I.6. Joint Meeting of the Business and Finance and Audit Committees

Thursday, April 5, 2018
8:15 a.m. – 9:00 a.m.
Gordon Dining and Event Center
Overture Room, 2nd floor
Madison, Wisconsin

Convene in open session and move into closed session to discuss information security audit findings and responses as required by s. 19.85(1)(d), Wis. Stats.

I.5. Audit Committee

Thursday, April 5, 2018
9:00 a.m. – 10:30 a.m.
Gordon Dining and Event Center
Overture Room, 2nd floor
Madison, Wisconsin

a. Approval of the minutes of the February 8, 2018 meeting of the Audit Committee

b. Fiscal Year 2018 Audit Plan Progress Report

c. Discussion of Recently Issued Audit Reports

   • Bank Account Creation, Management, and Oversight
     UW-Eau Claire
     UW-River Falls
     UW-Stout
     UW Colleges
     UW-Eau Claire
     UW-Green Bay
     UW-La Crosse
     UW-Milwaukee
     UW-Oshkosh
     UW-Parkside
     UW-Platteville
     UW-River Falls
     UW-Stevens Point
     UW-Stout

   • Clery Audit Follow-up
3/19/2018

- Best Practices Letter – Clery Audit Follow-up  UW-Superior
- Federal TRIO Programs  UW-Whitewater
- P-card Continuous Auditing  UW System
- University of Wisconsin Trust Fund  UW-River Falls

UW System
UW System Administration

d. Progress on Management Responses to Audit Reports

e. Report of the Chief Audit Executive
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
<table>
<thead>
<tr>
<th>Title and Audit Type</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll (Continuous Monitoring)</td>
<td>Two reports issued and monitoring is ongoing</td>
</tr>
<tr>
<td>Purchasing Cards (Continuous Monitoring)</td>
<td>Two reports issued and monitoring is ongoing</td>
</tr>
<tr>
<td>Travel and Expense Reimbursement (Continuous Monitoring)</td>
<td>Planning has begun</td>
</tr>
<tr>
<td>System Security and Access (Information Technology)</td>
<td>Three reports issued and planning and fieldwork in progress</td>
</tr>
<tr>
<td>Federal TRIO Programs</td>
<td>Completed</td>
</tr>
<tr>
<td>Payment Card Industry Compliance</td>
<td>Deferred</td>
</tr>
<tr>
<td>Human Resource System Separation of Duties</td>
<td>Completed</td>
</tr>
<tr>
<td>Research</td>
<td>One report issued and planning and fieldwork in progress</td>
</tr>
<tr>
<td>Internal Control and Compliance Structure and Governance</td>
<td>Completed</td>
</tr>
<tr>
<td>Clery Audit Follow-up</td>
<td>Completed</td>
</tr>
<tr>
<td>Tuition and Enrollment Management</td>
<td>Completed</td>
</tr>
<tr>
<td>Data Integrity, Definition, Governance, and Ownership – Top Three Systems/Applications (Information Technology)</td>
<td>Deferred</td>
</tr>
<tr>
<td>Transactions with Foundations</td>
<td>Fieldwork in progress</td>
</tr>
<tr>
<td>University of Wisconsin Trust Fund</td>
<td>Completed</td>
</tr>
<tr>
<td>Bank Account Creation, Management and Oversight</td>
<td>Reports issued and reporting in progress</td>
</tr>
<tr>
<td>Contract Management</td>
<td>Fieldwork in progress</td>
</tr>
<tr>
<td>Purchasing</td>
<td>Fieldwork in progress</td>
</tr>
<tr>
<td>Business Operations in Auxiliaries or Student Services</td>
<td>Fieldwork in progress</td>
</tr>
<tr>
<td>NCAA Athletics Division I</td>
<td>Completed</td>
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</table>
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

- Bank Account Creation, Management, and Oversight
  UW-Eau Claire
  UW-River Falls
  UW-Stout
- Clery Audit Follow-up
  UW Colleges
  UW-Eau Claire
  UW-Green Bay
  UW-La Crosse
  UW-Milwaukee
  UW-Oshkosh
  UW-Parkside
  UW-Platteville
  UW-River Falls
  UW-Stevens Point
  UW-Stout
  UW-Superior
  UW-Whitewater
- Best Practices Letter – Clery Audit Follow-up
  UW System
- Federal TRIO Programs
  UW-River Falls
- P-card Continuous Auditing
  UW System
• University of Wisconsin Trust Fund
  UW System Administration

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 2016 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
### Roll-forward from Prior Reporting Period to Current Reporting Period

<table>
<thead>
<tr>
<th>Audit</th>
<th>Previously Reported Open Comments</th>
<th>Comments Issued</th>
<th>Comments Closed</th>
<th>Current Open Comments</th>
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<tbody>
<tr>
<td>NCAA</td>
<td>5</td>
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<tr>
<td>Cash Handling</td>
<td>61</td>
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<td>International Education</td>
<td>17</td>
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<td>17</td>
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<tr>
<td>Reserves and Reporting</td>
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<td>1</td>
<td>1</td>
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<tr>
<td>Emergency Preparedness</td>
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<td>UW- Madison Auxiliary- Union</td>
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<td>23</td>
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<td>Stevens Point Child Learning Center</td>
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<td>0</td>
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<tr>
<td>Code of Ethics, Conduct, and Governance</td>
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<td>0</td>
<td>5</td>
<td>1</td>
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<td>Facilities Warehouse Inventory</td>
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<td>4</td>
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<td>Residence Life</td>
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<td>Tuition and Enrollment Management</td>
<td>19</td>
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<td>3</td>
<td>16</td>
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<tr>
<td>Federal TRIO Programs</td>
<td>30</td>
<td>5</td>
<td>12</td>
<td>23</td>
</tr>
<tr>
<td>System Security and Access</td>
<td>13</td>
<td>20</td>
<td>33</td>
<td>0</td>
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<tr>
<td>Bank Account Creation Management and Oversight</td>
<td>11</td>
<td>6</td>
<td>0</td>
<td>17</td>
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<tr>
<td>Research Capital Equipment</td>
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<td>0</td>
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<tr>
<td>Madison Division of University Housing</td>
<td>16</td>
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<td>HRS Separation of Duties (SOD)</td>
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<td>1</td>
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<tr>
<td>Internal Controls and Compliance Structure</td>
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<tr>
<td>University of Wisconsin Trust Fund</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>232</td>
<td>33</td>
<td>43</td>
<td>222</td>
</tr>
</tbody>
</table>

### Current Reporting Period

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