

**UW System Board of Regents  
Audit Committee**

UW-Stout Memorial Student Center  
302 10<sup>th</sup> Avenue East  
Menomonee, Wisconsin  
& via Zoom Videoconference  
**March 30, 2023**

**MEETING OF THE AUDIT COMMITTEE**

The meeting of the Audit Committee was called to order at 10:47 a.m. by Committee Chair Regent John Miller.

**A. Calling of the Roll**

Roll call was taken. Regents Miller, Jones, Atwell, Colón, Manydeeds, Prince, Weatherly, and Staton 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 February 9, 2023, meeting of the Audit Committee**

Regent Jones made a motion to approve the minutes of the February 9, 2023, Audit Committee meeting, seconded by Regent Manydeeds, 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 solid progress on the plan, with many audits completed and a number of audits currently under way. She expects to bring more reports to the committee when we meet again in June. Ms. Stortz also reported that they are well into the planning phase for the Fiscal Year 2024 Audit Plan, and she has engaged with a number of members of the management team at system and will also engage with Chancellors and Chief Business Officers. The Fiscal Year 2024 Audit Plan will be presented to the committee in June. One item Ms. Stortz expects her team will spend substantial time on in fiscal 2024 is monitoring the ATP implementation. If any significant risk factors are found, Ms. Stortz stated her team would work with management and bring major issues to the Audit Committee and the Board on a timely basis. She indicated her office is being mindful of the impact the ATP implementation will have on audit clients and bears that in mind as they prepare their plan for the next fiscal year.

Regent Miller asked when Ms. Stortz plans to begin this audit, and she replied that her office will be starting now, since the project is far enough along to engage and monitor. She stated they have been monitoring and watching from the side, but now is the time to begin a closer review.

## **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 February 2023. This included the executive summary for the Export Controls audit, and an executive summary for the General Ledger Clearing Accounts audit.

The Export Controls audit assessed infrastructure, policies, and procedures that are currently in place to ensure the campuses across UW System are in compliance. This audit considered the regulations and laws that the Federal Government, through the Department of Commerce and the State have put in place for what are considered threats to national security. This has always been of concern, but in the world we are living in today, it is of increased importance. Ms. Stortz reported there were a couple of comments related to policy and oversight, and they recommended UW System work with UW-Madison and all other UW universities towards collaboration to reach full compliance. Regent Miller asked about the main areas of risk and Ms. Stortz replied this involves regulations for research, defense, and foreign nationals in the U.S.

The General Ledger Clearing Accounts audit was useful to help prepare for the move to ATP. Ms. Stortz stated that during this audit, six best practices were identified. The Regents had a robust discussion regarding this audit and concluded there was room for improvement in this area. They stressed their belief that the UW System must have accurate and timely financial reports. Inherent in that expectation is that the underlying accounts are reconciled on a timely basis, without waiting for the implementation of ATP to begin closer monitoring. It was agreed that this expectation should be made clear to the Chancellors and Chief Business Officers. Chief Audit Executive Lori Stortz will meet with System Finance Leadership and plan a subsequent follow-up audit to confirm that the issues found in this audit have been addressed. This report will then be issued to the Board of Regents.

The Regents thanked the participants for their ongoing efforts to support the UW System. The meeting was adjourned at 11:33 a.m.

Respectfully submitted,

Erika Laabs  
Recording Secretary