BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Audit Committee   Via WebEx Videoconference

Thursday, December 10, 2020
10:45 a.m. – 12:00 p.m.

A. Calling of the Roll

B. Declaration of Conflicts

C. Approval of the Minutes of the October 8, 2020 Meeting of the Audit Committee

D. Internal Audit
   1. Fiscal Year 2021 Audit Plan Progress Report
   2. Approval of Changes to the Office of Internal Audit Fiscal Year 2021 Audit Plan
   3. Summarized Results of Audits Recently Issued

E. Compliance
   1. Youth Protection and Compliance Update

FISCAL YEAR 2021 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 2021 Audit Plan.

Presenter(s)

- Lori Stortz, Chief Audit Executive

ATTACHMENTS

A) UW System Administration Office of Internal Audit Fiscal Year 2021 Audit Plan Progress Chart.

UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
FISCAL YEAR 2021
AUDIT PLAN PROGRESS

	Title	Risks
1	Payroll (Continuous Monitoring)	Fraud
2	Purchasing Cards (Continuous Monitoring)	Fraud, Embezzlement
3	Post-Tenure Review	Compliance with Board Policy
4	Oversight of Programs with Minors	Physical Safety and Security
5	Other Affiliated Organizations	Fraud, Embezzlement, Reputation
6	Laboratory Safety	Physical Security and Safety, Legal Compliance
7	Emergency Grant Aid Payments to Students Under the CARES Act	Regulatory Compliance, Reputation
8	Information Technology Disaster Recovery	Continuity of Operations, Data Protection
9	Incident Response	Data Availability, Breach of Information, Reputation
10	Security Awareness	Data Security, Reputation
11	Foreign Influence	Regulatory Compliance, Reputation
12	Contracts with Private Entities	Conflict of Interest, Reputation
13	NCAA Division III Athletics Financial Transactions	Fraud, Conflicts of Interest, Reputation
14	Independent Contractors	Fraud, Regulatory Compliance, Conflict of Interest
15	Change Requests of Bank and Contact Information	Fraud
16	Non-Competitive Bids	Fraud, Regulatory Compliance, Conflicts of Interest
17	NCAA Athletics Division I Consulting Engagements	Data Accuracy
18	Internal Assessment	Conformance with Standards, Code of Ethics
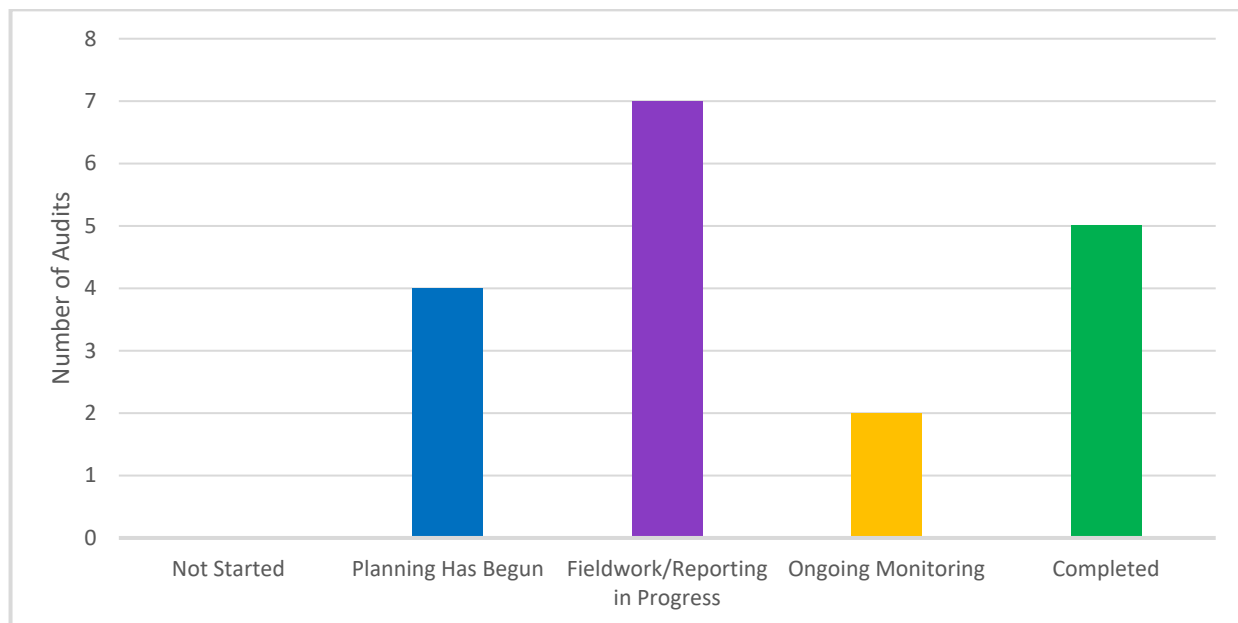
APPROVAL OF CHANGES TO THE OFFICE OF INTERNAL AUDIT FISCAL YEAR 2021 AUDIT PLAN

REQUESTED ACTION

Adoption of Resolution D.2., approval of the revised Fiscal Year 2021 Audit Plan (Audit Plan).

Resolution D.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 revised Audit Plan.

SUMMARY

In June 2020, the Audit Committee of the Board of Regents approved the Audit Plan. The Chief Audit Executive has reviewed the Audit Plan which includes payroll continuous auditing. Due to the timing of work and the new Single Payroll Project (SPP), the Office of Internal Audit (the Office) is proposing to defer the payroll continuous audit until the summer of 2021 based on the following:

- The Office would normally complete our next cycle of payroll testing in January and February 2021. This is the same time that UW Shared Services will be planning the transition to the SPP.
- The staff the Office relies on to support this audit are the same as those integral to the SPP.
- The Office will use our staff time to consult on internal controls over the new SPP and provide recommendations to the UW Shared Services staff.
- The period of July 18, 2021 to December 31, 2021 will be the first time the SPP will be in place.
- Finally, the Office will need time to develop new queries using our IDEA software to select the data as pay codes change or other processes are earmarked for testing.

The Office also recommends that we defer the Information Technology System Awareness audit until the spring of 2022 based on the following:

- UW System and UW-Madison IT Security leadership are in the process of procuring and implementing new training. The content and delivery method will change.
- Due to an interim policy which allowed employees an additional three months to complete their training as well as furloughs and other staffing issues due to the pandemic, many employees did not complete the training in 2020. UW-Madison did not make this training available to their employees in 2020.
- For those employees who did complete the training, the interface between the training system and Human Resource System (HRS) was not functioning properly so it is not possible to determine who took the training without significant management effort. Given that the training will change in 2021, there is minimal value for this work.
- Due to the above facts, it is not expected the System President will require every employee to complete the training in 2020 prior to receiving any pay plan increase.

UW System and UW-Madison have committed to having robust training in place early in 2021 and will require all employees complete the training prior to receiving any pay plan increase in 2022. They will also ensure they can readily determine which employees completed the training. The Office will audit that the employees completed the training and if they did not, that they did not receive a pay plan increase in 2022.

Presenter(s)

- Lori Stortz, Chief Audit Executive

ATTACHMENTS

A) Audit Plan

Office of Internal Audit Fiscal Year 2021 Audit Plan

Continuous Auditing	Risks	Objectives/Procedures
Payroll	• Fraud	• Systematic identification of payroll conditions or trends that warrant further review or investigation. Examples may be overload payments, termination payments, rehired annuitants, supplemental pay, lump sum payments, and changes in the payroll function resulting from the COVID-19 pandemic. • Providing results of testing to institution/UW System management to improve compliance and support potential enhancement of policy.
Purchasing Cards	• Fraud • Embezzlement	• Risk-based identification of purchasing card expenditures that may not be allowable, using automated techniques. • Determination and evaluation of whether systematically-identified expenses are allowable. • Providing results of testing to institution/UW System management to improve compliance and support potential enhancement of policy.
Fiscal Year 2020 Audits in Process	**Risks**	**Objectives/Procedures**
Post-Tenure Review	• Compliance with Board Policy	• Test compliance with each institution's practices per their policies and procedures related to post-tenure review, with an emphasis on timeliness.
Oversight of Programs with Minors	• Physical Safety and Security	• Review and evaluate whether the institutions have a policy as required by Regent Policy 20-19. •Test compliance with each institutions' policy and practices as they relate to oversight.

Other Affiliated Organizations	• Fraud • Embezzlement • Reputation	• Test compliance with UWSA Policy 362.
Laboratory Safety	• Physical Security and Safety • Legal Compliance	• Evaluate the design and effectiveness of laboratory safety programs at each of the institutions. • Review and evaluate the design and effectiveness of the incident response process.
Fiscal Year 2021 New Audits	**Risks**	**Objectives/Procedures**
Emergency Grant Aid Payments to Students Under the CARES Act	• Compliance with Department of Education's Funding Certification and Agreements	• Test compliance with each institution's agreement.
Information Technology Disaster Recovery	• Continuity of Operations • Data Protection	• Evaluate each institution's plan for restoring information technology operations in the event of a disaster.
Incident Response	• Data Availability • Breach of information • Reputation	• Test compliance with UWSA Policy 1033.
Security Awareness	• Data Security • Reputation	• Test compliance with UWSA Policy 1032.
Foreign Influence	• Regulatory Compliance • Reputation	• Test compliance with Section 117 of the Higher Education Act.
Contracts with Private Entities	• Conflicts of Interest • Reputation	• Test compliance with Board of Regents Policy 13-1. • Evaluate System and institutional processes for identification, negotiation and evaluation of contracts covered by the policy.
NCAA Division III Athletics Financial Transactions	• Fraud • Conflicts of Interest • Reputation	• Test and evaluate financial transactions for each of the comprehensive institutions.
Independent Contractors	• Fraud • Regulatory Compliance • Conflicts of Interest	• Test and evaluate independent contractor payments for compliance with UWSA Policy 235.
Change Requests of Bank and Contact Information	• Fraud	• Test and evaluate compliance with UWSA Policy 363.
Non-Competitive Bids	• Fraud • Regulatory Compliance • Conflicts of Interest	• Test and evaluate compliance with UWSA Policy 540 and Wisconsin State Procurement Policy PRO-501.

NCAA Athletics Division I Consulting Engagements	• Data Accuracy	• Agreed upon procedures engagements over financial matters (Green Bayand Milwaukee).
Internal Assessment	• Conformance with Standards and Code of Ethics	• Perform and summarize a self-assessment of the internal audit activity.

Advisory Services		
	UW-Shared Services business process design	
	Enterprise risk management implementation	

Audits / Projects as Requested by Management		
	Fifteen percent of audit time is available for audits and special projects as requested by System or institutional leaders.	
	Past projects have included assistance with fraud investigations, program assessments, compliance with policy assessments and special audits.	

SUMMARIZED RESULTS OF AUDITS RECENTLY ISSUED

REQUESTED ACTION

For information and discussion only.

SUMMARY

Since the October 8, 2020 meeting of the Audit Committee, the Office of Internal Audit has issued the following reports:
- Post-Tenure Review Audit
- Oversight of Programs with Minors Audit
- Other Affiliated Organizations Audit
- P-Card Continuous Audit Results Summary
- Emergency Grant Aid Payments to Students Under the CARES Act Update

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.

YOUTH PROTECTION AND COMPLIANCE UPDATE

REQUESTED ACTION

Item for information and discussion only.

SUMMARY

In the past three months, UW-System youth protection and compliance initiatives have been progressing quite rapidly. Currently we are building a systemwide "Framework of Compliance" that creates standard operating procedures for both tracking and training all persons serving minors under the auspice of UW-System. This framework will establish the criteria and resources for historical documentation of all activities and/ or encounters involving minors on campuses which includes documenting all participants, persons serving minors, events locations, dates of events, and the purpose of the interactions.

In the spirit of collegiality, we are working with each campus through precollege liaisons, workgroups, professional development programming for program directors, and policy review groups to create business processes that are functional for all campuses.

Ninety-five percent of abuse is preventable through education, so the goal of this office is to assure that all persons serving minors under the auspice of UW-System have the same education needed to create quality assurance around keeping all minors safe.

Presenter(s)

- Prenicia Clifton, Director of Youth Protection and Compliance
- Katie Ignatowski, Chief Compliance Officer

BACKGROUND

On September 1, Prenicia Clifton joined the Office of Compliance and Integrity as the Director of Youth Protection and Compliance. She is charged with working with UW System Precollege Liaisons, program directors, and youth program coordinators to support the implementation of training, safe oversight of minors, policies, and standards for youth

protection and compliance. Prenicia previously served as UW-Madison's Director of the Office of Youth Protection and Compliance.

Previous Action or Discussion

Prenicia Clifton was introduced at the October 5, 2020 meeting of the Audit Committee at which time she provided a high level overview of the work she would be collaborating on with UW System institutions to support the protection of minors on campus.

Related Policies
UW System Administration Internal Policy HR-8, Policy for Children in the Workplace
UW System Administration Internal Policy HR-7, Mandatory Reporting of Child Abuse and Neglect Policy (Executive Order 54)
Regent Policy Document 20-19 (formerly 06-4), University of Wisconsin System Criminal Background Check Policy
Minor Protection and Adult Leadership Policy

ATTACHMENTS

   A) Youth Protection and Compliance Update and Audit Response
   B) Framework of Compliance

Youth Protection and Compliance Audit Response

UW System Administration – Office of Compliance and Integrity

Prenicia Clifton

UW-System Director of Youth Protection and Compliance

December 10, 2020

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A Brief Background

Criminal Background Check (CBC) Accuracy					
	No CBC on Record	No CBC in Past 4 Years	CBC After Start of Program	Total CBC Errors	Total sample size (Number CBCs tested)	CBC Errors as a % of Total Population Tested
Eau Claire	6	3	2	11	46	24%
Green Bay	2	0	3	5	45	11%
La Crosse	9	1	1	11	44	25%
Madison	0	0	0	0	36	0%
Extension	47	0	0	47	62	76%
Milwaukee	0	0	2	2	60	3%
Oshkosh	1	0	5	6	50	12%
Parkside	12	12	4	28	51	55%
Platteville	13	1	1	15	42	36%
River Falls	2	2	0	4	43	9%
Stevens Point	13	1	0	14	44	32%
Stout	2	5	1	8	43	19%
Superior	0	8	0	8	26	31%
Whitewater	1	0	0	1	40	3%
Total	108	33	19	160	632	

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Audit Remediation Plan

- **Recommendation:** We recommend that one systemwide policy be adopted to address the issues noted above. The policy should capture all persons with access to vulnerable populations and inform them of all the requirements to work with vulnerable populations.

- **Response:** Updated policy currently being populated for review and is scheduled to be presented to the Board in Spring 2021

- **Recommendation:** We recommend that UW System Administration develop and maintain a universal database of all activities with vulnerable populations/minors that occur on each of the UW Universities and campuses. The database should include a listing of all individuals with access to vulnerable populations (minors) that are involved with each of the activities in the listing.

- **Response:** Database to be piloted in January of 2021

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Audit Remediation Plan

Recommendation: We recommend that UW System provide UW institutions with guidance and updated template language related to access to vulnerable populations to be included in vendor contracts and facilities use agreements to ensure consistency and compliance with RPD 20-19.

Response: Professional Development for institutions around the Architecture of Compliance will begin in January and will be ongoing. We are currently developing a webpage dedicated solely to youth programming and compliance at the System level which will contain templates, manuals, and policy support for institutions.

Recommendation: We recommend that each institution document a process for self-reporting to ensure individuals in a POT are aware of the self-disclosure process and who from human resources (HR) to contact at their institution when reporting instances of self-reporting to ensure they are handled consistently by University staff.

Response: Director of Youth Protection and Compliance will work with each campus HR groups to created stronger business processes around vetting all persons that interact with minors.

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Architecture of Compliance

- Who is here?

- Who is responsible?

- When?

- Where?

- Why?

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How the Architecture of Compliance Can Support the Safety of Minors on Campus

Who Is Here?

In order to protect minors, we must first understand all the ways in which we serve minors.

- Conferences

- Residential and Commuter Camps

- Affiliated Programs

- Field Trips

- Third Party Programs

- Individual Interactions (Internships, Shadow Experiences, Virtual Interactions, etc.)

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How the Architecture of Compliance Can Support the Safety of Minors on Campus

Who is Responsible?

In recognizing all the ways we serve minors we must also document and vet those that fall out of the traditional program staff roles.

- Faculty

- Staff

- Volunteers

- Interns

- Independent Contractors

- Vendors

- Student Volunteers and Employees

•*Note that many people are not employees and therefore may not interact with HR or they may be employees who have not notified HR that they are adding duties that may shift employment categories to positions of trust.

How the Architecture of Compliance Can Support the Safety of Minors on Campus

When

- In recognizing that minors respond differently to emergencies as compared to adults, it is important that campuses create safety and emergency plans specific to this populations. It is crucial to include campus security, health officials, and program directors in this planning. Understanding when youth are present, will better support campuses in making sure that programs with minors are also informed if emergencies occur on campus. People working with minors should be trained by campus security on the following protocols:

- Missing Child

- Drowning

- Active Threat

- Communicable Disease

- Mental Health Crisis with Youth

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How the Architecture of Compliance Can Support the Safety of Minors on Campus

Where

Understanding where minors will be on campus supports in emergency/safety planning as well clarifying who will be interacting with minors. We can better assess if vendors and contractors may have unrestricted access to minors. It is also important to recognize that universities are typically designed for adults and minors may need more support and oversight navigating our spaces.

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How the Architecture of Compliance Can Support the Safety of Minors on Campus

Why?

It is important that campuses understand why this risk is being managed by UW-System and understand the need to strengthen Precollege pathways by increasing intentional UW System engagement in all youth activities. This could include official tours, guest speakers or representatives from the institution, or simply swag to inform youth of future opportunities to engage with the institutions

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What Will the Precollege Database Do?

Compliance Documentation of the Following:

- Staff/ Volunteers/Interns

  - CBC

  - Trainings

  - Historical Interactions with Campuses

- Program Information

- Program Participant Registration

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What Should Campuses Know Working with Minors?

- Youth Protection-Protection from predators and peers

- Youth Mental Health First Aid- Protection from self-harm

- Advance CPR and First Aid- Medical Protection in the era of Covid-19

- Emergency and Safety Planning

- Protection of UW System from Historical Accusations- Proper Program, Participant, and Employee Registration

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Questions:

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Building a Framework of Youth Protection Programming and Compliance

In order ensure campuses safely interact with minors, youth protection safety procedures and protocols are needed. UW-System has dedicated one FTE to support all campuses with compliance in this area. This position is dedicated to the following:

1. Policy Development

Youth Protection is a constantly changing field with specific nuances. The UW-System Director of Youth Protection and Compliance is charged with creating and updating policies around youth protection programming and compliance.

2. Precollege Youth Protection Programming Resource Website

The Precollege Youth Protection Website will host information on industry trends, compliance document templates, UW-System Youth Compliance Database access, and training opportunities to support UW-System youth programming staff in safely engage with minors on campus.

3. Holistic Protection of Minors Training

In recognizing that there are multiple risks in working with minors on campus, the Director of Youth Protection and Compliance will host periodic trainings or bring in trainers to support campuses in holistically protecting minors. These trainings include but are not limited to the following:

- **Youth Protection**: How to prevent peer to peer or adult to minor sexual abuse in programming

    *Note minors are six times more likely to experience abuse in peer to peer settings

- **Youth Mental Health First Aid**: How to triage youth in mental health crisis.

    *Note: 1:5 youth currently experience mental health crisis. Mental Health First Aiders do not diagnose or treat, but rather recognize and triage youth in crisis until proper supports are available.

- **Returning Minors to Campus Post Covid-19 Closures**: Communicable Disease Protocols for Minors on Campus

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4. Compliance Database

The "Architecture of Compliance" for keeping minors safe on campus is clear documentation and archiving of the programs, participants and staff. The database will be overseen and evaluated by the Director of Youth Protection and Compliance.

5. Compliance Audit Support and Remediation Planning

The Director of Youth Protection and Compliance will work directly with Internal Audit in crafting UW-System Administration response to all audits involving minors on campus as well as supporting campuses in creating strategic plans to improve overall compliance to youth protection and create effective remediation plans for past audits.

6. Systemwide Community of Practice of Youth Programming Coordinators

Quality assurance is key to the Precollege Pathway. The Director of Youth Protection and Compliance will create a systemwide community of practice for program directors to brainstorm new programming ideas and build bridges across the Precollege Pathway.

7. Direct Support for Precollege Liaisons, Risk Managers, and HR Professionals

Precollege Liaisons have been charged by each chancellor to form a Precollege Workgroup for each campus. This group is charged with performing current state analysis and improving business processes to better protect minors on campus. The Director of Youth Protection and Compliance will work directly with each campus group as they create and/or modify processes.

8. Precollege Youth Programming Taxonomy Development for Campuses

It is important for each campus to understand the many ways in which minors are served on campuses. The Director of Youth Protection and Compliance will work with each institution to craft customized taxonomy charts of all youth activities.