

UW System Board of Regents
Audit Committee
Union South, Varsity Hall I,
2nd floor, Union South
1308 W. Dayton Street
Madison, Wisconsin
Via Webex Videoconference
February 10, 2022

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 8:46 a.m. by Committee Chair Regent 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 December 9, 2021 meeting of the Audit Committee

Regent Petersen made a motion to approve the minutes of the December 9, 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 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 December. This included an executive summary for the *NCAA Athletics Division I and II Agreed-Upon Procedures Engagement*, and management letters for *NCAA Agreed-Upon Procedures at UW-Green Bay, UW-Milwaukee, and UW-Parkside*. Overall, she was pleased with the responses from management and noted they had seen improvements.

Ms. Stortz described how the agreed-upon procedures are required by NCAA Division I and II schools, the purpose of which is to provide the chancellors and Board of Regents with a holistic

review of the financial operations of the athletic departments. There was discussion by the committee about the progress being made.

Regent Weatherly introduced and welcomed Paige Smith, the new UW System Chief Compliance Officer. Furthermore, he thanked Ms. Smith for reaching out to all of the Audit Committee members prior to the meeting, and stated they look forward to working with her in her new role.

E. Compliance

1. Precollege/Youth Protection Update

Director of Youth Protection and Compliance, Prenicia Clifton presented a proposed Regent Policy Document: *“Youth Protection, Compliance, and Data Collection at UW System Institutions.”* Ms. Clifton expects the draft policy, SYS 625 to go into effect in January 2023 – helping the institutions better prepare for working with minors. In summary, this draft policy,

...establishes the minimum standards for the protection of Minors engaged in Covered Activities throughout the University of Wisconsin System (UW System). The policy outlines each of the components that must be included in UW System institutions’ policies related to protection of Minors engaged in Covered Activities. The policy applies to all UW System institutions, and the scope of the policy is limited to Youth Participants in Covered activities—it does not apply to Minors at institutions for other reasons.

The committee fully supported the work Ms. Clifton is doing for youth protection and asked that she continue to give them regular updates at upcoming Audit Committee meetings. Ms. Clifton concluded by seeking approval of proposed Regent Policy Document: *“Youth Protection, Compliance, and Data Collection at UW System Institutions”* which was unanimously approved.

F. Enterprise Risk Management

1. Information Technology Security Update

We welcomed Interim Associate Vice President & Chief Information Security Officer (CISO) Ed Murphy to present to the Audit Committee for the first time in his new position. Mr. Murphy presented an Information Security Update and discussed the 2022 Information Security Roadmap. One point to highlight is the new dashboard Mr. Murphy is working on to give operational metrics on Information Security programs to the Regents later in 2022.

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. The committee discussed the cyber-liability insurance renewal process and the progress on the implementation of multi-factor-authentication (MFA) across the UW System. Phishing and ransomware attacks were also discussed at a high-level. A number of Regents asked about helping with the budget, to advocate where needed, and asked Mr. Murphy to report back to the committee soon with follow up information, which he agreed to do.

G. Internal Controls

1. Internal Control Plan(s) Update

Vice President for Finance Sean Nelson presented an external audit report from the Legislative Audit Bureau (LAB) on the June 30, 2021 Financial Statements, indicating that the LAB acknowledged the UW System has made a lot of progress. Mr. Nelson stated this report has been published on their website and thanked the LAB for their collaboration. He further thanked Plante Moran for their ongoing support. There were no questions and the committee thanked Mr. Nelson for his update.

Regent Weatherly closed the meeting and thanked his colleagues.

The meeting was adjourned at 9:37 a.m.

Respectfully submitted,

Erika Laabs
Recording Secretary

Resolution E.1. – Regent Policy Document: “Youth Protection, Compliance, and Data Collection at UW System Institutions” was unanimously approved by the UW System Board of Regents on February 11, 2022.