

**UW System Board of Regents
Audit Committee
Gordon Dining & Event Center
Symphony Room, 2nd Floor
770 W. Dayton Street, Madison
Via Webex Videoconference
December 9, 2021**

MEETING OF THE AUDIT COMMITTEE

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

A. Calling of the Roll

Roll call was taken. Regents Weatherly, Miller, Bogost, Jones, and Petersen were present.

B. Declaration of Conflicts

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

C. Approval of the minutes of the October 7, 2021 meeting of the Audit Committee

Regent Jones made a motion to approve the minutes of the October 7, 2021 Audit Committee meeting; seconded by Regent Bogost. The minutes were approved unanimously.

D. Internal Audit

1. Fiscal Year 2022 Audit Plan Progress Report

Lori Stortz, Chief Audit Executive, reviewed the progress to date on the fiscal year 2022 audit plan. She confirmed that her office is making excellent progress on the plan and expects to bring more reports to the committee in February and April 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 since last meeting in October. This included executive summaries for the *Contracts with Private Entities* audit, the *Contracts with Research Companies* audit, *Information Technology Remote Access* audit (Phase one), *NCAA Compliance* audit, *Student Discrimination Complaint and Appeal Process* audit, a best practices report for the *Student Discrimination Complaint and Appeal Process* audit, and the *Purchasing Card Continuous* audit report. Overall, she was pleased with the responses from management and commended them for their attention to these issues.

Ms. Stortz described how they plan to revamp their maturing purchasing card continuous audit – shifting to a more passive approach and looking more at the controls and less at the detailed transactions. There was discussion by the committee about this positive outcome.

The committee asked Ms. Stortz to elaborate on the *Student Discrimination Complaint and Appeal Process* audit and she asked Senior Equity, Diversity & Inclusion Officer Warren Anderson to join the discussion. Mr. Anderson explained the complexity of this issue and the steps being taken across each UW campus to establish consistent processes for managing discrimination cases, adhering to Regent Policy. But, also allowing them to be flexible to respond to their campus needs and work within their resources, to best serve our students.

Regent Bogost asked for a status update on the *Native American Human Remains and Artifacts* audit, and Ms. Stortz responded that the audit is in process and they are being very thoughtful and careful, given the sensitive nature of this topic – coordinating work with tribal leaders, to ensure this is carried out in the most respectful way possible.

3. Progress on Closing Audit Comments

Ms. Stortz presented the Progress on Closing Audit Comments. While the COVID-19 pandemic delayed progress in 2020 as management had other priorities, Ms. Stortz was pleased to note that they are back to aggressively closing audit comments and management is taking their suggestions very seriously. The committee thanked Ms. Stortz for her work on each of the above items.

E. Compliance

1. Precollege/Youth Protection Update

Director of Youth Protection and Compliance, Prenicia Clifton presented an update on Precollege/Youth Protection. Her office is being proactive to protect the youth that come to our campuses and outlined a new database that will be coming out; YARS – the Youth Activities Registration System, will be a centralized place to house youth activities across the UW System. Ms. Clifton expects to present a new policy to the committee in February.

The committee discussed the importance of this issue and the number of minors that participate in activities on our campuses. Ms. Clifton is working to increase the accessibility for youth across the state to participate in these programs. The regents expressed their full support for the significant work Ms. Clifton is doing for youth protection and asked that she continue to give the audit committee regular updates.

F. Enterprise Risk Management

1. Information Technology Security Update

Director of Risk Management, Angela Ryan introduced Associate Vice President and Chief Information Officer Steven Hopper to present an update on Digital Infrastructure. Mr. Hopper explained the plan for “IT as a Service” and all the efforts underway to leverage the UW System’s scale as an asset to reduce costs and promote efficiency. The committee gave their support for this

important area of focus and appreciate the work that is being done to safeguard the University of Wisconsin System.

Associate Vice President for Information Security, Katherine Mayer addressed the committee and discussed the advantages of centralizing and consolidating IT services to support and enhance the campus IT departments, to assist with control and monitoring. Mr. Hopper stressed the importance to build a plan that is repeatable at all the UW institutions, to meet the needs of their staff and students.

G. Internal Controls

1. Internal Control Plan(s) Update

Sr. Associate Vice President for Finance Julie Gordon presented a report on Internal Control Plans. Ms. Gordon covered the actions her office has taken since the Office of Internal Audit completed their audit of Internal Control Plans in 2018-2019. Ms. Gordon stated the delegation of authority agreement from the Department of Administration (DOA) renewal has moved from once every three years, to annually. She explained her office has moved from a more narrative internal control plan to a matrix – which is better suited to maintain the review schedule and keep it updated.

Regent Weatherly closed the meeting and thanked his colleagues.

The meeting was adjourned at 11:52 a.m.

Respectfully submitted,

Erika Laabs
Recording Secretary