

**UW System Board of Regents  
Audit Committee**

Room 3310  
UW-La Crosse Student Union  
521 East Avenue N  
La Crosse, Wisconsin  
& via Zoom Videoconference  
**July 6, 2023**

**MEETING OF THE AUDIT COMMITTEE**

The meeting of the Audit Committee was called to order at 10:45 a.m. by Committee Chair Regent John Miller.

**A. Calling of the Roll**

Roll call was taken. Regents Miller, Adams, Atwell, Colón, Jones, Underly, and Weatherly were present. Regent Staton 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 June 8, 2023 meeting of the Audit Committee**

Regent Underly made a motion to approve the minutes of the June 8, 2023, Audit Committee meeting, seconded by Regent Atwell, which were approved unanimously without discussion.

**D. Internal Audit**

**1. Fiscal Year 2023 Audit Plan Progress Report**

Chief Audit Executive, Lori Stortz, reviewed the progress to date on the Fiscal Year 2023 Audit Plan. She confirmed that her office is making excellent progress on the plan and expects to finish the remaining fiscal year 2023 audits without delay. The Office of Internal Audit is also actively planning the fiscal year 2024 audits that were approved by the Audit Committee in June. Ms. Stortz anticipates bringing more audit reports to the committee at the meeting in October.

**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 we last met in June 2023. This included executive summaries for the Child Care Centers, Controlled Substances in Research, Research Integrity, and Working in Isolation audits, as well as the Payroll Bi-Annual Audit Report. A common theme emerged, the need for further oversight and controls in place at the System-level. The committee asked Ms. Stortz to put the audit of child care centers across the UW System on a regular auditing schedule, which she committed to do. The upcoming implementation of the ATP system was cited more than once as a tool that should help alleviate some of the comments that Internal Audit noted in their reports.

Regent Atwell raised the topic of accreditation, as it pertained to the Child Care Centers audit, followed by the committee discussion of the financial viability of such programs. Regent Miller stressed the importance of oversight and guidance to adhere to Federal regulations, during the discussion of the Controlled Substances in Research audit. To which Ms. Stortz affirmed that Ms. Smith and Mr. Britz are committed to doing.

### **3. Summary Report of Integrity Hotline Activity**

Next, Ms. Stortz presented a Summary Report of the Integrity Hotline activity for the period of July 1, 2022 through May 31, 2023. She noted that since the hotline was rebranded, they are averaging about 20 more cases reported per year, and she thanked the chancellors for helping make this tool a success. She further outlined the types of cases most often reported, which were those concerning employee relations. Most of the cases for this period did not require any action to be taken.

### **4. Progress on Closing Audit Comments**

Next, Ms. Stortz discussed the Progress on Closing Audit Comments. She stated that management continues to work diligently to address the audit comments and her team works diligently as well to ensure the steps are taken to closure. Ms. Stortz noted the good cooperation between her office and management across the UW System. The committee was pleased with this report and thanked those who were involved.

### **5. CAE Report**

- i. Global Internal Audit Standards
- ii. Internal Control and Fraud Training

Lastly, Ms. Stortz presented the Chief Audit Executive Report, which included a brief discussion on Internal Control and Fraud Training and the Global Internal Audit Standards. She indicated that her team recorded webcasts regarding the topics of internal control and fraud training, to be available to employees who are involved in either - led by Audit Director, Lisa Van Dong, and Senior-Auditor, Jing Xu. Their office intends to do more training videos in the future, and to date, the training has been well received.

The Institute of Internal Auditing (IIA) released new Standards on May 30 of this year, resulting in quite a large overhaul. Ms. Stortz indicated that her office supports them, but in general felt some of the more granular points did not apply to the Office of Internal Audit, which she shared with Regent Miller and President Rothman previously. The regents agreed that it is more beneficial to spend staff time working with clients, and not checking a box on the irrelevant requirements. They thanked Ms. Stortz and she stated she would keep the committee updated.

## **E. Office of Compliance and Risk Management**

### **1. Overview of Risk, Compliance, Audit (RCA) Pilot Program**

Then, Paige Smith, Chief Compliance Officer presented an Overview of the Risk, Compliance, Audit (RCA) Pilot Program. The committee was very supportive of the approach led by Ms. Smith, and the proactive nature of this program. We asked Ms. Smith to keep the committee updated. Ms. Smith also introduced a new staff member to the committee, Dany Thompson. Ms. Thompson is the new Title IX Compliance Specialist. Other vacancies in the Office of Compliance and Risk Management have also been filled.

### **2. Update on Progress of Implementation of SYS 625 Youth Protection and Data Collection Policy**

Next, Director of Youth Protection and Compliance, Prenicia Clifton, gave the committee an update on the Progress of Implementation of SYS 625, Youth Protection and Data Collection Policy. Ms. Clifton commended

the universities for working on implementation of this new policy. She also indicated that her office is working towards having the proper tools for accurate documentation, (volunteers, staff, youth) to achieve compliance and efficiency. As of June 2023, 63,000 youth were served in summer camps across the UW System. Regent Jones asked about recurring events and Ms. Clifton stated that most of the programs are recurring and they are seeing kids repeat for other camps. Regent Atwell raised the topic of volunteer training, and Ms. Clifton agreed that it is crucial. The regents supported Ms. Clifton for her work in this critical area and asked her to provide periodic updates to our committee.

**F. Office of Finance and Administration**

**1. Clearing Accounts Update**

And lastly the committee heard from Julie Gordon, Senior Associate Vice President for Finance, and Mark Haakenson, Controller at UW-La Crosse, who presented an update on Clearing Accounts. The committee was engaged with the topic and appreciated the approach taken since the audit report was issued last March. The regents had a robust discussion of the findings related to clearing accounts and stressed that clear communication with the chancellors regarding expectations must occur. Regent Weatherly asked Ms. Gordon to return and provide an update to the committee. The committee also stated that the Office of Internal Audit will follow up on this topic.

Respectfully submitted,

Erika Laabs  
Recording Secretary