

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Audit Committee

Via WebEx Videoconference

Thursday, April 8, 2021

10:30 a.m. – 11:45 a.m.

- A. Calling of the Roll
- B. Declaration of Conflicts
- C. Approval of the Minutes of the February 4, 2021 Meeting of the Audit Committee
- D. Internal Audit
 - 1. Fiscal Year 2021 Audit Plan Progress Report
 - 2. Summarized Results of Audits Recently Issued
 - 3. Hotline Report
 - 4. Progress on Closing Audit Comments
- E. Compliance
 - 1. Title IX Update
 - 2. Compliance Matrix Tool Demonstration

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)

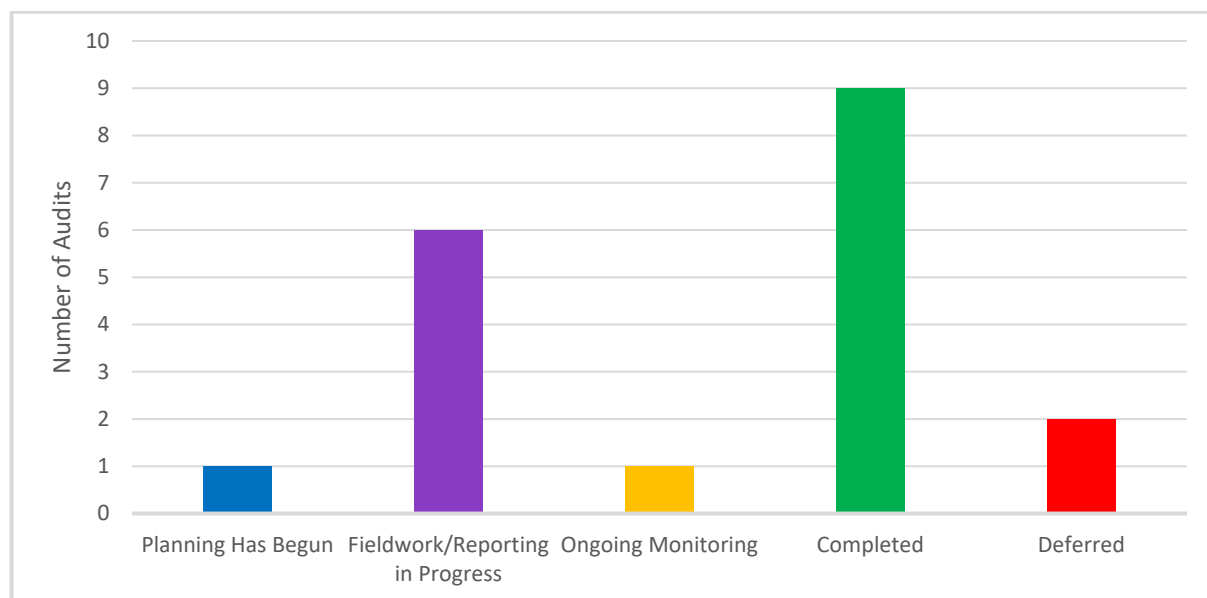
- Lori Stortz, Chief Audit Executive

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
19	Emergency Grant Aid Payments to Students Under the CRRSAA	Regulatory Compliance, Reputation



SUMMARIZED RESULTS OF AUDITS RECENTLY ISSUED

REQUESTED ACTION

For information and discussion only.

SUMMARY

Since the February 4, 2021 meeting of the Audit Committee, the Office of Internal Audit has issued the following reports:

- Foreign Influence Audit - Executive Summary
- Independent Contractors Audit - Executive Summary
- IT Disaster Recovery Audit - Executive Summary
- Non-Competitive Negotiations Audit - 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.

SUMMARY REPORT OF WASTE, FRAUD AND ABUSE HOTLINE

REQUESTED ACTION

For information and discussion only.

SUMMARY

For the period of March 15, 2019 through December 31, 2020, 64 incidents were reported. The dissemination, analysis, investigation, and resolution of the incidents reported continues to go well. As of December 31, 2020, 62 of the incidents have been closed. Forty-eight of the incidents did not require an investigation or the Office of Internal Audit concurred with management that no corrective action was necessary. Fourteen of the incidents resulted in corrective action being taken.

The Office of Internal Audit has received reports of incidents in each of the risk categories, with most classified as human resources and student matters. Incidents were open an average of 54 days.

Presenter(s)

- Lori Stortz, Chief Audit Executive

BACKGROUND

The UW System Waste, Fraud and Abuse Hotline (Hotline) went live on May 15, 2015. The Audit Committee requested periodic updates to ensure reports are being addressed in a timely manner.

ATTACHMENTS

- A) UW System EthicsPoint Hotline Report

Case Number	Case Status	Primary Issue	Date Opened	Is the party you are reporting a Student, Employee, or someone else?	Location name	Days Open	Primary Case Outcome
UWS-19-020	Closed	Discrimination	03/18/2019	Employee	The University of Wisconsin	86	No further work considered necessary
UWS-19-021	Closed	Safety Issues and Sanitation	03/29/2019	Student	UW Milwaukee	4	No Investigation Necessary
UWS-19-022	Closed	Conflicts of Interest	04/03/2019	Employee	UW Whitewater	15	No Corrective Action Taken
UWS-19-023	Closed	Employee Relations	04/09/2019	Employee	UW Whitewater	64	No Investigation Necessary
UWS-19-024	Closed	Waste of Resources	04/12/2019	Employee	UW Madison	7	No Corrective Action Taken
UWS-19-025	Closed	Student Relations	05/02/2019	Employee	UW Milwaukee	61	Corrective Action Taken
UWS-19-026	Closed	Employee Relations	05/02/2019	Employee	UW Platteville	41	Unsubstantiated
1	Closed	Employee Relations	07/12/2019	Employee	UW-La Crosse	38	No Investigation Necessary
2	Closed	Theft of Time	08/12/2019	Employee	UW-Whitewater	10	Unsubstantiated
3	Closed	Policy Issues	08/20/2019	Other	UW Oshkosh	7	Corrective Action Taken
4	Closed	Policy Issues	08/21/2019	Employee	UW-Whitewater	2	No Corrective Action Taken
5	Closed	Policy Issues	08/21/2019	Student	UW-La Crosse	22	No Investigation Necessary
6	Closed	Student Relations	08/28/2019	Employee	UW-Oshkosh	13	No Corrective Action Taken
7	Closed	Policy Issues	09/10/2019	Employee	UW-Oshkosh	20	No Corrective Action Taken
8	Closed	Employee Relations	09/24/2019	Employee	UW-Stout	78	Corrective Action Taken
9	Closed	Retaliation of Whistleblowers	09/26/2019	Student	UW-Whitewater	139	No Corrective Action Taken
10	Closed	Policy Issues	10/04/2019	Employee	UW River Falls	70	Unsubstantiated
11	Closed	Theft of Time	10/08/2019	Employee	UW Eau Claire	28	No Corrective Action Taken
12	Closed	Waste of Resources	10/17/2019	Employee	UW-Whitewater	104	No Corrective Action Taken
13	Closed	Student Relations	10/24/2019	Employee	UW Oshkosh	12	No Corrective Action Taken
14	Closed	Policy Issues	10/24/2019	Employee	UW River Falls	49	Unsubstantiated
15	Closed	Employee Relations	10/30/2019	Employee	UW Whitewater	133	No Corrective Action Taken
16	Closed	Customer Relations	11/01/2019	Other	UW-Milwaukee	0	Unable to Investigate (lack of info/anonymity)
17	Closed	Theft of Time	11/25/2019	Employee	UW-Whitewater	67	Unsubstantiated
18	Closed	Employee Relations	12/04/2019	Employee	UW-Oshkosh	56	Unsubstantiated
19	Closed	Employee Relations	01/06/2020	Employee	UW-Milwaukee	29	Unsubstantiated
20	Closed	Employee Relations	01/09/2020	Employee	UW-River Falls	165	Unsubstantiated
21	Closed	Wage/Hour Issues	01/28/2020	Employee	UW-Madison	15	No Corrective Action Taken
22	Closed	Wage/Hour Issues	01/28/2020	Employee	UW-Madison	14	No Corrective Action Taken
23	Closed	Wage/Hour Issues	01/28/2020	Employee	UW-Parkside	42	No Corrective Action Taken
24	Closed	Sexual Harassment	01/31/2020	Employee	UW-Platteville -Richland Ca	44	Unsubstantiated
25	Closed	Academic Dishonesty/Misconduct	02/13/2020	Student	UW-Oshkosh	19	Unable to Investigate (lack of info/anonymity)
26	Closed	Wage/Hour Issues	02/17/2020	Employee	UW-Eau Claire	22	Unsubstantiated
27	Closed	Policy Issues	02/26/2020	Employee	UW-Eau Claire	53	Corrective Action Taken
28	Closed	Wage/Hour Issues	03/04/2020	Employee	UW-Oshkosh -Fond du Lac	110	Corrective Action Taken

29	Closed	Policy Issues	03/09/2020	Employee	UW-Parkside	133	Corrective Action Taken
30	Closed	Employee Relations	03/13/2020	Employee	UW-Whitewater	101	No Investigation Necessary
31	Closed	Employee Relations	03/24/2020	Employee	UW Oshkosh	33	No Corrective Action Taken
32	Closed	Data Privacy Violation	03/25/2020	Employee	UW-Milwaukee	118	No Corrective Action Taken
33	Closed	Employee Relations	03/27/2020	Other	UW Parkside	86	No Investigation Necessary
34	Closed	Employee Relations	03/31/2020	Employee	UW-La Crosse	90	No Investigation Necessary
35	Closed	Policy Issues	06/08/2020	Other	UW-Madison	238	Corrective Action Taken
36	Closed	Customer Relations	07/04/2020	Employee	UW-Milwaukee	16	No Investigation Necessary
37	Closed	Employee Relations	07/06/2020	Employee	UW-River Falls	37	Unable to Investigate (lack of info/anonymity)
38	Closed	Substance Abuse	07/22/2020	Employee	UW-Milwaukee	39	Corrective Action Taken
39	Closed	Student Relations	08/11/2020	Student	UW-Milwaukee	19	Corrective Action Taken
40	Closed	Student Relations	08/12/2020	Student	UW-Milwaukee	18	Corrective Action Taken
41	Closed	Student Relations	08/12/2020	Student	UW-Milwaukee	18	Corrective Action Taken
42	Closed	Employee Relations	08/14/2020	Employee	UW-River Falls	101	No Investigation Necessary
43	Closed	Employee Relations	08/17/2020	Employee	UW System Administration	14	No Investigation Necessary
44	Closed	Discrimination	08/19/2020	Employee	UW-River Falls	96	Unable to Investigate (lack of info/anonymity)
45	Closed	Student Relations	08/20/2020	Employee	UW-River Falls	95	No Investigation Necessary
46	Closed	Wage/Hour Issues	09/03/2020	Employee	UW-Oshkosh	52	Corrective Action Taken
47	Closed	Policy Issues	09/05/2020	Student	UW-Madison	45	Corrective Action Taken
48	Closed	Policy Issues	09/08/2020	Student	UW-Madison	41	No Corrective Action Taken
49	Closed	Discrimination	09/09/2020	Employee	UW-Platteville	84	No Corrective Action Taken
50	Closed	Employee Relations	10/02/2020	Employee	UW-River Falls	52	Unable to Investigate (lack of info/anonymity)
51	Closed	Athletics	10/29/2020	Employee	UW-River Falls	25	Unable to Investigate (lack of info/anonymity)
52	Closed	Theft of Time	11/13/2020	Employee	UW-Eau Claire	21	No Corrective Action Taken
53	Closed	Student Relations	11/21/2020	Student	UW-Milwaukee	3	No Investigation Necessary
54	In Progress	Safety Issues and Sanitation	11/22/2020	Other	UW-Madison -UWNROTC	119	- Select One -
55	Closed	Student Relations	12/09/2020	Employee	UW-Milwaukee	56	Corrective Action Taken
56	In Progress	Substance Abuse	12/13/2020	Student	UW-Milwaukee	99	- Select One -
57	Closed	Theft of Goods/Services	12/30/2020	Employee	UW-Green Bay, Sheboygan	7	No Investigation Necessary
					average	54	

PROGRESS ON CLOSING AUDIT COMMENTS

REQUESTED ACTION

For information and discussion only.

SUMMARY

One of the responsibilities of the Office of Internal Audit as outlined in the charter is to establish a follow-up process to monitor and identify whether corrective actions have been effectively implemented, or whether senior management has accepted the risk of not taking action. The Audit Committee has requested regular progress reports on this monitoring.

Presenter(s)

- Lori Stortz, Chief Audit Executive

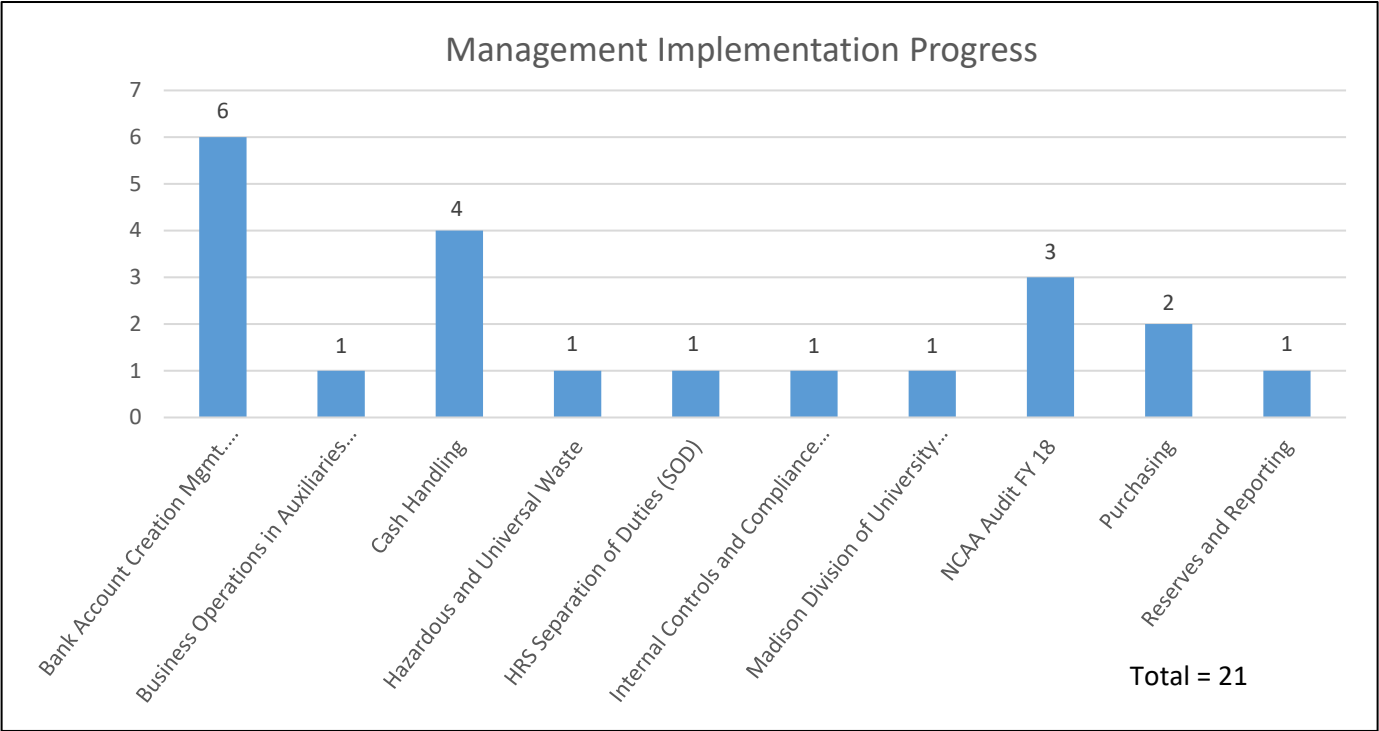
BACKGROUND

The following charts present audits issued during fiscal year 2016 through fiscal year 2021 and the progress management has made toward resolving the comments and recommendations included in the audit reports. Management's corrective action plans were audited by the Office of Internal Audit to determine if they were implemented.

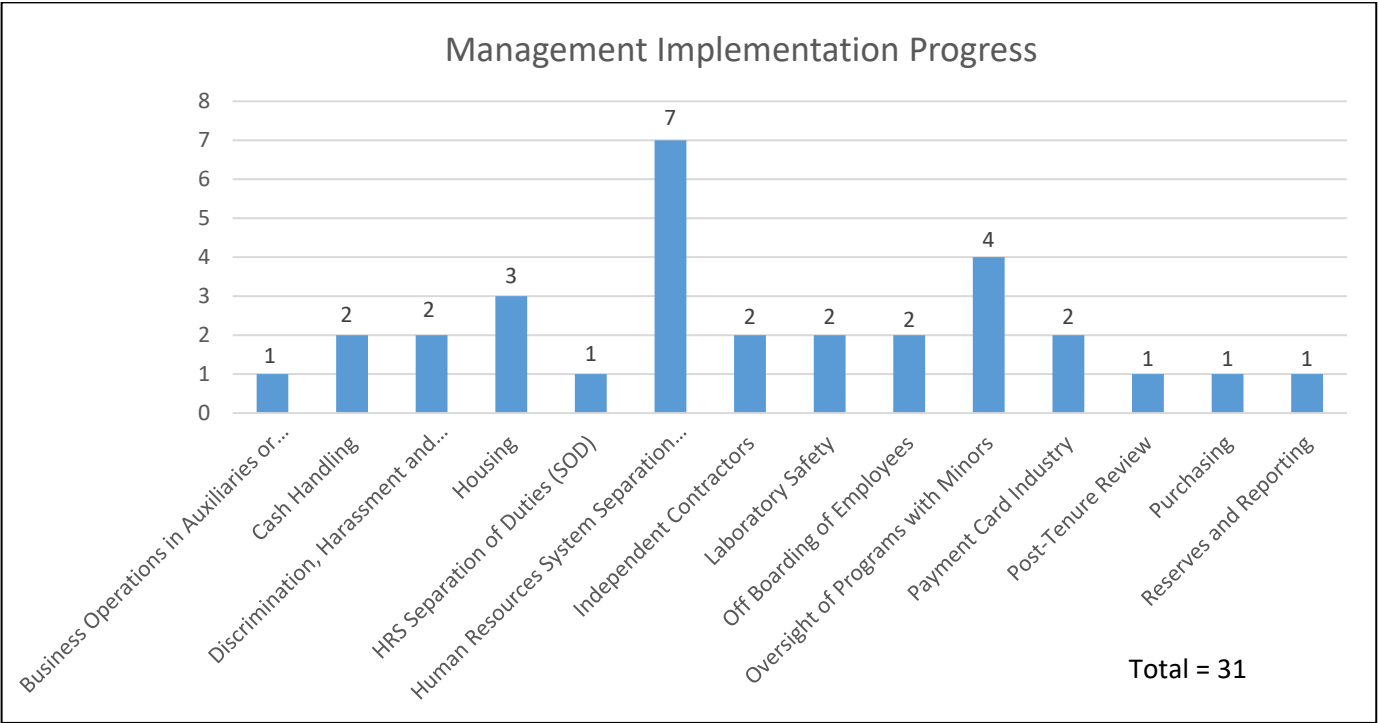
ATTACHMENTS

- A) UW System Administration Office of Internal Audit Follow-Up Presentation.

Prior Reporting Period



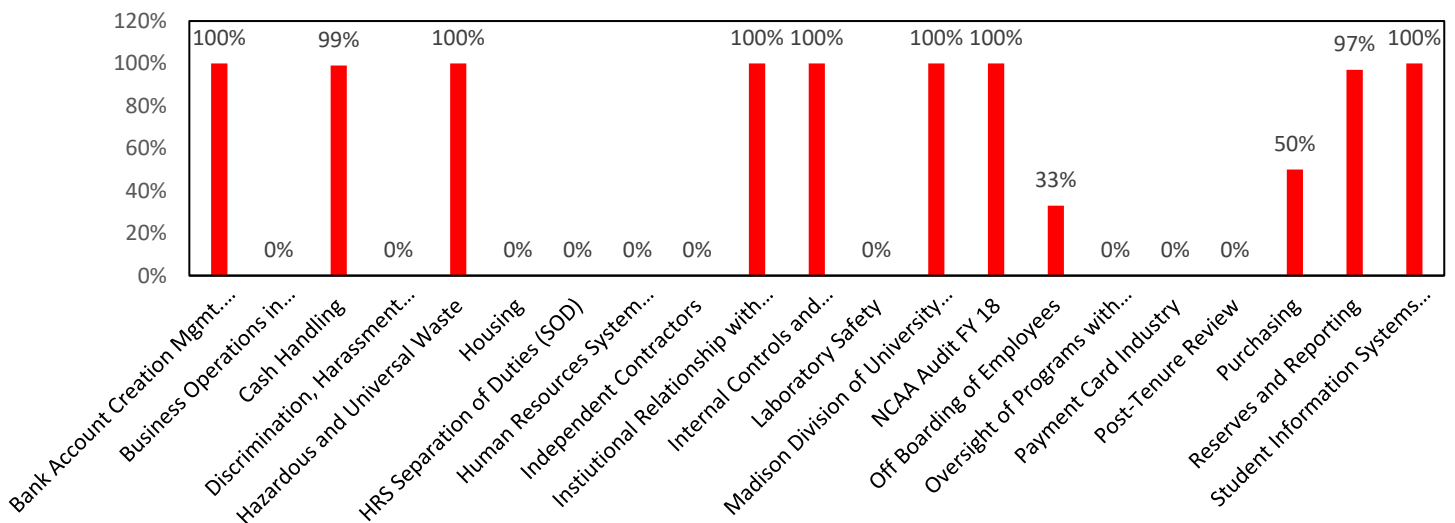
Current Reporting Period



Roll-forward from Prior Reporting Period to Current Reporting Period

Audit	Previously Reported Open Comments	Comments Issued	Comments Closed	Current Open Comments
Bank Account Creation Mgmt. and Oversight	6	0	6	0
Business Operations in Auxiliaries or Student Services	1	0	0	1
Cash Handling	4	0	2	2
Discrimination, Harassment and Retaliation	0	2	0	2
Hazardous and Universal Waste	1	0	1	0
Housing	0	3	0	3
HRS Separation of Duties (SOD)	1	0	0	1
Human Resources System Separation of Duties at UW-Madison	0	7	0	7
Independent Contractors	0	2	0	2
Institutional Relationship with Foundations	0	5	5	0
Internal Controls and Compliance Structure	1	0	1	0
Laboratory Safety	0	2	0	2
Madison Division of University Housing	1	0	1	0
NCAA Audit FY 18	3	0	3	0
Off Boarding of Employees	0	3	1	2
Oversight of Programs with Minors	0	4	0	4
Payment Card Industry	0	2	0	2
Post-Tenure Review	0	1	0	1
Purchasing	2	0	1	1
Reserves and Reporting	1	0	0	1
Student Information Systems and Databases Security	0	2	2	0
Total	21	33	23	31

Implementation Percent Toward Completion



The above charts and graphs do not necessarily represent all audit comments outstanding due to timing issues

TITLE IX UPDATE**REQUESTED ACTION**

Item for information and discussion only.

SUMMARY

A brief status update will be presented on the Title IX regulation permanent rule-making process. This includes a review of next steps related to RPD 14-2 and Title IX-related resource development. An overview of the Office of Compliance and Integrity's involvement with Title IX investigations on campuses will be provided. Finally, a short briefing on the work of UW System in connection with the National Academies of Sciences, Engineering, and Medicine Action Collaborative on Preventing Sexual Harassment in Higher Education will be presented.

Presenter(s)

- Sarah E. Harebo, UW System Title IX and Clery Administrator

BACKGROUND

Title IX of the Education Amendments of 1972 requires that all educational institutions that receive federal funds eliminate sex discrimination in their education programs and activities (34 C.F.R. Part 106). The U.S. Department of Education (ED) released final regulations effective August 14, 2020, establishing educational institutions' responsibilities in responding to reports of sexual harassment, sexual assault, dating violence, domestic violence, and stalking involving faculty, staff, and students. In August 2020, the University of Wisconsin System (UW System) implemented emergency rules to modify Chapters UWS 4, 7, 11, and 17 of the Wisconsin Administrative Code to comply with the new federal regulations. On December 10, 2020, the Board approved the permanent rules for submission to the Governor's office.

Previous Action or Discussion

UWS 4, 7, 11, and 17

The Board last discussed this topic at its December 10, 2020 meeting, when the Board approved the permanent rules for submission to the Governor's office. On November 5, 2020, the Board approved draft permanent rules for submission to Legislative Council for review, a Notice of Public Hearing on the draft permanent rules, and a Notice of Submittal to Legislative Council. Previously, at its August 5, 2020, meeting, the Board approved emergency rules for Chapters 4, 7, 11, and 17 of the Wisconsin Administrative Code to bring those rules into compliance with Title IX prior to the August 14, 2020 effective date of the new federal regulations. This approval occurred after the preliminary hearing and public comment period regarding the rule scope statements, which the Board approved at its July 9, 2020 meeting.

Regent Policy Document 14-2, "Sexual Violence and Sexual Harassment"

The Board of Regents amended RPD 14-2 through the adoption of Resolution 11475 in August 2020 to create an interim Title IX policy that incorporates changes related to Title IX sexual misconduct required by the new federal regulations and extended those changes to other University employees besides faculty and academic staff. Faculty and academic staff sexual misconduct is addressed in UWS 4 and 7 and UWS 11, respectively.

Related Policies

- Regent Policy Document 14-2, "Sexual Violence and Sexual Harassment"
- Chapter UWS 4, Wis. Admin. Code: "Procedures for Dismissal"
- Chapter UWS 7, Wis. Admin. Code: "Dismissal of Faculty in Special Cases"
- Chapter UWS 11, Wis. Admin. Code: "Dismissal of Academic Staff for Cause"
- Chapter UWS 17, Wis. Admin. Code: "Student Nonacademic Disciplinary Procedures"
- Other relevant guidelines

COMPLIANCE MATRIX TOOL DEMONSTRATION

REQUESTED ACTION

Item for information and discussion only.

SUMMARY

The compliance matrix is a SharePoint database that includes over 500 compliance obligations from federal law, state law, Board of Regents and System policy. Each obligation contains a summary and link to the relevant regulation, a description of any reporting requirements and deadlines, and other relevant information or guidance. All UW System institutions have identified responsible employees for these obligations at three levels: primary manager, responsible office, and institutional lead. The UW System matrix was modeled after UW-Madison's matrix, which houses the same information in a standalone database on UW-Madison's website. This presentation will provide a brief demonstration of the tool and a walkthrough of key functionality.

Presenter(s)

- Katie Ignatowski, UW System Chief Compliance Officer

BACKGROUND

This was one of the key initiatives identified for the Office of Compliance and Integrity when the Office first came into existence in 2019.

Previous Action or Discussion

A brief discussion and demonstration were provided to the Committee in February 2020 while the tool was nearing the final stages of development.