, oversight and supervision. He remarked that there has been demonstration of improvement at the universities and that continued improvement and progress is being made.

I.5.d. Management Response Progress

Amanda Nehmer reviewed a summary of progress management has made toward resolving the comments and recommendations included in previously issued and open audit reports.

Regent Grebe said the number of comments and action items sounds high. Lori Stortz stated that the number doesn’t demonstrate an increase of serious issues.

Regent Whitburn suggested that there be a memo issued twice a year to Chancellors regarding any open/significant issues. The audit team will consider this, but it was noted by Regents and the audit team that institutions have continued to be responsive and timely to address needs.

I.5.d. 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 Peterson and the second of Regent Whitburn, the motion to move 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 10:10 a.m.

Respectfully Submitted,

Andrea Gugel
Recording Secretary