

**UW System Board of Regents  
Audit Committee  
Varsity Hall I, 2nd Floor  
Union South, UW-Madison  
1308 W. Dayton Street  
Madison, Wisconsin  
& via Zoom Videoconference  
February 9, 2023**

**MEETING OF THE AUDIT COMMITTEE**

The meeting of the Audit Committee was called to order at 8:45 a.m. by Committee Chair Regent John Miller.

**A. Calling of the Roll**

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

**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 December 8, 2022, meeting of the Audit Committee**

Regent Jones made a motion to approve the minutes of the December 8, 2022, Audit Committee meeting, seconded by Regent Manydeeds, which were approved unanimously without discussion.

**D. 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 excellent progress on the plan with a number of audits currently in progress. She expects to bring more reports to the committee again in March and to complete the *Fiscal Year 2023 Audit Plan* on a timely basis. Ms. Stortz also reported that preliminary planning has begun for the *Fiscal Year 2024 Audit Plan*, starting by asking the President's Cabinet for any topics they think appropriate for her office to consider. This will be followed by working with University Chancellors, CBOs, etc. for their input.

**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 December 2022. This included the *NCAA*

*Athletics Division I Agreed-Up Procedures Engagement* – executive summary, the *NCAA Agreed-Up Procedures* reports for UW-Green Bay and UW-Milwaukee, and an executive summary for the *Recruitment and Admission of International Students* audit. The purpose of these NCAA reports is to provide details to the chancellors and other interested parties, so they may consider the financial viability, the revenue sources, and expenses when making program decisions. The NCAA audits were successful and Ms. Stortz felt the audit work went very well. The *Discussion of the Recruitment and Admission of International Students* audit sparked a conversation among committee members, which led the Regents to ask that Interim Senior Vice President for Academic and Student Affairs, Johannes Britz, consider both economy of scale and risk management with his international education working group.

## **E. Risk Management**

### **1. Cyber Insurance Renewal Update**

Next, Angela Ryan, Director of Risk Management, and Edward Murphy, Associate Vice President and Chief Information Security Officer, presented an update to the committee on Cyber Insurance Renewal for the UW System. Ms. Ryan explained that higher education is viewed as a high-hazard class for cyber insurance. They were able to renew our program for the same limits and deductible as the previous year and were able to negotiate the removal of all ransomware coverage restrictions. Ms. Ryan further stated that they continue to investigate options to reduce costs and increase our risk posture and will formulate a plan to share at a future Audit Committee meeting.

Mr. Murphy gave an overview of recent accomplishments that positively impacted their efforts to renew our cyber liability insurance. Some of the recent improvements he discussed included multifactor authentication for students deployed to several of our campuses, removed external remote access ports, and routine phishing awareness training. The Regents commended Risk Management and Information Security for their work to lower the number of information security incidents and to obtain insurance coverage in a hard market.

## **F. Office of Compliance and Integrity**

### **1. Status of SYS 625 and Youth Protection Activities**

The committee then heard from Chief Compliance Officer, Paige Smith, who described the implementation status of System Policy 625, *Youth Protection and Compliance*, across the UW System, effective March 2023. The Regents discussed and confirmed there is training for all volunteers online and it is being tracked. Ms. Smith added that the biggest lift has come at the institutional level, and they have taken this issue very seriously. Furthermore, she stated the pre-college liaisons have truly been instrumental and will continue to be in getting the UW System fully compliant with the policy. She expressed her gratitude to Stacey Rolston (Senior Associate Vice President UW-Shared Services) and Prenicia Clifton (Youth Protection and Compliance Administrator) for their work in this area and towards implementation of a volunteer management system. This new system promises to be an opportunity to provide tools to the campuses to ensure youth protection across the UW System.

Regent Jones gave his support and stated it was a wise choice to look into this policy and thanked Ms. Smith and her team for being proactive rather than reactive. Ms. Stortz commended the

amount of work that has taken place in this area in a short amount of time, which puts the UW System in a better position. The Regents stressed the importance that we continue doing so, because parents entrust the lives and safety of their children with us, and furthermore, this good work should be promoted to the public. In addition to this, the Regents asked that they be provided information on those who were screened out of the program. Ms. Smith agreed to do so and Regent Weatherly thanked her, stating that would help show why we are doing this screening process.

**G. UW-Madison NCAA Division I Athletics 2021-22 Report**

**1. UW-Madison NCAA Division I Athletics 2021-22 Report**

Lastly we heard from the Director of Athletics at UW-Madison, Chris McIntosh, along with his colleagues, Marcus Sedberry, Deputy Athletic Director; Adam Barnes, Associate Athletic Director & CFO for Business Operations; Katie Ahrens Smith, Senior Associate Athletic Director & Senior Woman Administrator; and Doug Tiedt, Senior Associate Athletic Director for Student Services, who presented the *UW-Madison NCAA Division I Athletics 2021-22 Report*. Regent Prince asked that the minutes reflect the fact that she is an independent member of the NCAA committee to protect culture, equity, and diversity.

Mr. McIntosh began by sharing background context about the UW-Madison athletics department; they support 23 varsity sports, 800 student athletes, and employ nearly 400 full-time staff. He further indicated that they host nearly 2 million visitors, the economic impact for the State of Wisconsin annually is 757 million dollars, and each home football game on a Saturday produces 19 million dollars of economic impact. They are proud of their mission: to elevate the lives of student athletes. This is accomplished by providing athletic opportunities to a diverse range or a diverse group of student athletes in an environment which they can achieve their academic and competitive goals. The UW-Madison speakers discussed the three areas of focus: how students do while they are in school, how they do when they graduate, and how they do after graduation in the pursuit of careers. One element makes the athletic department at UW-Madison stand out from their peers; they are 100% self-sustaining and do not rely on University funds. Regent Weatherly noted that other schools transfer student fees to their athletic departments and Mr. Barnes attested that absolutely no student fees are transferred to the UW-Madison Athletic department.

The Regents acknowledged the extraordinary performance of our athletic program, both financially and academically, and discussed the transformation of the NCAA. This transformation is extreme and will create opportunities and complicated challenges, causing program leaders to consider what will be the best metrics to measure success going forward. It is an extremely dynamic period in college athletics. Following the discussion of UW-Madison athletics, the Regents applauded the speakers for the great work they are doing. Regent Miller added his congratulations for their success both on and off the field.

The Regents thanked 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