BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Audit Committee
Thursday, October 10, 2019
10:45 a.m. – 12:15 p.m.

UW-Superior Yellowjacket Union
Room 203
1605 Catlin Avenue
Superior, WI 54880

A. Approval of the Minutes of the August 16, 2019 Meeting of the Audit Committee

B. Internal Audit
    1. Fiscal Year 2020 Audit Plan Progress Report
    2. Approval of the Office of Internal Audit Charter
    3. Summarized Results of Audits Recently Issued
    4. System Security and Access Audit Status

C. Interaction Between Enterprise Risk Management, Compliance, and Audit
    1. Approval of the charters for the UW System Office of Compliance and Integrity and the UW System Enterprise Risk Management and Compliance Council

D. Internal Controls and Enterprise Risk Management
    1. Enterprise Risk Management Update

E. Compliance with Laws and Regulations
    1. Establishment of the Office of Compliance
    2. UW System Compliance Governance Structure
    3. Office of Compliance Work Plan

FISCAL YEAR 2020 AUDIT PLAN PROGRESS

REQUESTED ACTION

For information and discussion only.

SUMMARY

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.

The attached chart provides a summary of audit progress for the Fiscal Year 2020 Audit Plan. As requested at the June meeting, we have added an audit of post-tenure review to the plan.

Presenter(s)

- Lori Stortz, Chief Audit Executive

ATTACHMENTS

A) UW System Administration Office of Internal Audit Fiscal Year 2020 Audit Plan Progress Chart.

UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
FISCAL YEAR 2020
AUDIT PLAN PROGRESS

	Title	Risks
1	Payroll (Continuous Monitoring)	Fraud
2	Purchasing Cards (Continuous Monitoring)	Fraud, Embezzlement
3	Shop @ UW (Continuous Monitoring)	Fraud, Embezzlement
4	Payment Card Industry Compliance	Data Breach of Personally Identifiable Information (PII)
5	Information Technology Procurement	Fraud, Security, Waste, Recording, Safeguarding
6	DoIT Services Group	Billing, Monitoring, Proper Prioritization
7	Institutional Relationships with Foundations and Other Affiliated	Fraud, Embezzlement, Reputation
8	Oversight of Programs with Minors	Physical Safety and Security
9	Discrimination, Harassment and Retaliation	Physical Safety and Security, Legal Compliance
10	Offboarding of Employees	Physical Access to Buildings, Access to Systems
11	Human Resource System (HRS) Segregation of Duties and UW-Madison	Fraud, Breach of Protected Information, Data Accuracy
12	Student Information Systems and Databases Security	IT Security, Breach of PII
13	Laboratory Safety	Physical Security and Safety, Legal Compliance
14	NCAA Athletics Division I Consulting Engagements	Regulatory Compliance, Revenue Loss
15	Other Affiliated Organizations	Fraud, Embezzlement, Reputation
16	External Assessment (Self-Assessment with Independent Validation)	Conformance with Standards and Code of Ethics
17	Post-Tenure Review	Compliance with Board Policy
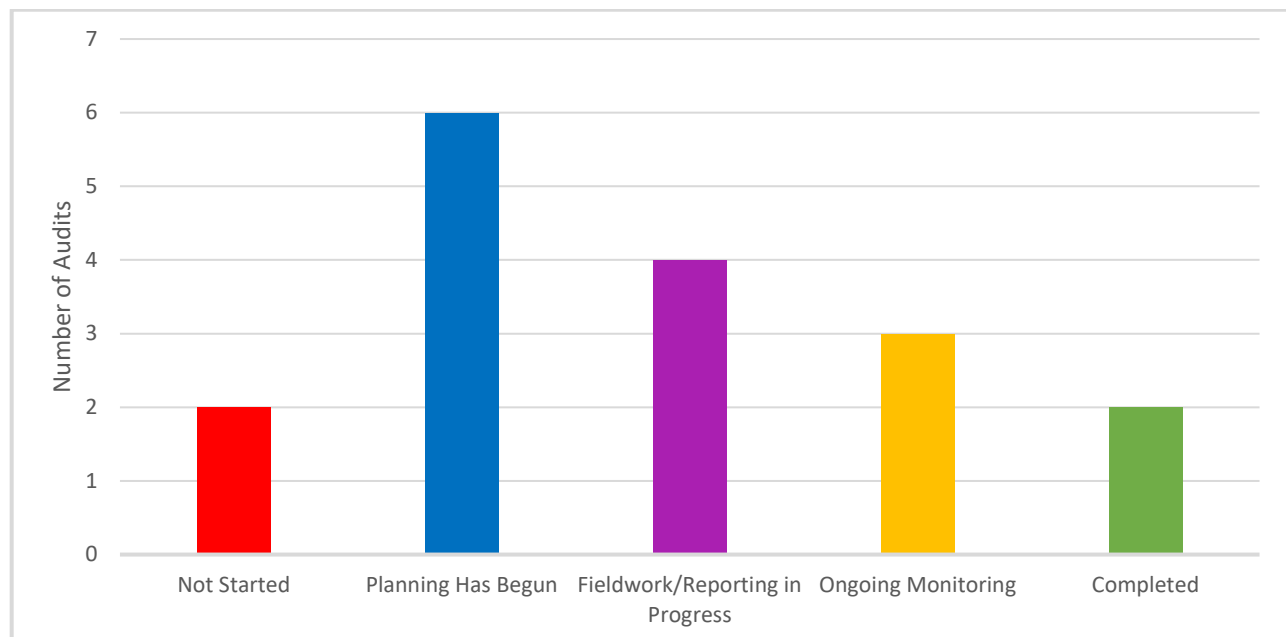
UPDATE TO THE OFFICE OF INTERNAL AUDIT CHARTER

REQUESTED ACTION

Adoption of Resolution B.2., approval of the updated Office of Internal Audit Charter.

Resolution B.2.   That, upon the recommendation of the President of the UW System, the UW System Board of Regents adopts the attached Office of Internal Audit Charter, consistent with the *International Standards for the Professional Practice of Internal Auditing.*

SUMMARY

In 2015, the Board of Regents created an Audit Committee and approved an Audit Committee Charter. The Chief Audit Executive has reviewed the Audit Committee Charter and how it relates to the University of Wisconsin System Office of Internal Audit Charter (Office Charter) which governs the mission, purpose, responsibilities, and authority of the Office of Internal Audit.

Updates are proposed to the Office Charter to accomplish the following:
- Ensure the Office Charter conforms to the requirements of the *International Standards for the Professional Practice of Internal Auditing*
- Ensure the Office Charter is consistent with the current practices of the Office of Internal Audit.

Presenter(s)

- Lori Stortz, Chief Audit Executive

ATTACHMENTS

A) Office Charter

UNIVERSITY OF WISCONSIN SYSTEM
OFFICE OF INTERNAL AUDIT CHARTER

PURPOSE AND MISSION

The purpose of the University of Wisconsin System's Office of Internal Audit is to provide independent, objective assurance and consulting services designed to add value and improve the University of Wisconsin System's operations. The mission of internal audit is to enhance and protect organizational value by providing risk-based and objective assurance, advice, and insight. The Office of Internal Audit helps the University of Wisconsin System accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

STANDARDS FOR THE PROFESSIONAL PRACTICE OF INTERNAL AUDITING

The Office of Internal Audit will carry out its responsibilities in accordance with University of Wisconsin System policies, state and federal law. Additionally, the Office of Internal Audit will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' (IIA's) International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the *International Standards for the Professional Practice of Internal Auditing*, and the Definition of Internal Auditing. The chief audit executive will report periodically to senior management and the Audit Committee of the Board of Regents regarding the Office of Internal Audit's conformance to the Code of Ethics and the *Standards*.

AUTHORITY

The chief audit executive will report to the Board of Regents through the Audit Committee directly and to the UW System President. The UW System President and the chair of the Audit Committee have joint responsibility for the hiring, performance evaluation, and compensation of the chief audit executive.

To establish, maintain, and assure that the University of Wisconsin System's Office of Internal Audit has sufficient authority to fulfill its duties, the Audit Committee of the Board of Regents will:
- Approve the Office of Internal Audit's charter.
- Approve the risk-based internal audit plan.
- Approve the Office of Internal Audit's budget and resource plan.
- Receive communications from the chief audit executive on the Office of Internal Audit's performance relative to its plan and other matters.
- Make appropriate inquiries of management and the chief audit executive to determine whether there is appropriate scope or resource limitations.

The chief audit executive will have unrestricted access to, and communicate and interact directly with, the Audit Committee of the Board of Regents, including in private meetings without management present.

The Audit Committee of the Board of Regents authorizes the Office of Internal Audit to:
- Have full, free, and unrestricted access to all functions, records, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of records and information.

- Audit the accounts of the University of Wisconsin System organization, as defined in note 1 of the System's annual financial statements.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques required to accomplish audit objectives, and issue reports.
- Obtain the necessary assistance of personnel in areas of the University of Wisconsin System where audits are being performed, as well as other specialized services from within or outside the University of Wisconsin System, in order to complete the engagement.

INDEPENDENCE AND OBJECTIVITY

The chief audit executive will ensure that the Office of Internal Audit remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the chief audit executive determines that the office's independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

Internal auditors will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment, including:
- Assessing specific operations for which they had responsibility within the previous year.
- Performing any operational duties for the University of Wisconsin System, its campuses, or its affiliates.
- Initiating or approving transactions external to the Office of Internal Audit.
- Directing the activities of any University of Wisconsin System employee not employed by the Office of Internal Audit, except to the extent that such employees have been appropriately assigned to auditing teams or to otherwise assist internal auditors.

Internal audit reviews do not, in any way, substitute for or relieve other University of Wisconsin System personnel from their assigned responsibilities.

Where the chief audit executive has or is expected to have roles and/or responsibilities that fall outside of internal auditing, safeguards will be established to limit impairments to independence or objectivity.

Internal auditors will:
- Disclose any impairment of independence or objectivity, in fact or appearance, to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating, and communication information about the activity or process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The chief audit executive will confirm to the Audit Committee of the Board of Regents, at least annually, the organizational independence of the Office of Internal Audit.

The chief audit executive will disclose to the Audit Committee of the Board of Regents any interference and related implications in determining the scope of internal auditing, performing work, and/or communicating results.

SCOPE OF INTERNAL AUDIT ACTIVITIES

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee of the Board of Regents, management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the University of Wisconsin System. Internal audit assessments include evaluating whether:

- Risks relating to the achievement of the University of Wisconsin System's strategic objectives are appropriately identified and managed.
- Interaction with various governance groups occurs as needed.
- Financial, managerial, and operating information is accurate, reliable, and timely.
- The actions of the University of Wisconsin System's officers, regents, employees, and contractors are in compliance with University policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact the University of Wisconsin System.
- Information and the means used to identify, measure, analyze, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently, and protected adequately.

The chief audit executive will report periodically to senior management and the Audit Committee of the Board of Regents regarding:

- The Office of Internal Audit's purpose, authority, and responsibility.
- The Office of Internal Audit's plan and performance relative to its plan.
- The Office of Internal Audit's conformance with The IIA's Code of Ethics and *Standards*, and action plans to address any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit Committee of the Board of Regents.
- Results of audit engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to the University of Wisconsin System.

The chief audit executive also coordinates activities, where possible, and considers relying upon the work of other internal and external assurance and consulting service providers as needed. The Office of Internal Audit may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the Office of Internal Audit does not assume management responsibility.

Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

RESPONSIBILITY

The chief audit executive has the responsibility to:

- Develop a flexible annual audit plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submit the plan to senior management and the Audit Committee of the Board of Regents for review and approval.
- Implement the audit plan, as approved by the Audit Committee of the Board of Regents, including as appropriate any special tasks or projects requested by management and the Board of Regents.
- Communicate to senior management and the Audit Committee of the Board of Regents the impact of resource limitations on the internal audit plan.
- Review and adjust the internal audit plan, as necessary, in response to changes in the University of Wisconsin System's business, risks, operations, programs, systems, and controls.
- Communicate to senior management and the Audit Committee of the Board of Regents any significant interim changes to the internal audit plan.
- Ensure each engagement of the internal audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Issue periodic reports to the Audit Committee of the Board of Regents summarizing the results of audit activities.
- Follow up on engagement comments and corrective actions, and report periodically to senior management and the Audit Committee of the Board of Regents any corrective actions not effectively implemented.
- Ensure the principles of integrity, objectivity, confidentiality, and competency are applied and upheld.
- Maintain a professional audit staff that collectively possesses or obtains the knowledge, skills, experience, professional certifications, and other competencies needed to meet the requirements of this Charter.
- Ensure trends and emerging issues that could impact the University of Wisconsin System are considered and communicated to senior management and the Audit Committee of the Board of Regents as appropriate.
- Ensure emerging trends and successful practices in internal auditing are considered.
- Conduct research and analysis in operational areas of interest to the Board of Regents.
- Provide consulting services to University of Wisconsin System management by conducting targeted studies to assist management in meeting its objectives, the nature of which is agreed to with management, and for which the Office of Internal Audit assumes no management responsibility.
- Maintain a positive and cooperative working relationship with the Legislative Audit Bureau and the organization's external auditors, as appropriate.
- Consider the scope of work of the external auditors and regulators as appropriate for the purpose of providing optimal audit coverage to the institution.
- Assist in the investigation of suspected fraudulent activities within the University of Wisconsin System and notify management and the Audit Committee of the Board of Regents of the results, as appropriate.
- Establish and ensure adherence to policies and procedures designed to guide the Office of Internal Audit.
- Ensure adherence to the University of Wisconsin System's relevant policies and procedures, unless such policies and procedures conflict with this Charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Audit Committee of the Board of Regents.

- Review and update the Office of Internal Audit Charter, as necessary, and periodically provide the Charter to senior management and the Audit Committee of the Board of Regents for review and approval.
- Ensure conformance of the Office of Internal Audit with the *Standards*, with the following qualifications:
    - o If the Office of Internal Audit is prohibited by law or regulation from conformance with certain parts of the *Standards*, the chief audit executive will ensure appropriate disclosures and will ensure conformance with all other parts of the *Standards*.
    - o If the *Standards* are used in conjunction with requirements issued by other authoritative bodies, the chief audit executive will ensure that the Office of Internal Audit conforms with the *Standards*, even if the Office of Internal Audit also conforms with the more restrictive requirements of other authoritative bodies.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

The Office of Internal Audit will maintain a quality assurance and improvement program that covers all aspects of the Office of Internal Audit. The program will include an evaluation of the Office of Internal Audit's conformance with the *Standards* and an evaluation of whether internal auditors apply The IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the Office of Internal Audit and identify opportunities for improvement.

The chief audit executive will communicate to senior management and the Audit Committee of the Board of Regents on the Office of Internal Audit's quality assurance and improvement program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least once every five years by a qualified, independent assessor or assessment team from outside the University of Wisconsin System.

SUMMARIZED RESULTS OF AUDITS RECENTLY ISSUED

REQUESTED ACTION

For information and discussion only.

SUMMARY

Since the July 11, 2019 meeting of the Audit Committee, the Office of Internal Audit has issued the following reports:

- Payroll (Continuous Monitoring)
- Purchasing Cards (Continuous Monitoring)
- Shop@UW
- Payment Card Industry Compliance
- Institutional Relationships with Foundations – Compliance with Regent Policy 21-9
- Tax Cuts and Jobs Act of 2017

Presenter(s)

- Lori Stortz, Chief Audit Executive

BACKGROUND

One of the responsibilities of the Audit Committee, as outlined in the committee charter, is to summarize results of audits recently issued.

SYSTEM SECURITY AND ACCESS AUDIT STATUS

REQUESTED ACTION

For information and discussion only.

SUMMARY

As of September 30, 2019, the Office of Internal Audit has completed the System Security and Access Audit at each institution. Since the Office of Internal Audit began these audits, regent policies have been updated, an Office of Information Security (OIS) was staffed and significant investments in tools and business processes have been made to enhance information security. Internal Audit will continue to follow-up on management's resolution of findings which are still relevant and impactful, as determined by the Associate Vice President of OIS.

Presenter(s)

- Lori Stortz, Chief Audit Executive

BACKGROUND

The Board of Regents delegates to the President of UW System the authority to implement and maintain an information security program (Program). The Audit Committee has oversight responsibility over this Program.

Related Policies

- Regent Policy Document 25-3, Acceptable Use of Information Technology Resources
- Regent Policy Document 25-5, Information Technology: Information Security

Interaction Between Enterprise Risk Management, Compliance, and Audit

REQUESTED ACTION

Adoption of Resolution C.1., approving the charters for the Office of Compliance and Integrity Charter.

Resolution C.1.   That, upon the recommendation of the President of the UW System, the UW System Board of Regents approves the attached charters for the UW System Office of Compliance and Integrity and the UW System Enterprise Risk Management and Compliance Council.

SUMMARY

Throughout the past year, UW System has undertaken a focused effort to build up its internal compliance and enterprise risk management functions. Key to the success of this effort is understanding how these areas interact both with each other and with Internal Audit. All three areas fall within the purview and charter of the Audit Committee of the Board of Regents. Leadership for UW System compliance, risk, and internal audit has engaged in a study of the Three Lines of Defense Model put forth by the Committee of Sponsoring Organizations (COSO) and The Institute of Internal Auditors, Inc. to understand how the three areas might work together to effectively mitigate risk to the UW System.

Part of this effort involves the creation of charters. Presented for Committee review and approval are the newly developed charters for the UW System Office of Compliance and Integrity (Attachment B) and the newly created UW System Enterprise Risk Management and Compliance Council (Attachment C).
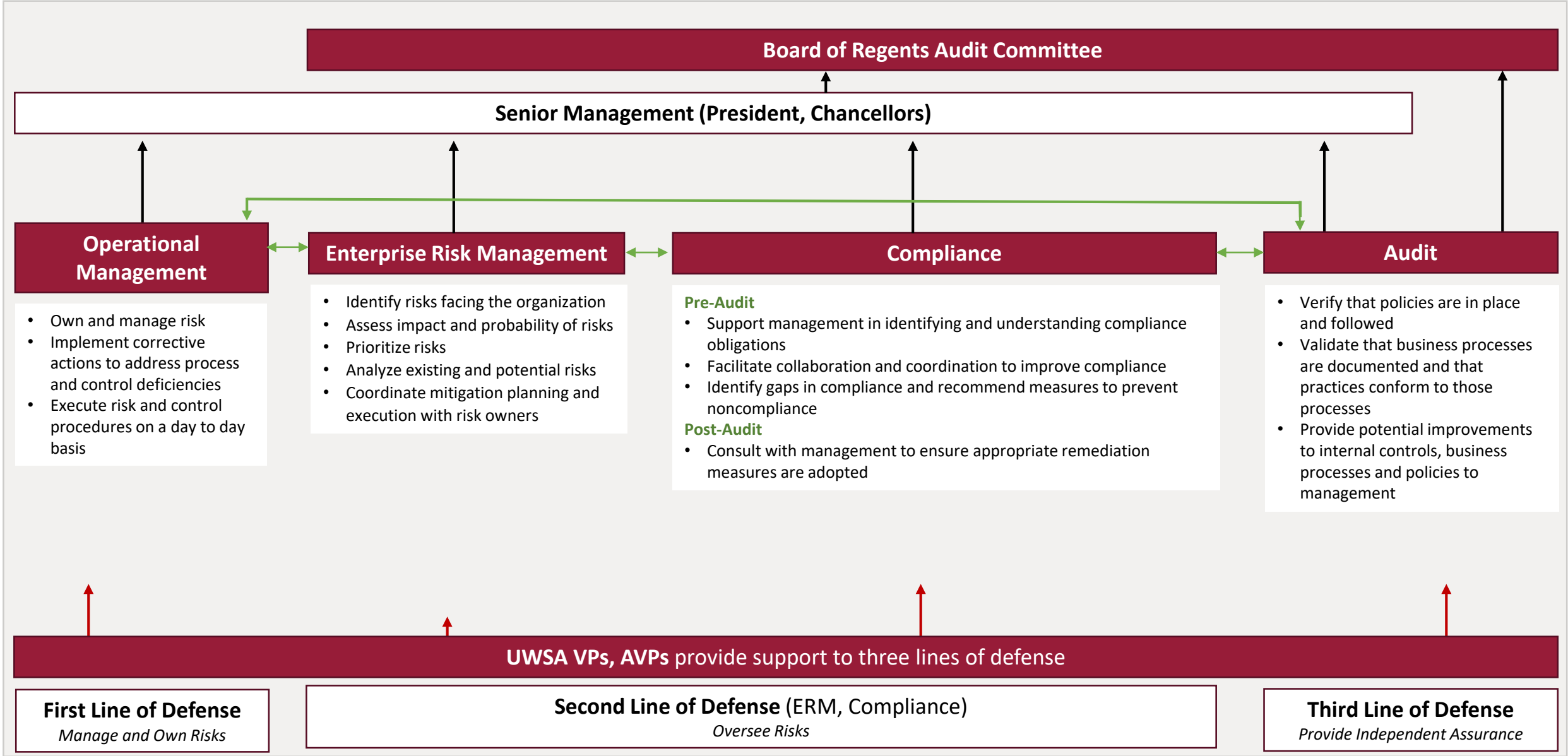
Presenter(s)

- Katie Ignatowski, UW System Director of Compliance and Integrity
- Lori Stortz, Chief Audit Executive
- Angela Ryan, Director of Risk Management

ATTACHMENTS

A) The Three Lines of Defense at UW System
B) UW System Office of Compliance and Integrity Charter
C) UW System Enterprise Risk Management and Compliance Council Charter

The Three Lines of Defense at UW System[1]

Board of Regents Audit Committee

Senior Management (President, Chancellors)

Operational Management

- Own and manage risk
- Implement corrective actions to address process and control deficiencies
- Execute risk and control procedures on a day to day basis

Enterprise Risk Management

- Identify risks facing the organization
- Assess impact and probability of risks
- Prioritize risks
- Analyze existing and potential risks
- Coordinate mitigation planning and execution with risk owners

Compliance

Pre-Audit
- Support management in identifying and understanding compliance obligations
- Facilitate collaboration and coordination to improve compliance
- Identify gaps in compliance and recommend measures to prevent noncompliance

Post-Audit
- Consult with management to ensure appropriate remediation measures are adopted

Audit

- Verify that policies are in place and followed
- Validate that business processes are documented and that practices conform to those processes
- Provide potential improvements to internal controls, business processes and policies to management

UWSA VPs, AVPs provide support to three lines of defense

First Line of Defense
Manage and Own Risks

Second Line of Defense (ERM, Compliance)
Oversee Risks

Third Line of Defense
Provide Independent Assurance

*Black arrow indicates direct reporting relationship

*Red arrow indicates supporting relationship

*Green arrow indicates flow of information

**This map depicts reporting structure internal to UWSA and, aside from Audit, within individual institutions (i.e. compliance officers report directly to Chancellors on campus)

[1]The Three Lines of Defense in Effective Risk Management and Control, The Institute of Internal Auditors, January 2013

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Katie Ignatowski
Sarah Harebo
Katie Patten
Kristina Williston

Audit Committee Item C.   Attachment B

OFFICE OF COMPLIANCE AND INTEGRITY CHARTER

Purpose

The purpose of the office is to:

- Evaluate and analyze current practices, processes, and procedures against requirements of law and policy to identify potential gaps in compliance and recommend preventative actions to improve compliance.
- Provide senior management with tools and resources to manage compliance functions on campuses and at UW System Administration.
- Support and help build a culture that moves beyond regulatory compliance and promotes integrity and right doing in all activities and communities of the UW System.
- Assist campus and UW System leadership in understanding and addressing the universe of compliance risks.

Responsibilities

The Office of Compliance will:

- Evaluate UW System compliance framework against the UW System Key Elements of an Effective Compliance Program and develop Annual Work Plans based on this framework.
- Monitor internal and external compliance environments; produce reports; identify and communicate potential risks and vulnerabilities to university decision makers; and establish processes to coordinate and communicate internally regarding the UW System's compliance with federal, state, and local laws, rules and regulations as well as institutional policies.
- Coordinate educational and training programs to ensure that members of the university community understand the compliance responsibilities relevant to their work.
- Build collaborative relationships and establish regular communication processes with compliance partners with UW System and between and among the comprehensive institutions.

- Collaborate with UW System Risk Management to evaluate and prioritize compliance risks to the UW System and develop mitigation plans to lower risks and probability of noncompliance.
- Assist management and staff in high risk compliance areas across the UW System with development and maintenance of compliance programs.
- Oversee the compliance program for Title IX, Clery Act, Ethics, and Wisconsin Public Records Law.
- Periodically advise the Audit Committee of the Board of Regents, the UW System President, and the Risk and Compliance Council on key compliance risks and gaps within the UW System.
- Develop tools and resources to leverage expertise and share best practices amongst UW System institutions in an effort to address common barriers to compliance.

Oversight

- The Director of Compliance shall report to the General Counsel for UW System.

Leadership Council

Name of Leadership Council: Enterprise Risk Management and Compliance Council

Supporting Business Unit: Office of Risk Management, Office of Compliance

Associated Office/Department: See above

Leadership Council role: To provide guidance and direction to ERM and Compliance.

Will this council have decision-making authority?   ☑ Yes   ☐ No

Is this group a Chancellor's group?   ☐ Yes   ☑ No

     If Yes, DO NOT complete the following section.

Scope
Provide direction and guidance in developing and managing the UW System's Enterprise Risk Management (ERM) and Compliance programs. Prioritize resource allocations to address priorities. Make decisions related to program priorities.

Purpose
Provide direction and guidance to ensure strategic, operational, reputational, political, financial and compliance risks to the UW System are appropriately identified, assessed and managed in the ERM and Compliance programs. This work helps fulfill the responsibilities of UW System's Senior Leadership and Board of Regents.

Responsibilities
- Set Strategic Direction and priorities for the ERM and Compliance programs.
- Lead the Enterprise Risk Assessment process to identify high priority risk items.
- Review updates and reports and approve suggested changes to the programs.
- Review mitigation planning and priorities and make recommendations.
- Monitor and assess emergent risks and events at other organizations
- Monitor new and evolving compliance requirements

Organization and membership
The UW System Vice Presidents, General Counsel, Associate Vice President of Office of Learning and Information Technology Services, Associate Vice President of Information Security, Associate Vice President of Administrative Services, Senior Associate Vice President of Human Resources, Director of Risk Management, Director of Compliance, Director of Administrative Policies and Special Projects. Support provided by staff in Risk Management and Compliance departments.

Meeting frequency and location (in person, remote, etc.)
Quarterly in person with remote access, more frequently when needed

INTERNAL CONTROLS AND ENTERPRISE RISK MANAGEMENT

REQUESTED ACTION

For information and discussion only.

SUMMARY

UW System Administration continued its engagement with Aon Risk Consultants for assistance in developing risk mitigation models for our focus risks. The objectives are to develop a set of tools to support risk analysis and action planning, create risk response action planning and develop methods for measuring and monitoring focus risks.
If a risk or threat is unacceptable and cannot be placed in risk retention, additional mitigation activities are developed. The risks are prioritized, and programs, processes, or physical investments are identified that will control an event's impact and/or likelihood to a level which brings it into risk retention. Techniques may include finding a way to avoid the risk, transferring a risk through mechanisms such as insurance or outsourcing, or employing one or more risk controls.

Mitigation plans for two of the four focus risks will be presented in October with the final two to follow later.

Presenter(s)

- Ruth Anderson, Associate Vice President, Administrative Services
- Angela Ryan, Director, Risk Management
- Ben Passmore, Associate Vice President for Policy Analysis and Research

BACKGROUND

Enterprise Risk Management (ERM) is a framework to systematically identify, evaluate and manage risks to the organization and its business goals and operations.

UW System is a $6 billion organization with a complex set of risks. Regent Policy Document 1-1 sets forth the shared mission of the UW System and its institutions. In pursuit of the shared mission and the core missions of the doctoral and comprehensive institutions, UW System Administration and the 13 institutions manage many employees, house and feed students, field athletic teams, conduct cutting-edge research and engage globally. All of these operations bring risks to the system and its institutions.

While there are many risks, there are also many employees who manage risks within their operations. The UW System also has systems in place to manage risks including internal controls, standardized policies, risk transfer through insurance or through the use of suppliers, and health and safety programs. The ERM program creates a process to systematically identify and prioritize the key risks across the operation.

ATTACHMENTS

A) UW System Enterprise Risk Management Update: Slidedeck.

UW System
Enterprise Risk Management Update

Ruth Anderson, Associate Vice President, Administrative Services

Angela Ryan, Director, Risk Management

October 2019

UW | UNIVERSITY OF WISCONSIN SYSTEM

ERM Progress-Update

- Continued Engagement with Aon Risk Consultants
  - Develop tools to support risk analysis and action planning
  - On-Site UWSA workshop to create risk response strategies
- Enterprise Risk Management and Compliance Council Meetings
  - Approved charter for the new council

UW UNIVERSITY OF WISCONSIN SYSTEM

Risk Mitigation Plan Physical Safety and Security

Risk Description	The risk of harm to UWSA faculty / staff, UW campus employees or the public while involved in or performing activities related to the University's programs or on-going operations; includes damage to physical property (facilities, equipment, etc.)	

Key Controls (Current)	▪ Maintaining business continuity and crisis management plans – All Hazards Approach
	    Conducting annual fire and tornado drills
	    Floor captains
	    EOC
	    Media Monitoring
	▪ Insurance
	▪ Maintaining website with safety information
	▪ UWSA Safety training
		▪ Threat assessment team
		▪ Access control to offices
		▪ Safety Awareness campaign
		▪ EAP Program
		▪ Utilizing security personnel as needed (e.g., large events)
		▪ After action reports – post an event

Risk Response	*Mitigate/Share*	

Action Plan for those Risks that are retained	▪ Implement new employee safety training (Amy/Heather)
	▪ Improve communication by integrating standing meetings, newsletter, etc. (Jack)
	    ▪ "Crisis Tips"
	    ▪ Access Control
	▪ Emergency Preparedness Working Group (Amy)
		▪ Adopt emergency notification system (Amy)
		    ▪ Texting
		    ▪ VOIP PA function
		▪ Update pocket phone cards (tbd)
		▪ More exercises for crisis management (Amy/Ruth)

Implementation Date	*July 1, 2020*	

Risk Score Before Treatment	*Likelihood: 4.1*	*Impact: 4.4*	*Effectiveness: 3.0*	*Ranking Composite: 54.1*

Risk Monitoring/ Key Risk Indicators	▪ *Click rate within newsletters* ▪ *% attendance at safety meetings* ▪ *% compliance with safety training* ▪ *% opted in for emergency notification system*
Risk Owner	Ruth Anderson

UW UNIVERSITY OF WISCONSIN SYSTEM

Risk Mitigation Plan Data Availability

Risk Description	Inability to collect and access, in a timely manner, accurate information and data from internal and external sources that are needed to support decisions
Key Controls	▪ Targeted Projects to Expand Key Operational and Strategic Data capabilities 　▪ Student Predictive Analytics (EAB Navigate) 　▪ Seamless Transfer Technology Solutions 　▪ Budget System Implementation 　▪ Graduate Follow-up Data Sets 　▪ System-wide Strategic Enrollment Projections ▪ Expanded Secure Access to Existing and Future Data Sets 　▪ UWSA Info-Views and "One-Stops" 　▪ UWBI Human Resources Query Library 　▪ Canvas DLE implementation ▪ Data Strategy as part of broader Digital Strategy 　▪ UWSA/UW Madison partnership on ATP/Cloud ERP projects 　▪ Establishment of Enterprise Directions Council 　▪ Data Structures/Availability Needs Assessment
Risk Response	*Mitigate*
Action Plan	▪ Establish and document a UWS strategic data vision to consolidate UWS' ability to meet its mission and fiduciary responsibilities in the rapidly evolving data environment. ▪ Address immediate data availability and usability issues to effectively mitigate short-term risks and meet current needs through cost-effective interim solutions through completion of current implementations and queuing of next areas. ▪ Establish an operational plan for establishing middle-term data platform solution that will begin integrating UWS data to facilitate meeting the long-term strategic vision.
Implementation Date	

Risk Score Before Treatment	*Likelihood: 4.4*	*Impact: 3.4*	*Effectiveness: 4.4*	*Ranking Composite: 66*

Risk Monitoring/ Key Risk Indicators	▪ *Produce and promulgate strategic data vision document* ▪ *% of Key Control critical data projects implemented* ▪ *# of "immediate attention" critical data projects identified and # of interim/long-term solutions proposed*
Risk Owner	Ben Passmore

UW | UNIVERSITY OF WISCONSIN SYSTEM

Appendix: Scale Criteria

Risk Assessment Scales: **Likelihood**

Rating	Likelihood	
	Description	**Criteria - Probability of Occurring**
5	*Almost Certain / Already Occurring*	• Greater than 90% probability of occurrence in the next 1-3 years • Nearly sure to happen, or already occurring
4	*Likely*	• Between 60% and less than 90% probability of occurrence in the next 1-3 years
3	*Potential*	• Between 30% and less than 60% probability of occurrence in the next 1-3 years • Realistic that it may occur, but less than certain
2	*Unlikely*	• Between 10% and less than 30% probability of occurrence in the next 1-3 years
1	*Rare*	• Less than 10% probability of occurrence in the next 1-3 years • Possible but not expected to occur

UNIVERSITY OF WISCONSIN SYSTEM

Appendix: Scale Criteria

Risk Assessment Scales: Impact

Rating	Impact			
	Financial	**Reputational**	**Operational / Health / Safety**	**Legal / Regulatory / Compliance**
5 *Critical*	• Adverse change in revenue of over 25% in a given year • Cash payment, fine or increase in operating costs in excess of $20M • Adverse change in research funding of over 25%	• Sustained (e.g., one month), negative national or state media coverage • Significant brand impairment	• Fatalities and/or severe health impacts • Complete and total loss of critical systems (e.g., IT, equipment, etc.) for one week or more	• Regulatory action negatively impacting UWS for 3+ years • Criminal violation or investigation • Loss of accreditation
4 *High*				
3 *Moderate*	• Adverse change in revenue between 15%-24% in a given year • Cash payment, fine or increase in operating costs between $6M-$20M • Adverse change in research funding of between 16%-24%	• One off story but feeds into a negative narrative • Negative local media coverage • Limited brand impairment	• Major (but non-fatal) health impacts • Loss of critical systems (e.g., IT, equipment, etc.) for 2-3 days	• Regulatory action negatively impacting UWS for over a 1-2 year time horizon • Non-criminal violation or investigation • Accreditation is put on probation
2 *Low*				
1 *Minor*	• Adverse change in revenue of 5%-15% in a given year • Cash payment, fine or increase in operating costs less than $5M • Adverse change in research funding of 5%-15%	• One off story • No impact on reputation • No brand impairment	• No impact on health or safety • Loss of critical systems (e.g., IT, equipment, etc.) for a couple hours or less	• No sustainable regulatory impacts or action required • One off warning letter issued and can be resolved • No loss of accreditation • No violation or investigation

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Appendix: Scale Criteria

Risk Assessment Scales: **Effectiveness**

Rating	Effectiveness (Opportunity to Improve Risk Management)	
	Description	**Criteria**
5	*High*	• Significant opportunity to improve risk management practices by (1) closing major gaps in current practices and/or (2) dramatically improving the results from resources devoted to risk management
4		
3	*Medium*	• Some opportunity to improve risk management practices by (1) closing some gaps in current practices and/or (2) improving some results from resources devoted to risk management
2		
1	*Low*	• Low opportunity to improve risk management practices; risks are managed effectively using an appropriate level of resources

Risk Score Calculations

Likelihood x Impact=Risk Ranking

Risk Ranking x Effectiveness= Risk Composite Score

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Compliance with Laws and Regulations

REQUESTED ACTION

No action requested. Item for information and discussion only.

SUMMARY

The attached documents describe the scope and direction of the newly created Office of Compliance and Integrity at UW System Administration. The Compliance Work Plan describes the focus of work for the office over Fiscal Year 2020. The Results from Systemwide Assessment document describes the results of an exercise that was conducted across all UW institutions over the summer to assess how the UW System performs against the six key elements of the UW System Compliance Framework.

Presenter(s)

- Katie Ignatowski, Director of Compliance & Integrity

BACKGROUND

The Director of Compliance and Integrity was hired in February 2019, provided the Audit Committee with an update on the development of the office in April 2019, and in June 2019 introduced the newly hired Title IX and Clery Administrator.

ATTACHMENTS

A) Office of Compliance Organizational Chart
B) UW System Compliance Structure
C) Compliance Work Plan
D) Systemwide Assessment Against Six Key Elements of UW System Compliance Framework
E) Department of Justice Compliance Graphic

University of Wisconsin System
Office of General Counsel

UW System Board of Regents	**UW System President**

Quinn Williams
General Counsel

Alicia Boll
Prog Ass Adv- Conf

Jennifer Lattis
Deputy Gen Counsel

Katie Ignatowski
Director of Compliance & Integrity

Student Help

Andrew Preboski
Prog Asst Adv- Conf

Kristina Williston
Admin Specialist

Tomas Stafford
Sr Sys Legal Counsel

C. Wade Harrison
Sr Sys Legal Counsel

Kristin Johnson
System Legal Counsel

Noah Brisbin
System Legal Counsel

Matthew Lind
System Legal Counsel

Kathleen Patten
Sr Admin Prog Spec

Sarah Harebo
Title IX/Clery Administrator

Funded through UW Shared Services. Splits time 50/50.

UW System Compliance Structure

Approves UW System compliance priorities based on recommendation from UW System Director of Compliance & Integrity

UWSA Risk and Compliance Council

Board of Regents Audit Committee

Board of Regents

President

Chancellor

Recommends UW System compliance priorities based on input from Enterprise Risk Management activities, institutional compliance bodies, and Board of Regents priorities

UW System Director of Compliance & Integrity

Eau Claire

Whitewater

Green Bay

Stevens Point

Institutional Compliance Body*

Madison

Superior

Compliance Officer Working Group**

Each institution will set institutional compliance priorities

Milwaukee

Stout

Dotted arrow indicates information flow

Solid arrow indicates information flow in addition to recommendations and approval

La Crosse

River Falls

Membership may include:
- Research
- Athletics
- Financial Aid
- Admissions
- Provost
- Dean of Students
- Human Resources
- Title IX Coordinator
- Etc...

Oshkosh

Parkside

Platteville

*Institutional compliance body may refer to a compliance committee, working group, cabinet, or other body that has been tasked with managing compliance functions on campus

**The Compliance Officer Working Group is comprised of a primary representative from each institutional compliance body

UW UNIVERSITY OF WISCONSIN SYSTEM

Office of Compliance and Integrity

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Audit Committee Item E.   Attachment C

COMPLIANCE WORK PLAN

SUMMARY

The Compliance Work Plan will guide the work of the Office of Compliance and Integrity through FY2020. In Summer 2020, a FY2021 Annual Compliance Plan will be presented to the Audit Committee to outline the work for that fiscal year and a new plan will be submitted annually thereafter for the upcoming fiscal year. Each Annual Compliance Plan will build on the work of the three phases outlined below. The FY2020 work plan lays the groundwork for each of the three focus areas.

Phase One: Establishing UW System's Compliance Framework

Timeline: **The compliance framework was established through collaboration with the Compliance Officer Working Group in June and July 2019. Assessments were conducted over Summer and Fall of 2019. Results from each institution's assessment were provided to the UW System Office of Compliance and Integrity. An Executive Summary of the results is attached to this Compliance Work Plan.**

Six Key Guiding Elements of the UW System Compliance Framework
The six elements that will guide the UW System Compliance Framework are:
1. High Level Oversight / Tone at the Top
2. Written Policies and Procedures
3. Communication, Education, and Training
4. Monitoring and Auditing
5. Reporting and Investigation
6. Culture of Accountability, Ethics, and Integrity

*Selection of the Elements***:** These six elements were selected in collaboration with the Compliance Officer Working Group based on a review of external sources, primarily the Federal Sentencing Guidelines and the US Department of Justice Guidance, *Evaluation of Corporate Compliance Programs.*

Tool: Systemwide Assessment Against Six Key Elements

⇒ *Description of the Exercise*: Each UW institution engaged in an assessment of UW System against each of the six key elements. Most campuses conducted this assessment in a group discussion format during a meeting of the institutional compliance committee or working group using discussion prompts provided by the UW System Office of Compliance and Integrity. Some of these discussions were facilitated by the UW System Director of Compliance and Integrity.

⇒ *Purpose of the Exercise:* This exercise served multiple purposes. First, it created the opportunity for broad engagement of individuals with compliance responsibilities across all UW campuses to learn about the UW System compliance framework, to provide input on the maturity of the System's compliance structures as they exist today, and to recommend action steps to improve the maturity of those structures. Second, this exercise provided the UW System Director of Compliance and Integrity with a broad array of perspectives on where the greatest needs and barriers exist to fulfilling compliance obligations at UW institutions and what is and is not currently working well. Third, the results of this exercise will be used to guide the work of the Office of Compliance and Integrity throughout FY2020 and will serve as the baseline against which to assess performance and guide work in future years.

⇒ *Results*: See Attachment, *Systemwide Assessment Against Six Key Elements of UW System Compliance Framework*

How Phase One Will Mitigate Risk to the UW System
Regular assessment of UW System's compliance structures against the six key elements will mitigate financial, legal, and regulatory risk by equipping the UW System with a prepared response in the case of a federal investigation and by reducing the UW System's liability in the case of significant legal action. The resulting action plan will also mitigate risk to the institution by reducing the likelihood that specific instances of noncompliance occur and by increasing the likelihood that violations that do occur are addressed swiftly and appropriately.

Phase Two: Developing an Inventory of Compliance Obligations and Defining Accountability Across UW System

Timeline: **Development and population of the Compliance Matrix to occur from Spring 2019 through Spring 2020, with continuous improvement and development ongoing thereafter. Updates will be provided annually to the Committee.**

Tool: Compliance Matrix

Purpose: The first step in the development of a plan to mitigate compliance risk is the identification of compliance obligations that govern the UW System. The compliance matrix will serve as an inventory of significant compliance obligations from federal and state law, as well as Board of Regents policy, with the possibility of adding obligations from other sources in the future. Each obligation provides a summary, key reference information, and data fields for reporting accountability at each institution (except UW Madison) at three levels: institutional lead, responsible office, and primary manager. UW Madison's Office of Compliance has its own compliance matrix, which has served as a model for the UW System matrix.

ACCOUNTABILITY DEFINED AT THREE LEVELS	
Institutional Lead	Institutional Executive (Chancellor, Provost, Vice Chancellor, or Assistant Chancellor) with institutional responsibility for the obligation.
RESPONSIBLE OFFICE	The Responsible Office is the major unit that has oversight for the compliance obligation. The head of the Responsible Office is often a senior administrator that reports to an Institutional Lead.
Primary Manager	The Primary Manager is the field level administrator with subject matter expertise in the compliance area, is typically responsible for administering the specific obligation, and would field an inquiry concerning the obligation. This person works in the responsible office.

*Status***:** The matrix is currently in development under the direction of the Director of Compliance and Integrity in coordination with a project manager and IT team at UWSA. It has been made available to compliance working group members at the

institutions for review and feedback and is in the process of being populated with relevant information.

Functionality: The matrix will allow each institution to track accountability for each compliance obligation and track completion of those obligations which require a defined action (e.g., annual reports). Leadership at each institution and at UW System will have the ability to perform queries to identify reports that are due during a defined period. This database will enable compliance officers to identify colleagues with similar compliance responsibilities at sister institutions.

Maintenance: For the matrix to be effective and useful on an ongoing basis, a plan for maintenance is critical. The matrix project team is exploring options to sync the data in the matrix with HRS (HR database) in order to tie specific obligations to an employee's profile. This would create an alert when an employee with responsibility for one or more obligations leaves a position and require the supervisor to identify a new responsible party in order to ensure continuous accountability and lessen the administrative burden associated with maintenance.

How Phase Two Will Mitigate Risk to the UW System
Mapping out significant compliance obligations and defining accountability for each obligation at institutions will provide awareness of areas in which accountability is not clearly defined. Defined accountability will mitigate risk to UW System by decreasing the likelihood that obligations will "fall through the cracks" due to circumstances such as staff turnover, reorganization, or lack of awareness of the obligation.

Phase Three: Conducting Detailed Compliance Reviews

Timeline: Compliance priority areas will be established through a risk-based approach in spring and summer 2020. Reviews will begin by fall 2020. The FY2021 Annual Compliance Plan will provide the timeline for compliance reviews of selected priority areas. Reviews will occur continuously through FY2021.

Selection of Compliance Priorities for Review

System priorities: System compliance priorities will be set by the UWSA Risk and Compliance Council based on input from the Compliance Officers Working Group, institutional compliance governance bodies, and Enterprise Risk Management activities. The review of these areas will be led by the UWSA Director of Compliance and Integrity with collaboration from institutional compliance partners.

Institution priorities: Institutions may select additional areas for campus-specific compliance reviews. These will be supported but not led by the Office of Compliance.

Tool: Detailed Compliance Reviews

The policies, processes, and procedures of each priority area will be evaluated against the requirements of law and policy in order to identify potential gaps in compliance. An action plan will be developed to provide recommendations on preventative actions that may improve compliance. This process will be integrated with the Enterprise Risk Management function.

How Phase Three Will Mitigate Risk to the UW System
The detailed review of institution performance against the requirements of law and policy in selected compliance areas will provide a clear picture of gaps in our current performance and identify the potential legal and regulatory sanctions for noncompliance. These reviews will result in the development of articulable plans for closing these gaps and mitigating risks of non-compliance in the highest risk areas.

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Audit Committee Item E.   Attachment D

SYSTEMWIDE ASSESSMENT AGAINST SIX KEY ELEMENTS OF UW SYSTEM COMPLIANCE FRAMEWORK

DESCRIPTION OF THE EXERCISE

Each UW institution has engaged in an assessment of UW System against each of the six key elements of the system compliance framework.[1] Most campuses conducted this assessment in a group discussion format during a meeting of the institutional compliance body using information and discussion prompts provided by the System Office of Compliance and Integrity. Some of these discussions were facilitated by the UW System Director of Compliance and Integrity. A narrative report of comments from each institution was provided to the director. This document provides an executive summary of the results and highlights common themes.

PURPOSE OF THE EXERCISE

This exercise served multiple purposes. First, it created the opportunity for broad engagement of individuals with compliance responsibilities across all campuses to learn about the UW System compliance framework and to provide input on the maturity of the System's compliance structures as they exist today. It also provided them an opportunity to recommend action steps to improve the maturity of those structures. Second, this exercise provided the UW System Director of Compliance with a broad array of perspectives on where the greatest needs and barriers exist to fulfilling compliance obligations at UW institutions and what is and is not currently working well. Third, the results of this exercise were used to identify potential action steps that will be used to guide the work for the Office of Compliance and Integrity throughout FY2020 and serve as the baseline against which to assess performance and guide work in future years.

Six Key Elements : The six elements that will guide the framework of the UW System compliance structure were selected in collaboration with the Compliance Officer Working Group based on a review of external sources, primarily the Federal Sentencing Guidelines and the US Department of Justice's *Evaluation of Corporate Compliance Programs* Manual. The following chart provides a brief description of each of the elements.

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[1] As of September 24, 2019, of this memo, 12 of 13 institutions had undertaken the exercise, and one was scheduled to complete the exercise by early October.

High Level Oversight / Tone at the Top	The institution's governing authority and senior leadership should be knowledgeable about the content and operation of the compliance and ethics program. The tone should be visible, strong, and explicit. Specific individuals should be delegated operational responsibility for the program and the program should have adequate stature, funding, and resources.
Written Policies and Procedures	The institution shall establish standards and procedures to prevent and detect misconduct. The procedures should be in writing, easy to locate, understandable, and reviewed and updated regularly.
Communication, Education, and Training	The institution shall take reasonable steps to communicate periodically and in a practical manner its standards and procedures, and other aspects of the compliance and ethics program by conducting effective training programs and otherwise disseminating information appropriate to such individuals' respective roles and responsibilities.
Monitoring and Auditing	The institution shall take reasonable steps to ensure that the organization's compliance and ethics program is followed, including monitoring and auditing to detect misconduct and to periodically evaluate the effectiveness of the institution's compliance and ethics program.
Reporting and Investigation	The institution shall take reasonable steps to publicize a system whereby the employees may report concerns or seek guidance regarding potential or actual misconduct without fear of retaliation. This system should include the ability to report anonymously. After misconduct has been detected, the institution shall respond appropriately and take actions to prevent further similar conduct.
Culture of Accountability, Ethics, and Integrity	The compliance and ethics program should be promoted and enforced consistently through well-publicized guidelines that provide incentives to support the program and disciplinary measures for engaging in misconduct or failing to take reasonable steps to prevent or detect misconduct. The institution should focus not only on

	regulatory compliance but on a culture that encourages integrity in all aspects.

High Level Oversight ("Tone at the Top")

Comments from Systemwide Assessment

UW institutions vary in how compliance is managed; most have a decentralized structure that could benefit from more structured coordination within the institution and collaboration between institutions
Institutions welcome the creation of the UW System Risk and Compliance Council as an opportunity to communicate with high level System leadership on a regular basis regarding compliance risks and challenges
High level oversight of compliance matters is fulfilled to some extent currently through regular communication with System leadership and the Board of Regents through the submission of various annual reports and through regular audits of compliance functions, though this function will benefit from further development of the compliance framework
UW System tends to take a reactive (as opposed to a proactive) posture in regard to compliance issues, but does communicate the importance of compliance
Institutions find it difficult to understand and navigate the various compliance priorities put forth by UW System and would welcome a more robust Enterprise Risk Management framework to assist in prioritization of competing priorities through the lens of risk
Institutions would welcome the development of more robust and clarified communication channels to help streamline information flow between System leadership and institutions
There is a general perception that System and campus leadership embrace compliance and believe it is integral to the work we do across System
Certain compliance areas have a liaison or point person at UWSA but not all of them do; it is unclear as to why certain areas do or do not. In the areas that do not, the campuses do their best to collaborate with each other, but welcome more guidance and support from System

Institutional Efforts to Highlight

- ❖ Each institution has established a governance structure for compliance decision making
- ❖ Platteville, Madison, River Falls and Stevens Point have dedicated resources to the creation of compliance offices led by staff that report directly to high level officials on campus
- ❖ Whitewater's Audit, Risk, and Compliance Committee has a comprehensive website that contains tools such as a compliance matrix, an internal controls assessment, and an ERM self-assessment tool

- ❖ At River Falls, compliance is a regular part of the conversation at the Chancellor's cabinet meetings
- ❖ Superior has allocated funding for compliance priorities, such as Title IX training, Safe Colleges software, annual training opportunities and training for deputies on campus
- ❖ Stout's Compliance Committee will involve shared governance groups by having the chair report out to each Governance Council after meetings
- ❖ La Crosse's Compliance Committee will be chaired by the Vice Chancellor for Administration and Finance and will report directly to the Chancellor
- ❖ Eau Claire is moving towards an ERM framework to help inform leadership of compliance priorities through a risk lens
- ❖ Madison's Compliance Network is co-chaired by the Director of Compliance and the Director of Risk Management with the charge of facilitating communication and collaboration, identifying gaps, tracking performance, reporting to management, advancing related strategic planning and aiding in overall improved performance in areas of concern
- ❖ Green Bay's Compliance Multidisciplinary Team reports directly to the Chancellor's cabinet on current and upcoming compliance reviews

Areas Identified for Improvement / Potential Action Steps:
- ⇒ Establish Risk and Compliance Council of senior leaders at UW System Administration
- ⇒ The Office of Compliance and Integrity will work to institute processes by which UW System's Risk and Compliance Council sets System compliance priorities based on input from institutional compliance committees on compliance challenges and priorities
- ⇒ The Office of Compliance and Integrity and the Compliance Officers Working Group will establish mechanisms for clear communication and information flow between system leadership and institutional compliance partners
- ⇒ The Office of Compliance and Integrity will work with partners and system leadership to investigate additional ways to make the tone at the top strong, visible, and explicit
- ⇒ The Office of Compliance and Integrity will explore ways to move beyond "tone" at the top to "action" at the top

POLICIES AND PROCEDURES

COMMENTS FROM SYSTEMWIDE ASSESSMENT

Monthly update from System to consolidate all policy updates may be helpful
Campuses would benefit from more clarity on the role of shared governance in creating new policies
There are too many layers of policies within system; lack of clarity on the difference between Board of Regents and UWS policies

> Campuses find it difficult to locate relevant system policies, though they note that organization has greatly improved in the past year

> There may be some interest in greater standardization of certain policies among the comprehensives, but other areas may benefit from increased flexibility

Institutional Efforts to Highlight

- ❖ Oshkosh has established a process for approval and implementation of new policies
- ❖ Eau Claire is undertaking a project to assemble all policies on an organized web page that is easy to access and visible to third party vendors as well as the campus community
- ❖ Platteville has developed a policy database, and recently created a policy on the development, approval, and management of university policies
- ❖ Milwaukee is currently reviewing and reorganizing all university-wide policies, and will maintain a rolling five-year review of these policies
- ❖ Stevens Point and Madison are both building campus-wide policy libraries to make policies visible and promote uniformity

UWSA Efforts to Highlight

- ❖ The UWSA Administrative Policies Team recently created standard email templates in order to clearly demarcate policy drafts that are ready for input as opposed to policies that have been recently approved
- ❖ UWSA has moved to a single distribution date per month when administrative policies are sent to campuses for review, reducing the amount of correspondence and giving clear expectations to campuses on when to expect policies for comment
- ❖ UWSA has created an RSS feed for student, faculty, and staff to sign up to for Administrative Policy updates: https://www.wisconsin.edu/uw-policies/subscribing-to-the-rss-feed/
- ❖ As of July 15, 2019, the Administrative Policies team undertook an effort to integrate the 70 University Personnel Systems (UPS) policies into the SYS series, eliminating a layer of policies

Areas Identified for Improvement / Potential Action Steps:

- ⇒ The Office of Compliance and Integrity will become involved in the annual administrative policy prioritization process. *Background: The UW System Administrative policies are the operational policies approved by the UW System President. Each year, UWSA leadership formulates its administrative policy priorities for the next fiscal year and provides those priorities to campuses. Progress on policy development is updated quarterly. For the first time in FY20, campuses were asked for input. Moving forward, the Office of Compliance and Integrity can both provide input on the prioritization of policies and help identify constituencies who should be consulted for input.*
- ⇒ The Office of Compliance and Integrity will partner with the UWSA Administrative Policies Team to continue to raise knowledge and awareness of relevant policies and state statutes among relevant campus communities

COMMUNICATION, EDUCATION AND TRAINING

COMMENTS FROM SYSTEMWIDE ASSESSMENT

The current process required to track completion of mandatory trainings is labor intensive and burdensome
Some of the content of the required online trainings become outdated prior to being updated
Certain trainings that are required to be completed on an annual basis are lengthy and repetitive; a refresher course could be offered instead of the full training
Institutions find the in-person trainings offered by UW System legal to be greatly beneficial
A systemwide training and education program that uses technology to train and communicate would be very useful and could provide for greater consistency between campuses and save campus resources, but should allow institutions to utilize their own trainings when it would be more efficient
Institutions should continue to think about how to communicate with students about obligations that may affect them

Institutional Efforts to Highlight

❖ River Falls alerts the campus community of new regulations and policies through communication from leadership and daily e-newsletter to employees
❖ Parkside has developed a comprehensive new employee checklist that includes compliance requirements for onboarding; this is an example of a tool that could be leveraged to other campuses
❖ Platteville has developed specific checklists for employees in key compliance areas
❖ Stout maintains a compliance webpage and circulates an annual compliance memo to communicate reminders, guidance, and deadlines
❖ La Crosse is establishing a website for sharing documents and information on compliance requirements, projects, and training
❖ Whitewater provides ethics training to key stakeholders on campus and makes available on-demand training videos and resources

Areas Identified for Improvement / Potential Action Steps:

⇒ The Office of Compliance and Integrity could work to identify compliance areas that would benefit from more structured and frequent communication between System Administration and institutional compliance partners
⇒ The Office of Compliance and Integrity will partner with UW-Shared Services to improve delivery and tracking of training modules; develop processes for requesting and providing in person trainings to individual institutions from subject matter experts; ensure continuous review of training content for accuracy and relevancy; explore opportunities to make training more accessible on demand as opposed to static (e.g. embedded into forms, manuals,

dashboards); and provide clear direction regarding requirements of mandatory trainings (required audience, frequency, etc.)

⇒ The Office of Compliance and Integrity website will be populated with relevant information regarding compliance updates and matters of interest, including reminders of upcoming deadlines and training opportunities

⇒ The Office of Compliance and Integrity will develop SharePoint sites to serve as document sharing libraries to facilitate the sharing of information between System and campus compliance partners

⇒ The Office of Compliance and Integrity will explore opportunities for additional in person trainings to be provided as a resource to the campuses

⇒ Institutions could explore incorporating compliance metrics and deliverables into job descriptions and unit priorities

MONITORING AND AUDITING

COMMENTS FROM SYSTEMWIDE ASSESSMENT

Institutions are looking forward to having access to the System-developed compliance matrix to define compliance obligations and accountability on campus
Platteville, Madison, Whitewater, and Stevens Point have developed their own matrices to track and monitor compliance obligations on campus; other campuses, including Milwaukee and Stout, are currently in the process of developing their own compliance matrices
System compliance partners should think about how to use the results of monitoring reviews to continuously improve compliance structures
The presence of a robust internal audit program is vital to an overall effective compliance framework
Results of audit reports highlight areas that may benefit from collaboration with compliance officers on campus and at System
Campuses welcome the increased focus on compliance efforts as an opportunity to address challenges from a proactive standpoint
Institutions at times find it challenging to define accountability for implementation and compliance with new and existing laws, regulations and policies that affect multiple functional areas
Compliance reviews, like internal audits, will be more effective when conducted by someone with in depth and practical knowledge of how the functional area works

Institutional Efforts to Highlight

❖ Oshkosh conducts internal reviews using checklists and protocols in high risk areas to ensure policies are implemented and up to date

❖ Madison's Office of Compliance maintains a compliance matrix which identifies responsible parties for each compliance obligation on campus and, for those with specific completion dates, the office communicates with the responsible office to ensure timely completion and provides a summary of reporting activities to the Chancellor

- ❖ Platteville maintains a compliance calendar that allows the Director of Ethics and Compliance to confirm that required reports have been filed
- ❖ Whitewater utilizes an internal control self-assessment tool and has a plan in place for following up on audit findings to confirm remediation measures are in place and functioning appropriately

Areas Identified for Improvement / Potential Action Steps:
- ⇒ The Office of Compliance and Integrity will develop the systemwide compliance matrix to be made available to all campuses as a tool to track compliance obligations and identify accountability
- ⇒ Detailed compliance reviews will help fulfill the monitoring function for high risk areas by assessing our current performance against specific requirements of law or policy and recommending plans to close gaps in compliance
- ⇒ The Office of Compliance and Integrity will partner with institutions to develop plans to incorporate best practices and other measures designed to remediate deficiencies identified in internal and external audits

REPORTING AND INVESTIGATION

COMMENTS FROM SYSTEMWIDE ASSESSMENT

Institutions feel that they receive sound advice from UW System's Office of General Counsel on matters relating to investigations
Institutions feel that UW System would benefit from increased visibility on the Waste, Fraud, and Abuse hotline, as well as other avenues available to employees to report concerns
Institutions could use support in improving documentation needed in response to complaints
Some comments reflected a sense that institutions generally feel confident that employees are aware of the policy of non-retaliation for reporting and others expressed a concern that some employees may be unaware of or lack confidence in the policy of non-retaliation for reporting concerns

Institutional Efforts to Highlight:
- ❖ Parkside maintains its own hotline for reporting concerns in addition to the System hotline
- ❖ River Falls maintains a robust website with comprehensive information about how to report concerns or complaints
- ❖ Madison has data systems in place to track and organize misconduct reports
- ❖ Green Bay is working on a plan to ensure all employees are aware of their obligations to report misconduct and of the avenues by which to make the report
- ❖ Eau Claire reviews investigative reports after closure to evaluate how to prevent similar instances of misconduct in the future

Areas Identified for Improvement / Potential Action Steps:

⇒ The Office of Compliance and Integrity will collaborate with UW-Shared Services to explore options for tracking and collecting data on investigations and disciplinary matters, and will analyze the data to inform compliance program priorities and inform leadership of areas of concern

⇒ The Office of Compliance and Integrity will collaborate with UW-Shared Services and UW System Human Resources to ensure information on how to report concerns is widely disseminated to system employees, and with Academic and Student Affairs to ensure such information is widely disseminated to students

⇒ The Office of Compliance and Integrity will work with partners across system, including Internal Audit and University Relations, to be sure that the policy of non-retaliation for reporting is well known and widely publicized

⇒ The Office of Compliance and Integrity will provide guidance to investigators across System regarding new compliance requirements that may affect investigatory practices

⇒ UW-Shared Services will offer to partner with institutions to provide impartial investigative services for complaints received and will create templates and checklists that institutions may adopt for investigations conducted at the campus level and to assist with providing support for improving documentation

CULTURE OF ACCOUNTABILITY, ETHICS, AND INTEGRITY

COMMENTS FROM SYSTEMWIDE ASSESSMENT

Institutions share a general belief that UW System institutions embrace a culture of compliance, ethics, and integrity
Institutions recognize that employee onboarding procedures present unique opportunities to introduce new employees to an institution's culture of integrity and begin conversations that form the basis for an ongoing dialogue throughout the employee's tenure
The Outside Activities Report process is a widely known mechanism for reinforcing System's commitment to avoiding conflicts of interest
The current Code of Conduct is narrow in focus; could be broadened to focus more on behavior and culture

Institutional Efforts to Highlight
* Whitewater widely promotes the slogan "Warhawks do the right thing!" to promote a culture that embraces ethics and integrity
* Platteville holds four campus-wide forums per year with compliance and policy updates; Platteville's Office of Human Resources publishes a monthly newsletter with a summary of compliance related articles
* Milwaukee's Code of Conduct incorporates guiding values such as compliance and integrity; these values are discussed regularly with the campus community
* River Falls has integrity as one of their core values identified in their strategic plan

- ❖ Superior is working to support a culture that embraces tackling compliance issues from a proactive (as opposed to a reactive) standpoint, which is common to many institutions of higher education
- ❖ Parkside places a focus on the importance of recruitment in creating the right culture and emphasizes the value of hiring employees with demonstrated character and integrity

Areas Identified for Improvement / Potential Action Steps:

- ⇒ The Office of Compliance and Integrity will coordinate with UW System University Relations to elevate the presence and visibility of the Office of Compliance and Integrity and disseminate important compliance related information
- ⇒ The Office of Compliance and Integrity will work with partners to explore the idea of offering a systemwide ethics training module
- ⇒ The Office of Compliance and Integrity will collaborate with UW-Shared Services to explore the idea of a regular e-newsletter to distribute information about ongoing efforts and initiatives to assist campuses in managing compliance functions
- ⇒ The Office of Compliance and Integrity will partner with UW-Shared Services to make improvements to processes and clarify guidance related to ethics compliance, such as Outside Activities Reports, Conflicts of Interest reporting, and Statements of Economic Interests
- ⇒ The Office of Compliance and Integrity will engage with System and board leadership about how to move beyond "check the box" compliance and fully embrace a culture of ethics and integrity
- ⇒ The Office of Compliance and Integrity will collaborate with partners to explore the idea of rewriting the Code of Conduct to broaden its scope to encompass a focus on culture

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HOW THE DOJ WILL ASSESS YOUR
COMPLIANCE PROGRAM

The Department of Justice recently hired its own compliance counsel to provide an "expert eye" in evaluating compliance programs. On November 2, Assistant AG Leslie Caldwell outlined the metrics that this expert will use in making those judgment calls—and here's what they are.

CULTURE

IS THE TONE AT THE TOP

STRONG   VISIBLE   EXPLICIT

DOES THE COMPLIANCE TEAM HAVE

STATURE   FUNDING   RESOURCES

EDUCATION

ARE THE COMPANY'S TRAINING AND COMMUNICATIONS

DELIVERED FREQUENTLY   GIVEN TO THIRD PARTIES   PRACTICAL: TELL "WHAT TO DO"   PRACTICAL: TELL "WHO TO CALL"

GOVERNANCE

IN WRITING   ARE THE COMPANY'S POLICIES AND PROCEDURES   UNDERSTANDBLE

EASILY FINDABLE   TRANSLATED/ LOCALIZED   REVIEWED & UPDATED OFTEN

ACCOUNTABILITY

DOES THE COMPANY CONSISTENTLY AND FAIRLY   REWARD GOOD BEHAVIOR   PUNISH BAD BEHAVIOR   HOLD THIRD PARTIES ACCOUNTABLE