

6/26/2017

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.5. Audit Committee

Thursday, July 6, 2017
9:30 – 10:30 a.m.
Gordon Dining and Event Center
770 W. Dayton Street, 2nd floor
Concerto Room
Madison, Wisconsin

- a. Approval of the minutes of the June 8, 2017 meeting of the Audit Committee
- b. Fiscal Year 2017 Audit Plan Progress Report
- c. Discussion of Recently Issued Audit Reports related to Cash Handling, Payroll Continuous Auditing, and International Education
- d. Progress on Management Responses to Audit Reports

July 6, 2017

Agenda Item 1.5.b.

**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
FISCAL YEAR 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

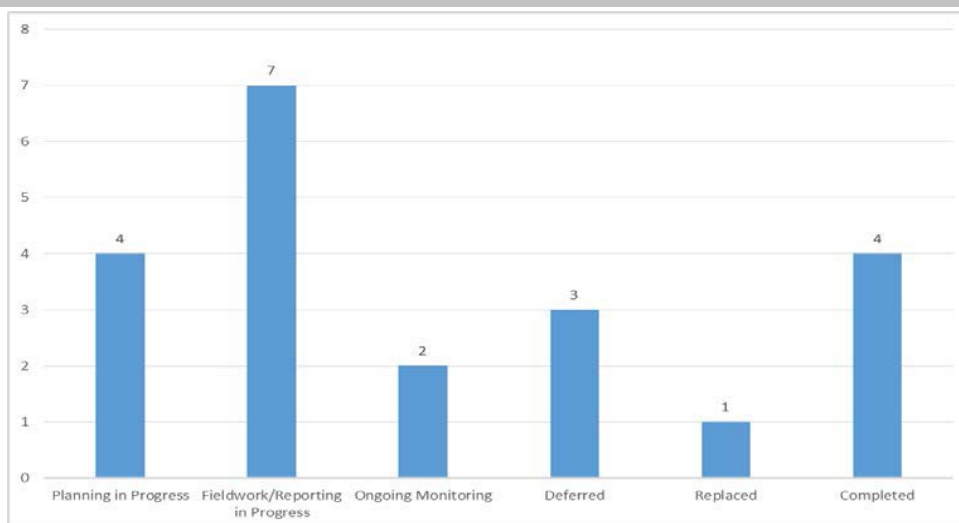
The attached chart provides a summary of audit progress for the Fiscal Year 2017 Audit Plan.

RELATED BOARD OF REGENTS POLICIES

NA

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

	Title and Audit Type	Status
1	Purchasing Cards (Continuous Monitoring)	Five reports issued and monitoring is ongoing
2	Travel and Expense Reimbursement (Continuous Monitoring)	Planning has begun
3	Payroll (Continuous Monitoring)	Two reports issued and monitoring is ongoing
4	Cash Handling	15 reports issued and fieldwork and reporting are in progress
5	International Education (IE)	12 reports issued and reporting is in progress
6	Code of Ethics, Conduct, and Governance	Completed
7	Auxiliary Services	UW-Madison Union issued Platteville Residence Life issued, La Crosse Residence Life in progress
8	Emergency Preparedness	Completed
9	System Security and Access (Information Technology)	Planning has begun
10	Data Integrity, Definition, Governance, and Ownership – Top Three Systems/Applications (Information Technology)	Deferred
11	Federal TriO Programs	Planning has begun
12	Facilities	Completed
13	Payment Card Industry Compliance	Deferred
14	Human Resource System Segregation of Duties	Fieldwork in progress
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	Deferred due to court injunction
20	Tuition and Enrollment Management	Fieldwork in progress
21	NCAA Athletics Division I	Completed



**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

- | | |
|-------------------------------|--|
| • Cash Handling | UW-Green Bay
UW-Madison
UW-Milwaukee
UW-Stevens Point |
| • Payroll Continuous Auditing | UW System |
| • International Education | UW-Stout |

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 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.

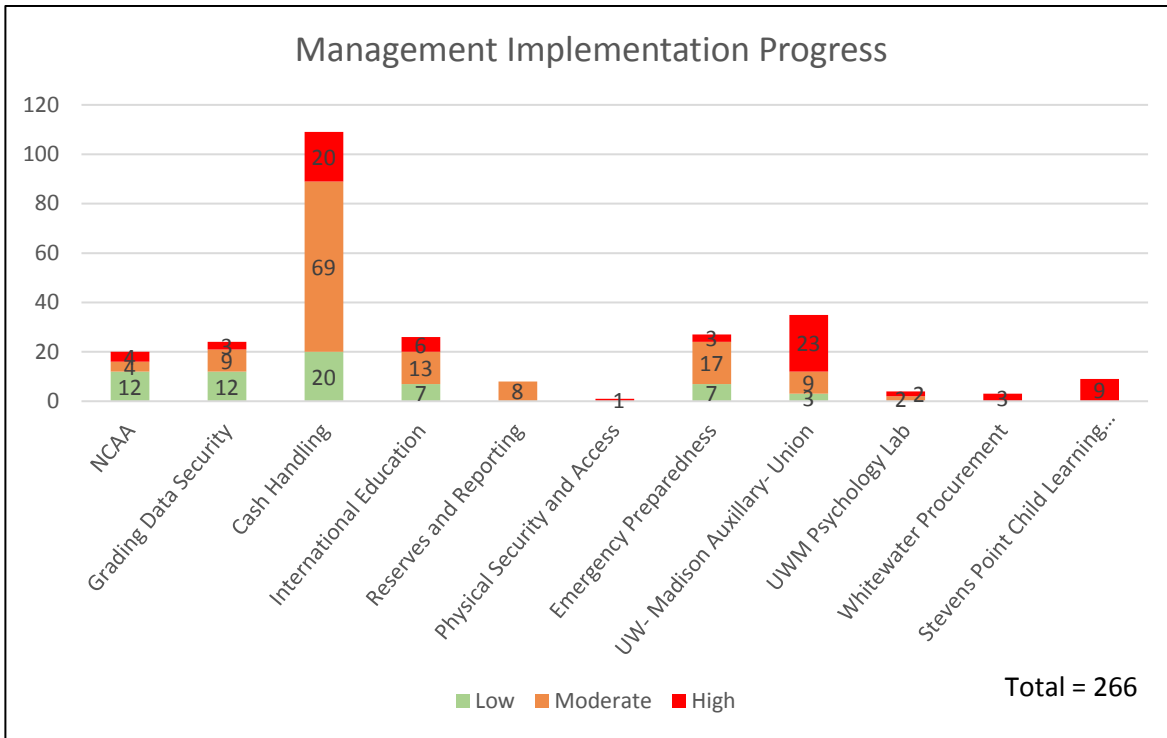
DISCUSSION

The following chart presents audits issued during fiscal 2014 through fiscal 2017 and the progress management has made toward resolving the comments and recommendations included in the audit reports. Management's corrective action plans were audited by the Office of Internal Audit to determine if they were implemented.

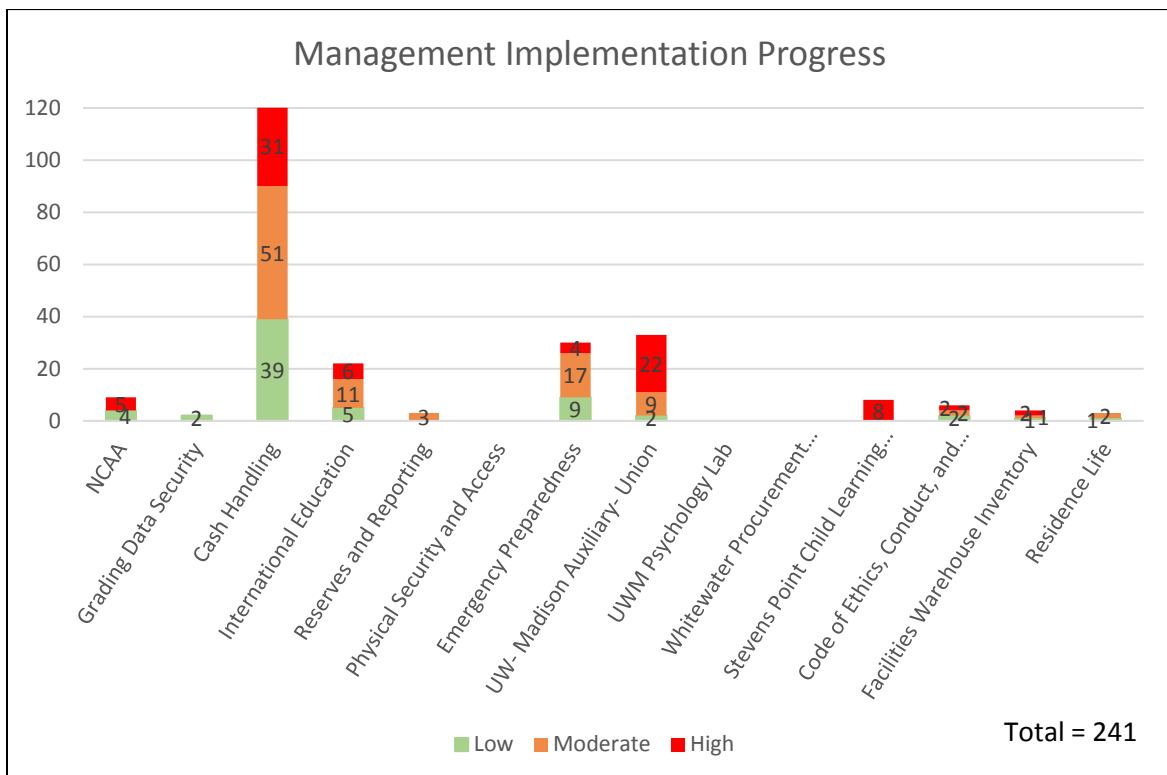
RELATED BOARD OF REGENTS POLICIES

NA

Prior Reporting Period



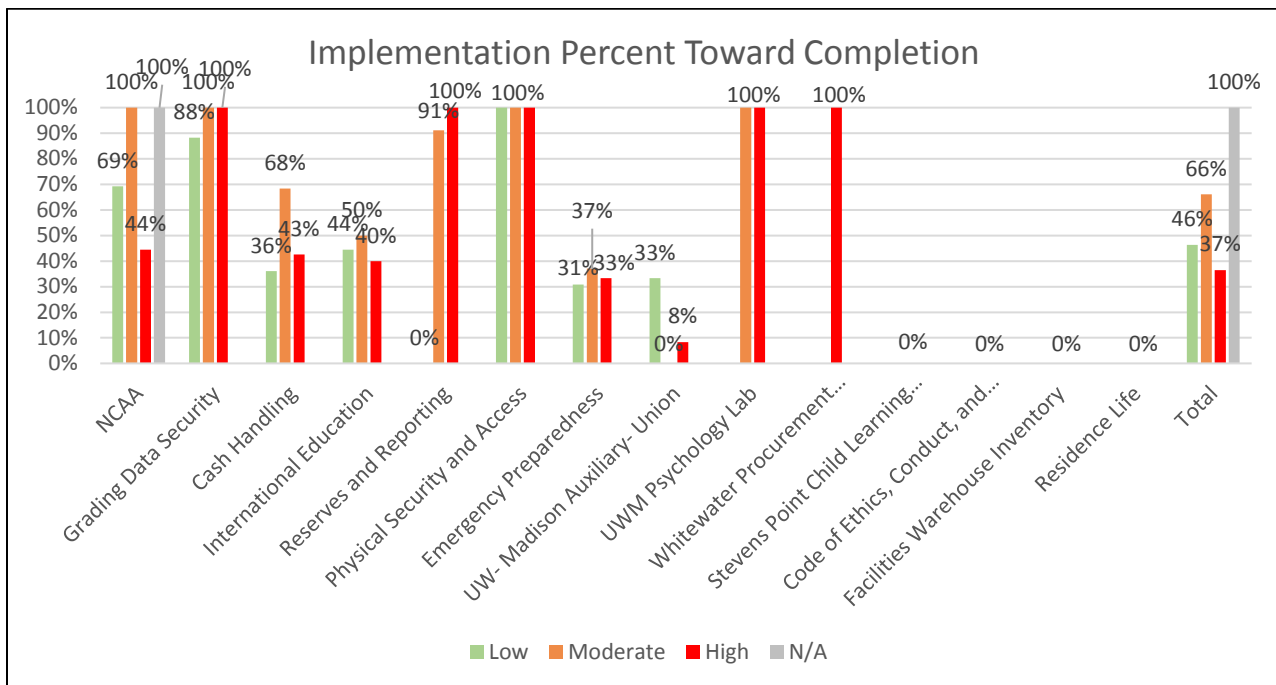
Current Reporting Period



Roll-forward from Prior Reporting Period to Current Reporting Period

Audit	Previously Reported Open Comments	Comments Issued	Comments Closed	Current Open Comments
NCAA	20	0	11	9
Grading Data Security	24	0	22	2
Cash Handling	109	61	49	121
International Education	26	2	6	22
Reserves & Reporting	8	0	5	3
Physical Security & Access	1	0	1	0
Emergency Preparedness	27	6	3	30
UW-Madison Auxiliary- Union	35	0	2	33
UWM Psychology Lab	4	0	4	0
Whitewater Procurement	3	0	3	0
Stevens Point Child Learning Center	9	0	1	8
Code of Ethics, Conduct, and Governance	0	6	0	6
Facilities Warehouse Inventory	0	4	0	4
Residence Life	0	3	0	3
Total	266	82	107	241

Current Reporting Period



The above charts and graphs do not necessarily represent all audit comments outstanding due to timing issues.