

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Audit Committee

Thursday, February 6, 2020
10:45 a.m. – 12:15 p.m.

Union South, Varsity Hall II
1308 W. Dayton Street
Madison, Wisconsin

- A. Approval of the Minutes of the December 5, 2019 Meeting of the Audit Committee
- B. Internal Audit
 - 1. Fiscal Year 2020 Audit Plan Progress Report
 - 2. Summarized Results of Audits Recently Issued
- C. Internal Controls and Enterprise Risk Management
 - 1. Emergency Management Planning Update
 - 2. Management's Progress in Response to Plante Moran's Finding Regarding Vendor Management
- D. Compliance
 - 1. Public Records Compliance Update
 - 2. UW System Compliance Matrix Tool Update and Demonstration
 - 3. Management's Progress on Improving the Management and Consistency of Title IX Cases

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)

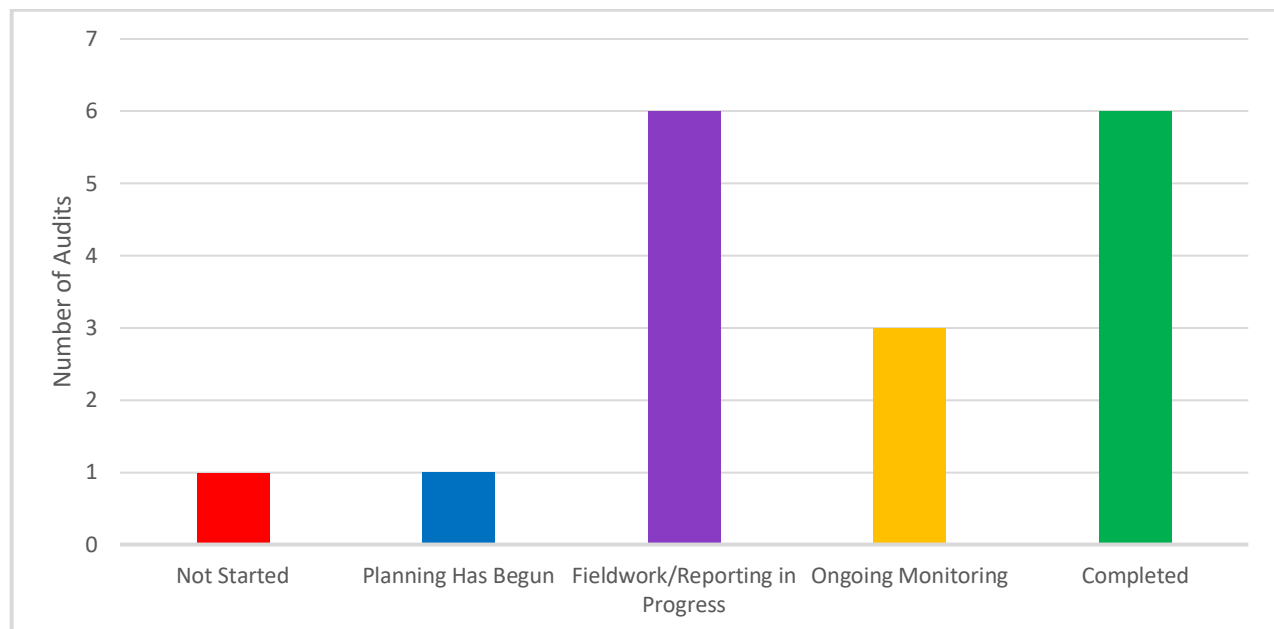
- Lori Stortz, Chief Audit Executive

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



SUMMARIZED RESULTS OF AUDITS RECENTLY ISSUED

REQUESTED ACTION

For information and discussion only.

SUMMARY

Since the December 5, 2019 meeting of the Audit Committee, the Office of Internal Audit has issued the following reports:

- Business Operations in Auxiliaries (Housing) – UW System Administration
- IT Procurement – UW System Administration
- DoIT Enterprise Business Services (EBS) – Executive Summary
- NCAA Agreed-Upon Procedures – Executive Summary

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.

EMERGENCY MANAGEMENT PLANNING UPDATE

REQUESTED ACTION

For information and discussion only.

SUMMARY

UW-Madison's Police Department and UW System Administration's Administrative Services will provide an annual update on Emergency Management Planning and activities in the UW System during 2019.

Presenter(s)

- Ruth Anderson, Associate Vice President for Administrative Services, UW System
- Kristen Roman, Chief, UW-Madison Police Department

BACKGROUND

UW System Institutions have both Emergency Operation Plans (EOP) and Continuity of Operation plans (COOP) in place for their campuses. These are plans designed to help a UW Institution respond to an emergency event. UW Institutions commonly work with their local city and county governments to coordinate planning for a response to an emergency event.

UW-Madison's Emergency Management Unit assists the UW Institutions in developing and testing their EOP and COOP plans. Additionally, UW-Madison's Emergency Management Unit provides support to UW Institutions during an emergency event as requested.

UW System EOPs are "all-hazard plans" meaning they are designed to respond to a variety of events such as natural disasters, fires, public health events or even a Polar Vortex. The underlying structures of the plans can be applied to any type of disaster, incident, or pre-planned event.

ATTACHMENT

A) UW System Emergency Management Report 2019

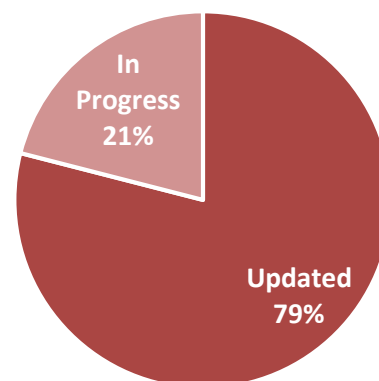


DATE: January 8, 2020
TO: Ruth Anderson, Associate Vice President Administrative Services, UW System
FROM: Bill Curtis, Director of Emergency Management, UWPD
CC: Chief Kristen Roman, UWPD
 Assistant Chief Kari Sasso, UWPD
 Capt. Karen Soley, UWPD
SUBJECT: UW System Emergency Management Report, 2019

This is the UW System continuity of operations planning (COOP) and emergency management report for 2019. This report covers both COOP efforts and compliance with the UW System Emergency Management Standard.

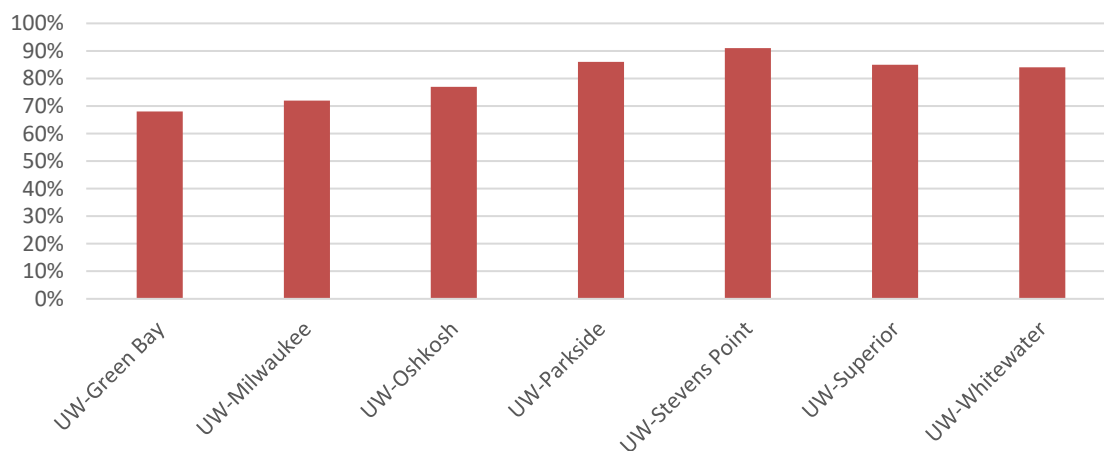


UW System COOP Update Status*



**Each COOP plan has its own renewal date. As such, plans are coming up for renewal throughout the year. 100% update status is challenging to obtain given the update strategy.*

UW System Emergency Management Standard Status**



***UW-Platteville, UW-Eau Claire, UW-La Crosse, UW-Madison, UW-River Falls, and UW-Stout have not completed the initial standard review. Planned completion is scheduled by end of 2021.*

INSTITUTIONAL OVERVIEW

	Updated COOP	Updated EOP	Exercise or Drill <small>COOP and/or EOP</small>	Real World COOP	WebEOC User*
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					
UW-Madison					
UW System Administration					

Key	
	Completed and/or up-to-date
	In progress or being updated
	Not completed or outdated
	Postponed or not required
	Not required, but noted

**The institutions that are WebEOC users are located in counties or cities where the county or city governments actively use WebEOC.*

Highlighted Activities:

The Emergency Management Unit's primary focus for 2019 was implementation of the UW System Emergency Management Standard, continued efforts with continuity of operations planning, and delivery of well-rounded emergency management conference. A diverse set of services were provided to the UW System, ensuring that the basic functions of emergency management were met while also developing innovative efforts and products.

Work continues with the rollout of the UW System Emergency Management Standard. Baseline compliance data now exists for a majority of the institutions. This baseline data shows strong emergency management programs across the institutions with room for improvement. Confidence is high that all institutions will obtain near full compliance with the standard by the end of 2020.

Other highlighted efforts provided by the UWPD Emergency Management Unit.

- **Active Threat Online Training:** Building off of the success of in-person active threat (shooter) training, the EM Unit developed a parallel online training using the Canvas system. The online content compliments the in-person training; however, the online course can be taken independently. The training is available to any UW-Madison community member. The training materials are available for any UW System institution to implement on their campus. To date, UW-Stevens Point and the University of Texas Arlington have requested and received the online active threat training from UW-Madison.
- **Rave RFP:** UW-Madison, along with many UW System institutions, use Rave Mobile Safety as their primary emergency notification tool. After nearly 10 years of using Rave, UW-Madison decided to issue an RFP for a new emergency notification system. The RFP resulted in Rave being selected again. The contract is pending and will soon be available for any other UW System institution to use.
- **SmartSheet:** The EM Unit has faced a data management problem for many years. Too much data was kept in spreadsheets, documents, and in various online systems. To correct this problem, the EM Unit implemented an online data management system called Smartsheet. The system is now fully deployed across the UW System for managing emergency management and response plans. It has proven successful by facilitating the transmission of plan status, collaboration via templates, and other uses for data management.
- **Annual Conference:** Over 170 individuals from across Wisconsin, Minnesota, and Illinois attended the 2019 Wisconsin Collegiate Conference on Emergency Management. This year's focus was on victim response. Presenters included members of the Sikh Temple impacted by a shooting, the Middleton Police Chief and CEO of WTS Paradigm, and representatives from The Ohio State University and the University of Virginia. The conference was well received with many attendees complimenting on the lineup of speakers and conference focus. The 2020 conference is tentatively scheduled for July 22 and 23.
- **New ESC:** The EM Unit has gone through a slight organizational realignment to better serve UW-Madison and the entire UW System. This realignment resulted in the hire of a new Emergency Services Coordinator, Josh Larson. Josh's primary responsibility includes developing finished exercises and trainings for UW System institutions and supporting building safety planning at UW-Madison.

Institution	COOP Plans	EOP	Exercise or Drill	Real Event	Assignment
UW-Eau Claire	12-23-19	01-03-19	12-10-19	01-29-19 Polar vortex/campus closure	ESC Lawson
UW-Green Bay	07-10-19	04-12-19	01-28-19: Real world	01-29-19 Polar vortex/campus closure	ESC LaWall
UW-La Crosse	11-27-19	01-03-19	08-22-19: Functional, active threat	01-29-19 Polar vortex/campus closure	ESC Lawson
UW-Milwaukee	12/20/19	01-03-19	01-28-19: Real world	01-29-19 Polar vortex/campus closure	ESC LaWall
UW-Oshkosh	12-30-19	11-12-19	01-28-19: Real world	01-29-19 Polar vortex/campus closure	ESC LaWall
UW-Parkside	05-29-19	11-12-19		01-29-19 Polar vortex/campus closure	ESC Lackey
UW-Platteville	10-03-19	06-24-19	10-04-19 Active killer Plane crash Explosion and fire	01-29-19 Polar vortex/campus closure 06-21-19 Power outage	ESC Lackey
UW-River Falls	11-08-19	01-03-19		01-29-19 Polar vortex/campus closure	ESC Lawson
UW-Stevens Point	11-18-19	10-24-19	06-27-19: Active killer	07-21-22-19 Power Outage 12/17/19 Possible person with a gun at Marshfield campus	ESC Lackey
UW-Stout	08-01-19	12-06-19	08-26-19: Pandemic with County Public Health	01-29-19 Polar vortex/campus closure	ESC Lawson
UW-Superior	08-20-19	12-02-19	06-13-19: Power outage	01-29-19 Polar vortex/campus closure 12-01-19 Blizzard	ESC LaWall
UW-Whitewater	01-06-20	01-03-19	07-10-19: Winter storm	01-29-19 Polar vortex/campus closure	ESC Lackey
UW-Madison	12-27-19	11-15-19	01-09-19: Executive Group 06-04-19: Tornado 07-11-19: Active killer 08-01-19: Executive Group 08-07-19: Building fire	Jan./Fed. 2019: Polar vortex and building floods 07-19-19: Substation explosions and city power outage	Director Curtis
UW System	10-15-19	01-03-19	02-20-19: Risk assessment	01-29-19 Polar vortex/campus closure	ESC Lawson

Key			
	Completed and/or up-to-date		Postponed or not required
	In progress or being updated		Not required, but noted
	Not completed or outdated		

MANAGEMENT'S PROGRESS IN RESPONSE TO PLANTE MORAN'S FINDING REGARDING VENDOR MANAGEMENT

REQUESTED ACTION

For information and discussion only.

SUMMARY

The University of Wisconsin System's FY19 audit by Plante Moran included an Internal Control finding, advising the UW System to develop a Vendor Management Policy. This presentation is an update on plans to develop a Vendor Management policy and program to address the finding.

Presenter(s)

- Ruth Anderson, Associate Vice President for Administrative Services, UW System
- Kathy Mayer, Associate Vice President, Information Security, UW System

BACKGROUND

In the FY 18 UW System Financial Audit, Plante Moran recommended UW-Madison implement a Vendor Management Program. During FY 19, UW Madison's Division of Information Technology purchased a Risk Management System to assist in their Risk Assessment process of third-party vendors and developed a review process for major Enterprise IT vendors.

In the FY 19 UW System Financial Audit, Plante Moran identified a new finding noting UW System needed a Vendor Management policy. Specifically noted was the need to review vendors' security profiles to prevent the inappropriate or inadvertent access to sensitive data in UW System's IT systems.

A Vendor Management policy and program cuts across multiple functional areas including Information Security, Procurement and Finance. A Vendor Management policy will define when a Risk Assessment of the Vendor's Information Security program should be

conducted and to which category of vendors it applies, such as vendors managing sensitive data on behalf of the university.

Plante Moran noted that UW System had IT Security policies and procedures in place and that a draft Vendor Risk Assessment policy was under development. The Vendor Risk Assessment policy would be component of a Vendor Management program. Plante Moran noted a UW System Vendor Management policy should establish standards and procedures to assess third party vendors who handle UW System's sensitive data. Plante Moran indicated the policy should include how vendors are ranked according to their risk to the UW System.

UW System's Vendor Environment

UW System institutions operate in a shared vendor environment with the State of Wisconsin. UW System Administration and UW-Madison are delegated purchasing authority by the State of Wisconsin and as part of that delegation are required to utilize certain vendors managed by the State. A private company typically controls all their vendors and vendor contracts, but because of the relationship with the State, a number of UW System's vendors are managed by the State. UW System will work with the State of Wisconsin on an approach to managing risks related to State Vendors.

Current Vendor Risk Management Process

Currently the UW System and the State of Wisconsin manage vendor risk through a number of elements in the procurement process. These elements are most common in contracts valued over \$50,000 and include:

- Assessing financial stability of a vendor
- Qualifications of vendor staff (for service contracts)
- Expertise of the vendor in providing the item or service
- Reference checks
- Insurance requirements
- Written contracts with performance deliverables and terms and conditions

For large enterprise IT contracts, UW System and UW-Madison have begun evaluating certain vendor Information Security reports to validate that the vendor has an appropriate Information Security program in place. Like other organizations, this vendor risk assessment process is new and will require resources to scale across to vendors who manage high risk or sensitive data.

Finally, the UW System's Cyber Insurance Policy provides coverage for business interruption due to third party vendor's inability to provide goods or services due to a cyber event.

Steps to create a Vendor Management Policy and Program

During the next four months UW System will develop a Vendor Management policy that applies to UW System vendors and begin development of a Vendor Management program. It is anticipated, implementation of the Vendor Management program will be a multi-year effort given the quantity of vendors in the UW System and the resources needed to implement such a program. It will be developed by a team from Procurement, Information Security, Finance, Legal and Compliance.

PUBLIC RECORDS COMPLIANCE UPDATE

REQUESTED ACTION

No action requested. Item for information and discussion only.

SUMMARY

Public records compliance is an increasing risk to the UW System- both legally and reputationally. In April 2018, UW System Administration hired its first ever dedicated public records compliance officer. This position was created in response to an identified need for consistency and support in the handling and managing of public records across the UW System, which, prior to the hire of this position, had been handled in the Office of Communications and the Office of General Counsel. In February 2019 the position was moved into the newly created Office of Compliance and Integrity to manage both day to day duties as Records Officer and Records Custodian for the UW System Administration, and to focus on building a system wide compliance framework in the following areas:

System Wide Public Records Compliance

- Development of a new website with compliance resources for UW System employees and members of the public
- Creation of a tracking system for public records requests to manage and monitor responses
- Development of trackable training modules regarding public records and records management
- Establishment of community of practice for UW System Records Custodians
- Collaboration with the UW System Records Officer Council

UWSA Public Records Compliance

- Direct support and guidance provided to Vice Presidents, Assistant Vice Presidents, and staff through a series of in person meetings and provision of resources

Presenter(s)

- Katie Patten, UW System Records Officer and Public Records Custodian
- Katie Ignatowski, UW System Director of Compliance and Integrity

UW SYSTEM COMPLIANCE MATRIX TOOL UPDATE AND DEMONSTRATION

REQUESTED ACTION

No action requested. For information only.

SUMMARY

In 2019 the newly formed UW System Office of Compliance and Integrity began a project to build a compliance matrix database to manage compliance obligations across UW System. This database contains over 400 compliance obligations from federal law, state law, and Board of Regent policy and identifies responsible parties at each UW institution, excluding UW-Madison, which houses the same information in a standalone database. This database was modeled after the UW-Madison database and is in the final stages of development. UW-Oshkosh has completed the process of identifying responsible parties for each of the compliance obligations in the matrix and will provide the data for today's demonstration.

Presenter

- Katie Ignatowski, Director of Compliance

BACKGROUND

Previous Action or Discussion

The plan for this matrix database was presented to the Audit Committee in October 2019 as part of the UW System Annual Compliance Plan, Phase 2.

**MANAGEMENT'S PROGRESS ON IMPROVING THE MANAGEMENT
AND CONSISTENCY OF TITLE IX CASES**

REQUESTED ACTION

No action requested. Item for information and discussion only.

SUMMARY

A brief update on timeline of Title IX case management resource and guideline development. An introduction to initial observations on identified case management issues and potential solution options.

Presenter(s)

- Sarah Harebo, UW System Title IX and Clery Administrator
- Katie Ignatowski, UW System Director of Compliance and Integrity

BACKGROUND

Follow-up to the internal audit presented in December of 2019.