

**UW System Board of Regents
Audit Committee
Via WebEx Videoconference
1511 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin
August 20, 2020**

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 10:45 a.m. by Committee Chair Karen Walsh.

A. Calling of the Roll

Roll call was taken. Regents Bogost, Colón, Delgado, Walsh, and Woodmansee were present.

B. Declaration of Conflicts

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

C. Approval of the minutes of the June 4, 2020 meeting of the Audit Committee

Regent Delgado made a motion to approve the minutes of the June 4, 2020 Audit Committee meeting; seconded by Regent Colón. The minutes were approved unanimously.

D. Internal Audit

1. Fiscal Year 2021 Audit Plan Progress Report

Lori Stortz, Chief Audit Executive, reviewed the progress to date on the fiscal year 2021 audit plan. She stated that her office is making great progress and all of the work is at least in the planning stage. She expects to bring additional audit reports before the committee in October.

The Regents asked Ms. Stortz about the impact of the COVID-19 pandemic on the audits, and she replied that her office is trying to be very responsive to the needs of the audit clients. Regents Delgado and Walsh inquired specifically about the use of p-cards during the pandemic. Ms. Stortz indicated her office is looking closely at p-card purchases, she will take the issue of unusual expenses under advisement, and report back to the committee in October.

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 *Emergency Grant Aid Payments to Students Under the CARES Act*, *External Assessment Executive Summary*, *Report on Self-Assessment with Independent Validation*, *Quality Assurance and Improvement Program (QAIP)*, and *Office of Internal Audit Annual Report – Fiscal Year 2020*. Overall, she was comfortable with managements' responses.

The *Emergency Grant Aid Payments to Students Under the CARES Act* audit showed that each institution has a separate agreement with the Department of Education and have acceptable processes in place. Ms. Stortz stated the money was distributed promptly and eligibility requirements were followed and carried out in the spirit of what was intended. Regent Walsh inquired if there is a deadline when funds must be distributed and Ms. Stortz said she would check with her team and report back with the answer. Immediately following the meeting Ms. Stortz confirmed the answer and shared that the deadline is one year from the date the agreement was signed.

Ms. Stortz indicated that the *External Assessment Executive Summary, Report on Self-Assessment with Independent Validation, Quality Assurance and Improvement Program (QAIP)* resulted in her office being found as “Generally Conforming” which is the highest level possible. The external and internal assessment process was a great experience for Ms. Stortz and her team. The external assessors had suggestions that have been taken to heart. In October, she will bring their responses to the committee and will begin using the additional phrase, “Our audit (or engagement) was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*” on their audit reports.

Regent Delgado congratulated Ms. Stortz and her team on this achievement. Regent Walsh asked if Ms. Stortz will be participating as an external assessor for another school, to which she replied that yes, she has been asked to join the assessment team for the University of Texas in September. Regent Bogost asked how often the assessment must take place, and Ms. Stortz answered that they are required every five years.

Lastly, the *Office of Internal Audit Annual Report – Fiscal Year 2020* was the result of previous discussions Ms. Stortz had with President Cross. The report gives background information on the auditors and department, the utilization rate, and client survey results. The office intends to update and issue this report annually, which Regent Walsh stated was very helpful and appreciated.

Regent Walsh suggested that the training budget should be used to cover expertise training for the Internal Audit team and would like to meet them in the future. Regent Delgado stated the committee gets a lot of comfort from the work of the Internal Audit team. Ms. Stortz replied that she and her team strive for professional collaborative relationships, and always welcome input.

Regent Walsh closed the meeting by thanking Ms. Stortz for their ongoing work.

The meeting was adjourned at 11:35 a.m.

Respectfully submitted,

Erika Laabs
Recording Secretary