

9/25/2017

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.5. Audit Committee

Thursday, October 5, 2017  
9:00 – 10:00 a.m.  
UW-Stout Memorial Student Center  
Willow/Walnut  
Menomonie, Wisconsin

- a. Approval of the minutes of the July 6, 2017 meeting of the Audit Committee
- b. Fiscal Year 2018 Audit Plan Progress Report
- c. Discussion of Recently Issued Audit Reports
  - Tuition Policy
    - UW-Extension
    - UW-Green Bay
    - UW-La Crosse
    - UW-Madison
    - UW-Oshkosh
    - UW-Platteville
    - UW-River Falls
  - Payroll Continuous Auditing
    - UW System
  - P Card Continuous Auditing
    - UW System
  - Cash Handling
    - UW-Oshkosh
  - International Education
    - UW-Madison
  - Best Practices Letter – Cash Handling
    - UW System
  - Best Practices Letter – P Card
    - UW System
  - Residence Life
    - UW-La Crosse
- d. Progress on Management Responses to Audit Reports
- e. UW-Madison Union Follow-up Presentation, Mark Guthier
- f. Report of the Chief Audit Executive
  - Hotline Report
- g. 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

October 5, 2017

Agenda Item 1.5.b.

**UW SYSTEM ADMINISTRATION  
OFFICE OF INTERNAL AUDIT  
FISCAL YEAR 2018 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**

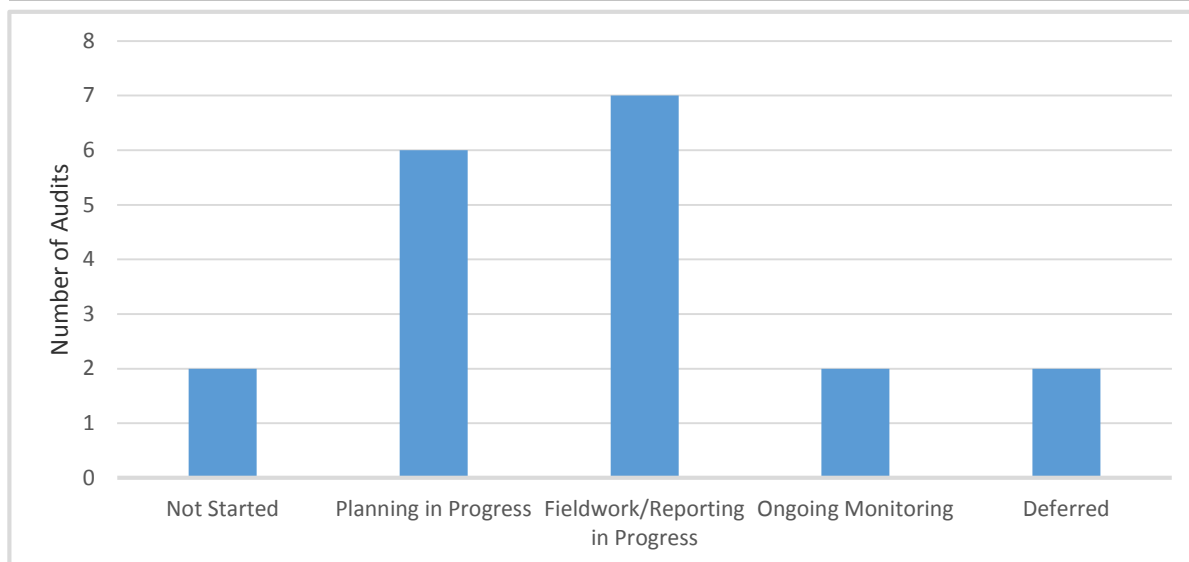
The attached chart provides a summary of audit progress for the Fiscal Year 2018 Audit Plan.

**RELATED BOARD OF REGENTS POLICIES**

NA

**UW SYSTEM ADMINISTRATION  
OFFICE OF INTERNAL AUDIT  
FISCAL YEAR 2018  
AUDIT PLAN PROGRESS**

	<b>Title and Audit Type</b>	<b>Status</b>
1	Payroll (Continuous Monitoring)	One report issued and monitoring is ongoing
2	Purchasing Cards (Continuous Monitoring)	One report issued and monitoring is ongoing
3	Travel and Expense Reimbursement (Continuous Monitoring)	Planning has begun
4	System Security and Access (Information Technology)	Fieldwork in progress
5	Federal TriO Programs	Fieldwork in progress
6	Payment Card Industry Compliance	Deferred
7	Human Resource System Segregation of Duties	Reporting in progress
8	Research	Fieldwork in progress
9	Internal Control and Compliance Structure and Governance	Reporting in progress
10	Clery Audit Follow-up	Planning has begun
11	Tuition and Enrollment Management	Reports issued and reporting in progress
12	Data Integrity, Definition, Governance, and Ownership – Top Three Systems/Applications (Information Technology)	Deferred
13	Transactions with Foundations	Not started
14	University of Wisconsin Trust Fund	Planning has begun
15	Bank Account, Creation, Management and Oversight	Planning has begun
16	Contract Management	Planning has begun
17	Purchasing	Planning has begun
18	Business Operations in Auxiliaries or Student Services	Not started
19	NCAA Athletics Division I	Fieldwork in progress



**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

- |   |  |
|---|--|
| • Tuition Policy                        | UW-Extension<br>UW-Green Bay<br>UW-La Crosse<br>UW-Madison<br>UW-Oshkosh<br>UW-Platteville<br>UW-River Falls |
| • Payroll Continuous Auditing           | UW System  |
| • P Card Continuous Auditing            | UW System  |
| • Cash Handling                         | UW-Oshkosh   |
| • International Education               | UW-Madison   |
| • Best Practices Letter – Cash Handling | UW System  |
| • Best Practices Letter – P Card        | UW System  |

- Residence Life

UW-La Crosse

**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.

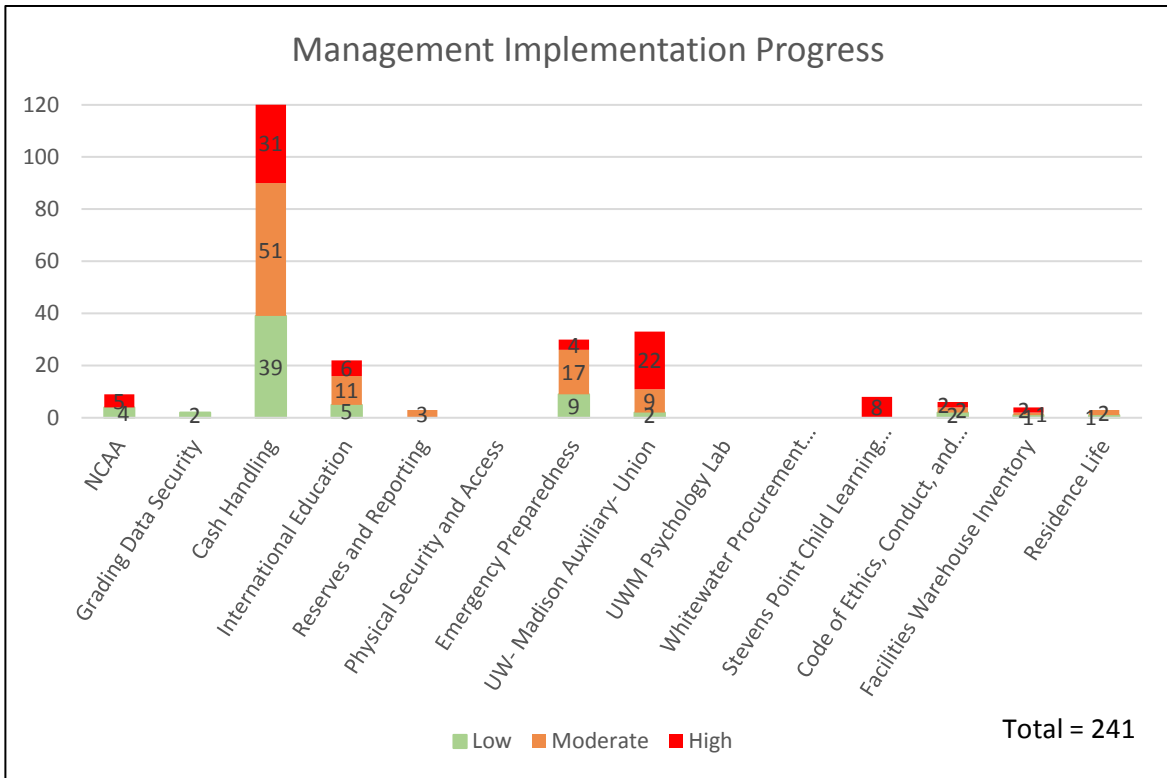
**DISCUSSION**

The following chart presents audits issued during fiscal 2014 through fiscal 2018 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.

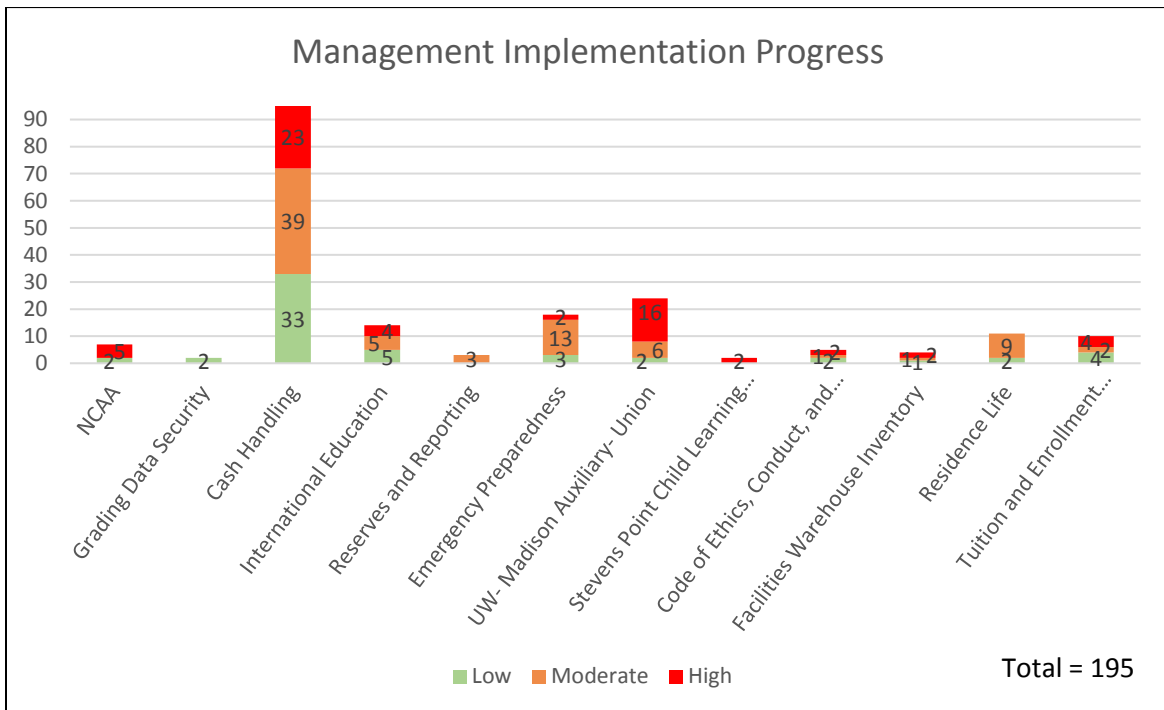
**RELATED BOARD OF REGENTS POLICIES**

NA

### Prior Reporting Period



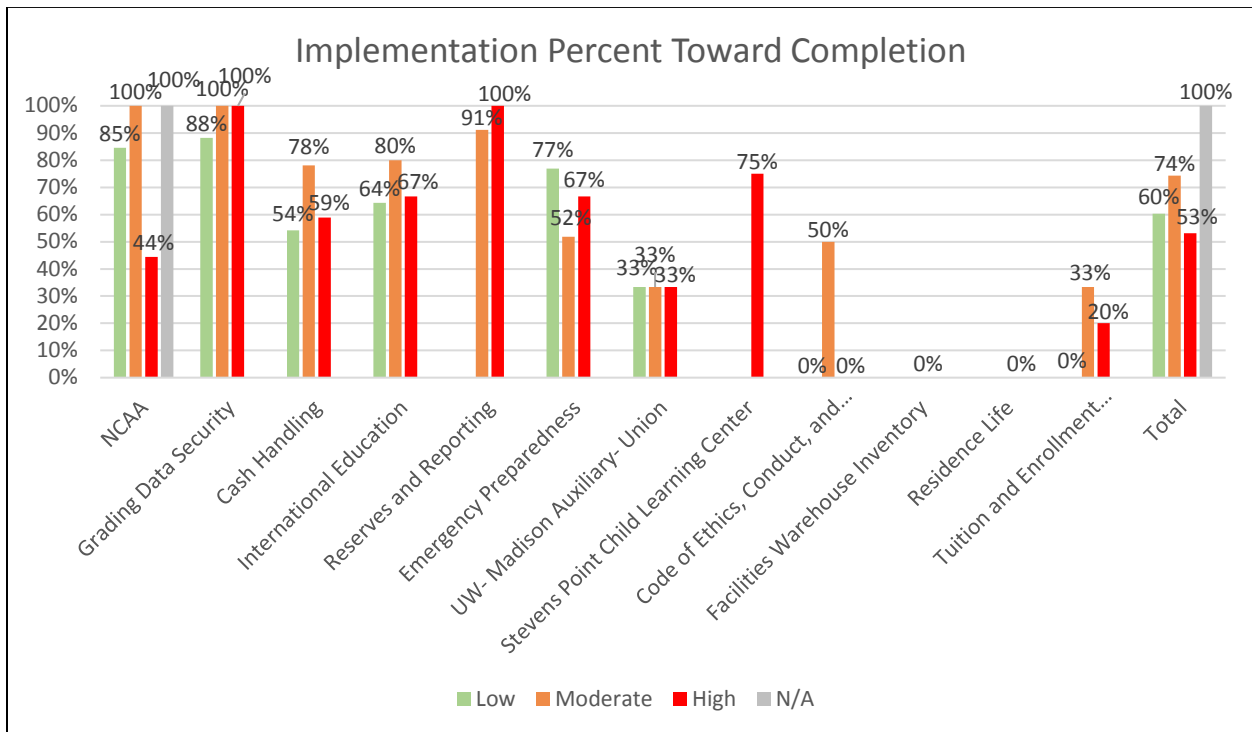
### Current Reporting Period



### Roll-forward from Prior Reporting Period to Current Reporting Period

Audit	Previously Reported Open Comments	Comments Issued	Comments Closed	Current Open Comments
NCAA	9	0	2	7
Grading Data Security	2	0	0	2
Cash Handling	121	30	56	95
International Education	22	10	18	14
Reserves and Reporting	3	0	0	3
Emergency Preparedness	30	0	12	18
UW- Madison Auxiliary- Union	33	0	9	24
Stevens Point Child Learning Center	8	0	6	2
Code of Ethics, Conduct, and Governance	6	0	1	5
Facilities Warehouse Inventory	4	0	0	4
Residence Life	3	8	0	11
Tuition and Enrollment Management	0	12	2	10
<b>Total</b>	<b>241</b>	<b>60</b>	<b>106</b>	<b>195</b>

### Current Reporting Period



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



October 5, 2017

Agenda Item I.5.f.

**UW SYSTEM ADMINISTRATION  
OFFICE OF INTERNAL AUDIT  
WASTE, FRAUD AND ABUSE HOTLINE  
SUMMARY REPORT TO THE AUDIT COMMITTEE**

**BACKGROUND**

The UW System Waste, Fraud and Abuse Hotline (Hotline) went live on May 15, 2015. The Audit Committee requested periodic updates to ensure reports are being addressed in a timely manner.

**REQUESTED ACTION**

No action requested. Item for information and discussion only.

**DISCUSSION**

For the period of November 16, 2016 through September 1, 2017, 15 incidents were reported. The dissemination, analysis, investigation and resolution of the incidents reported continues to go well. As of September 1, 2017, all of the incidents have been closed. Eleven of the incidents did not require an investigation or the Office of Internal Audit concurred with management that no corrective action was necessary. Four of the incidents resulted in corrective action being taken including a referral to law enforcement.

The Office of Internal Audit has received reports of incidents in each of the risk categories with most classified as financial or academic. Incidents were open an average of 28 days.

**RELATED BOARD OF REGENTS POLICIES**

NA