

**UW System Board of Regents  
Audit Committee  
Via WebEx Videoconference  
June 3, 2021**

**MEETING OF THE AUDIT COMMITTEE**

The meeting of the Audit Committee was called to order at 8:47 a.m. by Committee Chair Karen Walsh.

**A. Calling of the Roll**

Roll call was taken. Regents Bogost, Colón, Miller, and Walsh 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 April 8, 2021 meeting of the Audit Committee**

Regent Bogost made a motion to approve the minutes of the April 8, 2021 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 continues to make excellent progress and confirmed that most of the audits are complete. There are a couple audits that will be completed in early fiscal year 2022 – with reports expected to be issued in July and October. Ms. Stortz appreciated all the support across the UW System during this challenging year, and felt the results were good and stated they are ready to begin 2022.

**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 executive summaries for the *Incident Response* audit, the *Emergency Grant Aid Payments to Students under the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA)* audit, the *Internal Assessment*, and the *self-assessment report for the Office of Internal Audit*. Overall, the results of the audits were very good.

Ms. Stortz stated how critical the *Incident Response* audit was for the UW System to learn how management is complying with policies regarding cyber security and how what support is provided to foundations. The committee discussed information technology security tabletop exercises, which

some of our institutions were not able to complete, due to the COVID-19 pandemic. Kathy Mayer, Associate Vice President for Information Security spoke regarding the process of having an outside firm test our vulnerabilities. None were conducted during 2020, but it is on the schedule for later this year, or the beginning of next year. Regent Walsh stated she was glad to know that was being done.

The next audit discussed came at the request of the regents - the *Emergency Grant Aid Payments to Students under the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSAA)* audit. Ms. Stortz indicated that the results of this audit were excellent, with no exceptions, and once the Federal government releases the reporting requirements – they will test how our institutions responded and report back to this committee the results.

The last work products related to their quality assessment program – part of complying with the *Institute of Internal Auditing (IIA) Standards*, according to the Audit Committee Charter. The internal assessment is done to hold themselves accountable and ensure they are providing the highest level of professionalism and service, to both the board and to our clients. This internal assessment has been completed and, in their opinion, they are “generally conforming” to the standards.

### **3. Approval of Fiscal Year 2022 Audit Plan**

Next Ms. Stortz discussed the proposed Audit Plan for fiscal year 2022, created with input across the UW System. This plan includes resuming the continuous payroll audit, impacted by the move to single payroll; and will also include the continuous p-card audit. She outlined the other new audits proposed for the 2022 plan – including time for consultation, and special projects that may be requested by the regents, system leadership, and institutional leadership. Regent Walsh stated it is a good plan and she looks forward to it being executed. which the committee supported.

Regent Walsh called for a motion to approve the Fiscal Year 2022 Audit Plan. The motion was made by Regent Colón and seconded by Regent Bogost. The Audit Plan was approved unanimously.

### **4. Independence Statement**

Lastly for the Office of Internal Audit, Ms. Stortz presented their independence statement, that is required to be reaffirmed annually, by the standards. Reporting directly to the Audit Committee, and administratively to President Thompson assures the office’s independence. Regent Walsh responded by saying that they are one of the UW System’s most valuable tools.

## **E. Compliance**

### **1. Title IX Update Precollege/Youth Protection Update**

Youth Protection and Compliance Administrator, Prenicia Clifton and Chief Compliance Officer, Katie Ignatowski gave an update to the committee concerning precollege and youth protection, explaining that every campus now has a designated precollege liaison. Ms. Clifton stated that the lessons learned during the COVID-19 pandemic have set them up to be able to expand their compliance efforts even further. She iterated that because this is all new subject matter expertise, our institutions are going to need time to comply, but can use the compliance framework they have developed. Over the last six months, she has seen the mindset of compliance increase, when it comes to youth programs and compliance. Ms. Clifton discussed background checks and the differences

between working with minors versus working with adults. Through this ongoing process, the UW System is becoming the premier way to serve minors in the state of Wisconsin.

Regent Walsh stressed that this is a team effort – and not just up to one person at each campus, and how crucial this process is to serve our UW System community and its reputation. Ms. Clifton and Ms. Ignatowski agreed and appreciated Regent Walsh reiterating the importance. Ms. Bogost inquired about how centralized the youth programs are at each campus – and Ms. Clifton explained that historically they were quite splintered, but part of the need that came from the pandemic, was the need to register these youth programs centrally, for each campus. Keeping in mind, however, that only a small percentage of youth programs were running due to the pandemic, so this central list will grow exponentially as programs begin to restart. Regent Walsh discussed the significance of youth programs as a pipeline to encourage students to enroll in the UW System, and how central compliance is one of the few areas that COVID did us a favor.

## **2. Approval of Revisions to Regent Policy Document 14-2, Sexual Violence and Sexual Harassment**

Title IX and Clery Administrator, Sarah Harebo gave a brief high-level background on the work concerning revisions to Regent Policy Document 14-2, *Sexual Violence and Sexual Harassment*, and requested the committee approve those revisions.

Regent Walsh called for a motion to approve the revisions to Regent Policy Document 14-2, *Sexual Violence and Sexual Harassment*. The motion was made by Regent Colón and seconded by Regent Miller. The resolution was approved unanimously.

## **F. Information Security**

### **1. Information Security Update**

Associate Vice President for Information Security, Katherine Mayer gave an update to the committee on information security, explaining that cyber-attacks are on the rise, and outlined the long-term and short-term actions being taken by the UW System. She stated the first line of effort is a phishing campaign that was held in April and May of this year – looking at the click-rate by recipients, with responses in the 3-4% range. Compared to some of our Big Ten peers whose statistics rated between 5-30%. Ms. Mayer said she set the UW System goal for click-rates to be below 1%. She further explained the second line of effort – how campuses are working on the directive to reduce remote access points that are exposed directly to the internet, wherever possible; and where not possible, implement additional security controls. The third line of effort is disaster recovery. She explained that campuses have documented their plans to back-up high-risk and mission-critical data, and perform regular testing of the same. And lastly, a policy is being developed to codify these requirements – which she anticipates will be published sometime this summer. The fourth line of effort is security rating service. UW System Administration was directed to establish a partnership with a third-party security rating service, to regularly monitor the UW System public IP space. Reports resulting from this service will be provided to campuses to perform mitigating actions. The fifth line of effort, Ms. Mayer explained, directed institutions to appoint a single person who is responsible for security actions throughout their entire campus environment (IS Designees). She stated that IS Designees have been confirmed for all campuses.

Regent Walsh asked what Ms. Mayer sees as the biggest barrier to accomplishing some of these security changes – and she responded by what she called, “technical debt.” A lot of equipment and systems used by the UW System are outdated, and costly to replace – and it is a slow process. This also includes professional development for staff to keep up with the pace of change as well.

## **2. Internal Controls and Enterprise Risk Management Update**

Risk Management Director, Angela Ryan gave the committee an update on internal controls and enterprise risk management. She shared a heat map that outlined the various risks to UW System, made with feedback provided by the campuses via a survey and high-level discussions. She then explained that she and Ms. Ignatowski met with each chancellor to discuss strategic risks facing their institutions, and the UW System overall. The top risks systemwide involved cyber-security, diversity, infrastructure, enrollment rates, and data privacy and protection. This information has already been used by various offices, such as Internal Audit, and Ms. Stortz in the development of the Fiscal Year 2022 Audit Plan. Ms. Ignatowski also stated this was useful in developing their Compliance Plan.

Regent Walsh stated the importance of good communication with the campuses – related to risk management, and acknowledged the impact of the COVID-19 pandemic on this effort. Regent Bogost asked for clarification about who received the surveys, and Ms. Ryan replied that most of the campuses used their cabinet meetings to hold discussions to rank the answers to the surveys, and came up with their scores as a group. A couple other campuses sent pre-surveys to use as tools when completing their final scores. The committee heard from Chancellor Ford, UW-Parkside; Chancellor Leavitt, UW Oshkosh; and Chancellor Gibson, UW- who thanked Ms. Ignatowski and Ms. Ryan for their work on this effort.

There was some discussion by the regents and committee members about IT security and communication. President Thompson also spoke briefly to the committee about the need to update the UW System’s archaic computer system and the need for dedicated funding to advance our IT overall.

Regent Walsh closed the meeting and thanked her colleagues.

The meeting was adjourned at 10:07 a.m.

Respectfully submitted,

Erika Laabs  
Recording Secretary