

**UW System Board of Regents
Audit Committee
UW-Eau Claire
77 Roosevelt Avenue
Ho-Chunk Room (320E)
W.R. Davies Student Center
Eau Claire, Wisconsin
and Via Webex Videoconference
September 29, 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 John Miller.

A. Calling of the Roll

Roll call was taken. Regents Miller, Jones, Atwell, Colón, Manydeeds, Staton, and Weatherly were present.

B. Declaration of Conflicts

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

C. Approval of the minutes of the August 18, 2022, meeting of the Audit Committee

Regent Manydeeds made a motion to approve the minutes of the August 18, 2022, Audit Committee meeting, seconded by Regent Atwell, which were approved unanimously without discussion.

D. Video: UW-Eau Claire Land Recognition Statement and Student Welcome

The committee viewed a brief video produced by UW-Eau Claire with the land recognition statement and a student welcome to the campus.

E. Internal Audit

1. Fiscal Year 2023 Audit Plan Progress Report

Lori Stortz, Chief Audit Executive, reviewed the progress to date on the *Fiscal Year 2023 Audit Plan*. She confirmed that her office is making solid progress on the plan with a number of audits currenting in progress. She expects to bring several more reports to the committee in December.

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 the committee last met in August. This included executive summaries for the Criminal Background Checks audit and the Student Behavioral Health audit. The Criminal Background Checks audit revealed unfortunately, some disappointing results related to wide-spread lack of compliance. It was agreed that timely and comprehensive background checks should be done before a new employee begins working or volunteering for the UW System. She explained that testing was done by automated techniques, not a random sample. Some of the issues noted were, instances of criminal background checks being conducted after a new employee's start date, appropriate contingency language in employment agreements, not consistently following procedures, lack of formal risk assessments, and inconsistently performing background checks for re-hires and the required four-year re-checks for persons in a position of trust. Ms. Stortz stated that detailed letters have been issued to all the institutions, and their leaders understand the importance of getting this corrected. This issue requires monitoring and management to ensure the criminal background checks are being timely done. Regents Manydeeds and Miller expressed their concern and support of this audit.

The Student Behavioral Health audit produced an excellent outcome. Ms. Stortz reported that data is captured centrally and analyzed consistently so there were no major issues with this audit. Steps taken years ago to gather data in a consistent manner across the UW System have yielded positive results, putting us in good shape to meet the needs of our students. Regent Miller discussed that this process being done across multiple institutions is not as efficient as one system, to which Ms. Stortz agreed. One system gathering the data would help reduce time manipulating the data for further analysis. Ms. Stortz stated that she believes we are ahead of our peers in this area.

3. Report of Chief Audit Executive

Afterward, Ms. Stortz presented the Report of the Chief Audit Executive. She indicated that her office continues to work with the ATP project team, with bi-weekly meetings, staying current and providing feedback. Ms. Stortz was pleased to state that her office has hired two new staff members who will be working out of the UW Oshkosh office. In two weeks, her office will be holding a team meeting in Madison for training and team building, in partnership with the Madison Institute of Internal Auditors. And lastly, she shared that next week she will be attending the Big Ten meeting for CAEs – an invaluable tool to learn from peers in higher education.

F. Enterprise Risk Management

1. Information Technology Security Program Update

Next, Associate Vice President of Information Security, Edward Murphy, presented an update on the Information Technology Security Program. He stated that the top priorities are operations, defenses, risks, and assessments. Some of the top IS challenges are technical debt, recruitment and loss of staff, complex and distributed IT environment (large attack surface), and insufficient logging and monitoring capabilities. Mr. Murphy discussed the direct and indirect IS threats to the UW System. The Regents had a robust discussion and acknowledged the progress that UW System and the institutions have made working together. They further stressed that UW System and institutions should work on accountability for repeat offenders who fail the phishing campaigns or create a breach

of security by clicking on malicious links. Mr. Murphy is hoping to produce metrics by the end of the year.

G. Host Campus Presentation: The CARE Model for Compliance, Audit, Risk and Ethics

The committee then heard from UW-Eau Claire Vice Chancellor Grace Crickette, who presented “The CARE model for Compliance, Audit, Risk & Ethics.” Vice Chancellor Crickette was joined by Nicole Andrews, Executive Director of Enrollment Management – Admin. and Recruiting; Jay Dobson, Chief of Police; Allison Hannah, Dean’s Assistant, College of Nursing & Health Sciences; and members of the CARE Committee for questions. They explained how the 16-member CARE committee can come together to address the big and small risks by spreading the responsibility across the committee. This is done by using existing information and analyzing ways to look at the risks involved. Vice Chancellor Crickette explained that they began with the framework, then considered objectives, then risk, and finally the impact. They discussed the impact of the benefits of the CARE approach. She reviewed mitigation examples and thanked Ms. Stortz and the Office of Internal Audit for their teamwork approach to auditing.

Regent Miller closed the meeting by thanking the participants for all they are doing for the institutions and UW System.

The meeting was adjourned at 10:00 a.m.

Respectfully submitted,

Erika Laabs
Recording Secretary