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  
   • Payroll Continuous Auditing  
   • P Card Continuous Auditing  
   • Cash Handling  
   • International Education  
   • Best Practices Letter – Cash Handling  
   • Best Practices Letter – P Card  
   • Residence Life  
   UW-Extension  
   UW-Green Bay  
   UW-La Crosse  
   UW-Madison  
   UW-Oshkosh  
   UW-Platteville  
   UW-River Falls  
   UW System  
   UW-Oshkosh  
   UW-Madison  
   UW System  
   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
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
<table>
<thead>
<tr>
<th>Title and Audit Type</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Payroll (Continuous Monitoring)</td>
<td>One report issued and monitoring is ongoing</td>
</tr>
<tr>
<td>2. Purchasing Cards (Continuous Monitoring)</td>
<td>One report issued and monitoring is ongoing</td>
</tr>
<tr>
<td>3. Travel and Expense Reimbursement (Continuous Monitoring)</td>
<td>Planning has begun</td>
</tr>
<tr>
<td>4. System Security and Access (Information Technology)</td>
<td>Fieldwork in progress</td>
</tr>
<tr>
<td>5. Federal TriO Programs</td>
<td>Fieldwork in progress</td>
</tr>
<tr>
<td>6. Payment Card Industry Compliance</td>
<td>Deferred</td>
</tr>
<tr>
<td>7. Human Resource System Segregation of Duties</td>
<td>Reporting in progress</td>
</tr>
<tr>
<td>8. Research</td>
<td>Fieldwork in progress</td>
</tr>
<tr>
<td>9. Internal Control and Compliance Structure and Governance</td>
<td>Reporting in progress</td>
</tr>
<tr>
<td>10. Clery Audit Follow-up</td>
<td>Planning has begun</td>
</tr>
<tr>
<td>11. Tuition and Enrollment Management</td>
<td>Reports issued and reporting in progress</td>
</tr>
<tr>
<td>12. Data Integrity, Definition, Governance, and Ownership – Top Three Systems/Applications (Information Technology)</td>
<td>Deferred</td>
</tr>
<tr>
<td>13. Transactions with Foundations</td>
<td>Not started</td>
</tr>
<tr>
<td>14. University of Wisconsin Trust Fund</td>
<td>Planning has begun</td>
</tr>
<tr>
<td>15. Bank Account, Creation, Management and Oversight</td>
<td>Planning has begun</td>
</tr>
<tr>
<td>16. Contract Management</td>
<td>Planning has begun</td>
</tr>
<tr>
<td>17. Purchasing</td>
<td>Planning has begun</td>
</tr>
<tr>
<td>18. Business Operations in Auxiliaries or Student Services</td>
<td>Not started</td>
</tr>
<tr>
<td>19. NCAA Athletics Division I</td>
<td>Fieldwork in progress</td>
</tr>
</tbody>
</table>

Number of Audits

- Not Started
- Planning in Progress
- Fieldwork/Reporting in Progress
- Ongoing Monitoring
- Deferred
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
  - 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

RELATED BOARD OF REGENTS POLICIES

NA
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

Management Implementation Progress

Current Reporting Period

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