

UW System Board of Regents
Audit Committee
UW-Whitewater James R. Connor University Center
UC 275
228 Wyman Mall
Whitewater, Wisconsin
December 5, 2019

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 9:03 a.m. by Committee Chair Gerald Whitburn. Roll call was taken. Regents Whitburn, Mueller, Delgado, Manydeeds, and Walsh were in attendance. Regent Whitburn asked if anyone had a conflict of interest for the items on the agenda: none were stated.

A. Approval of the minutes of the October 10, 2019 meeting of the Audit Committee

B. Presentation on Today’s Key Risks in Higher Education by Janice Abraham, President and CEO of United Educators

Regent Whitburn introduced Janice Abraham to the committee. Ms. Abraham spoke on the evolution of risk management and processes that can be used to identify risks. Regent Whitburn asked her what emerging issues she is finding, and Ms. Abraham answered that demographics are changing. Higher education has to look at “non-traditional” students and consider how students learn, what they need to learn to be productive citizens, and the technology needed to accomplish this. Regent Delgado raised the question facing students, “Is a college education worth it?” and asked for Ms. Abraham’s opinion on the subject. She responded that what has changed is the economic uncertainty and the debt loads to students are so burdensome and it isn’t as it once was. Career readiness and crafting a path to higher education must change for students. Regent Walsh asked if Ms. Abraham had any insight as to how to effect good communication – to which she replied that communication is important but only if you are trusted. Furthermore, she said administration can get better at distilling information. Regent Manydeeds asked how to deal with turnover, and Ms. Abraham responded that having a broader base committee and the use of dashboards help for continuity. President Cross asked for more effective ways to sub-categorize risks, and Ms. Abraham answered get to the top 5-10 risks and ask, “What would happen to us if x happened?” She suggested talking through scenarios, looking at the consequences, and assigning owners to that risk. President Cross and Ms. Abraham talked further on the changing demographics of students today, and Ms. Abraham advised to look at consumer trends and be respectful of the changing world. Regent Mueller asked how to best manage a crisis when it happens. Ms. Abraham replied that a robust scan of what could happen is needed, and discussed learning from the headlines. She closed by stating, “...the bar has been raised by the public and we have to step up.”

C. Internal Audit

1. Fiscal Year 2020 Audit Plan Progress Report

Lori Stortz, Chief Audit Executive, stated the Office of Internal Audit is making excellent progress on the 2020 Audit Plan. Significant planning for audits they intend to conduct in the third and fourth quarter are underway. Ms. Stortz stated that in the beginning of 2020 her office will begin planning for 2021.

2. Summarized Results of Audits Recently Issued

Ms. Stortz gave a high-level summary of recently issued audits. The *UW-Madison NCAA Compliance* audit contained no material findings.

Next, she discussed the *Institutional Relationships with Foundations and Other Affiliated Organizations* audit, which she stated went quite well. There were three comments at the System level, and involved fine-tuning processes – all-in-all she was pleased with the results of this audit. Regent Whitburn asked for clarification regarding transactions pertaining to residence halls and Regent Mueller stated some of the procedures noted were a little vague – indicating more precision in the future will be welcome.

Ms. Stortz wrapped up with the *Discrimination, Harassment and Retaliation* audit, and stated that the primary takeaway is that institutions are taking this seriously, but we have many different ways of documenting Title IX reporting. Regent Whitburn voiced concerns over the untimeliness of some case resolutions and discussed with Ms. Stortz the environment across the campuses. Regent Whitburn stated the lack of baseline of consistency across our campuses is not acceptable, and by June 2020 [Ms. Ignatowski and Ms. Harebo from Office of Compliance and Integrity] need to come back and report consistent handling of these cases.

3. Progress on Management Responses to Audit Reports

Ms. Stortz then gave an update on the progress of management responses to audit reports, and stated she continues to be pleased with the commitment management shows in responding.

D. Internal Controls and Enterprise Risk Management

1. Enterprise Risk Management Update

Next the Audit Committee received an update regarding Internal Controls and Enterprise Risk Management. The committee heard from, Angela Ryan, Director, Risk Management who gave a brief review of the process they have undertaken in identifying risks. Ms. Ryan shared a heatmap of risks that illustrate the impact and likelihood of risks.

Next, Katherine Ignatowski, Director of Compliance and Integrity; and Sarah Harebo, Title IX and Clery Administrator, discussed the risk mitigation plan for Title IX. Ms. Harebo hopes to present a strategic working plan to the Audit Committee in June with benchmarks. Regent Whitburn asked whether or not she felt adequately empowered to accomplish this task and Ms. Harebo replied that she did, and the mere fact that she was at the Board of Regents meeting showed the Regents' commitment to support the work she is trying to do.

Katherine Mayer, Associate Vice President for Information Security gave an update on the risk mitigation plan for cyber security. She discussed conducting campus assessments that can be used as baselines to build action plans, and the development of a risk register – such as what Ms. Abraham described earlier. Ms. Mayer stated they expect to develop new policies and plan to roll out multi-factor authentication requirements to students in the next 12 months. Regent Whitburn inquired about the level of buy-in that Ms. Mayer is seeing across the System, and she replied that everyone agrees intellectually that these security measures are needed, but practically it presents challenges.

Regent Whitburn closed the meeting by thanking the speakers for their ongoing work.

The meeting was adjourned at 10:33 a.m.

Respectfully submitted,

Erika Laabs
Recording Secretary