

UW System Board of Regents
Audit Committee
Via WebEx Videoconference
1860 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin
June 4, 2020

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 8:50 a.m. by Committee Chair Edmund Manydeeds.

A. Calling of the Roll

Roll call was taken. Regents Colón, Delgado, Manydeeds, and Walsh were present. Regent Bogust also was in attendance.

B. Declaration of Conflicts

Regent Manydeeds asked if anyone had a conflict of interest for the items on the agenda: none were stated.

C. Approval of the minutes of the February 6, 2020 meeting of the Audit Committee

Regent Walsh made a motion to approve the minutes of the February 6, 2020 Audit Committee meeting; seconded by Regent Bogust. The minutes were approved unanimously.

D. Internal Audit

1. Fiscal Year 2020 Audit Plan Progress Report

Lori Stortz, Chief Audit Executive, reviewed the progress to date on the fiscal year 2020 audit plan and explained some audits were tabled due to the COVID-19 pandemic. She confirmed that her office is making solid progress and expects to bring additional audit reports before the committee in August.

2. Summarized Results of Audits Recently Issued

Ms. Stortz then provided a high-level summary of the results of audits recently issued by the Office of Internal Audit. This included the *Human Resource System Segregation of Duties at UW-Madison*, *Purchasing Cards (Continuous Monitoring)*, *Payroll (Continuous Monitoring)*, *Offboarding of Employees for UWSA*, and *Student Information Systems and Databases Security* audits. Overall she was comfortable with managements' responses.

The *Human Resource System Segregation of Duties at UW-Madison* audit led the Office of Internal Audit to recommend that payroll and human resources functions be separated in order to

reduce risk. The office also suggested that supervisors make approvals on a timely basis or have consequences for those who continue to fail to do so.

In regard to the *Purchasing Cards (Continuous Monitoring)* audit, Ms. Stortz indicated they found no significant material concerns. Ms. Stortz stated due to UW staff working from home, her office was doing a more real-time look into purchasing card usage every two weeks.

Ms. Stortz indicated that the *Payroll (Continuous Monitoring)* audit revealed continued overload and lump sum payments are not being done in a timely manner. She stressed the lack of offboarding policies and automation as the crux of these issues.

Regent Manydeeds asked about the status of the framework, to which Ms. Stortz replied that she has been meeting with UW Shared Services to lay the groundwork, and will continue to be engaged with them.

For the *Offboarding of Employees for UWSA* audit, Ms. Stortz stated her office found a lack of policy in this area, and management agrees. Regent Manydeeds inquired if she encountered pushback from the campuses when discussing these issues, and Ms. Stortz answered only that really limited resources make it hard for the day-to-day work to get finished.

Lastly, the *Student Information Systems and Databases Security* audit revealed each institution has its own Student Information System and do not have documentation regarding patches. UW Shared Services is working on this and expects to take on the responsibility.

3. Report of Chief Audit Executive

Ms. Stortz then discussed projects that have resulted from the COVID-19 pandemic and planning for fiscal year 2021. She stated the need to pivot some of their work, and the higher risk to the UW System now more than ever – causing President Cross to ask for her to work with management to help mitigate risks. The regents requested and will receive details on the CARE’s Act policies and statistics regarding the disbursements to students on a timely basis. Due to the pandemic, the office did not get to meet with management to discuss the fiscal year 2021 audit plan, but Ms. Stortz expects to bring this to the committee in August.

4. Independence Statement

And lastly, Ms. Stortz shared the Office of Internal Audit’s independence statement with the committee.

E. Pandemic Disruption & Cyber Security

Associate Vice President, Katherine Mayer provided an update on Pandemic Disruption & Cyber Security. Ms. Mayer stated the pandemic disruption resulted in challenges to her office, yet they are making progress, despite new challenges being presented. The need to move classes online and have staff dispersed remotely meant the UW had to change its business model of a physical campus presence very quickly, and changes have been made fast and furious. An increase of

phishing attacks by cyber criminals was reported by Ms. Mayer, who indicated that the education about phishing is working, due to the outreach that has taken place across UW System. She credits this for the increase in user awareness and reporting of phishing attempts. While challenges continue, Ms. Mayer stated there are good folks working on the problems, although she is concerned about sustainability, which is why standardization and efficiency is important.

Regent Manydeeds pointed out to the new members, Regents Colón and Bogust, that this shows how knowledgeable and professional our team is; complementing them as being good at what they do.

F. Compliance

1. Overview of UW System Response to the New Title IX Regulations from Department of Education

Title IX and Clery Administrator, Sarah Harebo presented the committee with an overview of UW System Response to the New Title IX Regulations from Department of Education. Ms. Harebo stated the goal is making changes collaboratively for all UW institutions. The regents discussed how these new regulations will impact UW System and requested data regarding Title IX claims and outcomes for them to evaluate the impact of the new regulations.

2. Development of Tools to Support Campus Compliance Efforts During COVID-19

Katie Ignatowski, Director of Compliance and Integrity gave a summary of the tools being developed to support campus compliance efforts during the COVID-19 crisis. She outlined the steps her office has taken since COVID-19 escalated in March, including the development of a robust tracking system. Through working with chancellors and the president's office, seeking compliance waivers to respond quickly to the situation as it was unfolding, Ms. Ignatowski stated this allowed them to stay a couple steps ahead. The pandemic has given a new meaning to "risk-based" compliance and Ms. Ignatowski said they are working to close the gaps in a strategic manner.

Regent Manydeeds asked if there would be any in-person camps held this summer with minors. Ms. Ignatowski responded that she would find out and get back to the committee with the answer.

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

The meeting was adjourned at 9:50 a.m.

Respectfully submitted,

Erika Laabs
Recording Secretary