

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Audit Committee

Thursday, July 6, 2023
10:45 a.m. - 12:00 p.m.

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

- A. Calling of the Roll
- B. Declaration of Conflicts
- C. Approval of the Minutes of the June 8, 2023 Audit Committee Meeting
- D. Internal Audit
 - 1. Fiscal Year 2023 Audit Plan Progress Report
 - 2. Summarized Results of Audits Recently Issued
 - 3. Summary Report of Integrity Hotline Activity
 - 4. Progress on Closing Audit Comments
 - 5. Chief Audit Executive Report
 - i. Global Internal Audit Standards
 - ii. Internal Control and Fraud Training
- E. Office of Compliance and Risk Management
 - 1. Overview of Risk, Compliance, Audit (RCA) Pilot Program
 - 2. Update on Progress of Implementation of SYS 625 Youth Protection and Data Collection Policy
- F. Office of Finance and Administration
 - 1. Clearing Accounts Update

FISCAL YEAR 2023 AUDIT PLAN PROGRESS REPORT

REQUESTED ACTION

For information and discussion only.

SUMMARY

One of the responsibilities of the Audit Committee, as outlined in the committee charter, is to review and approve the annual internal audit plan and receive interim progress reports at least quarterly.

The attached chart provides a summary of audit progress for the Fiscal Year 2023 Audit Plan.

Presenter(s)

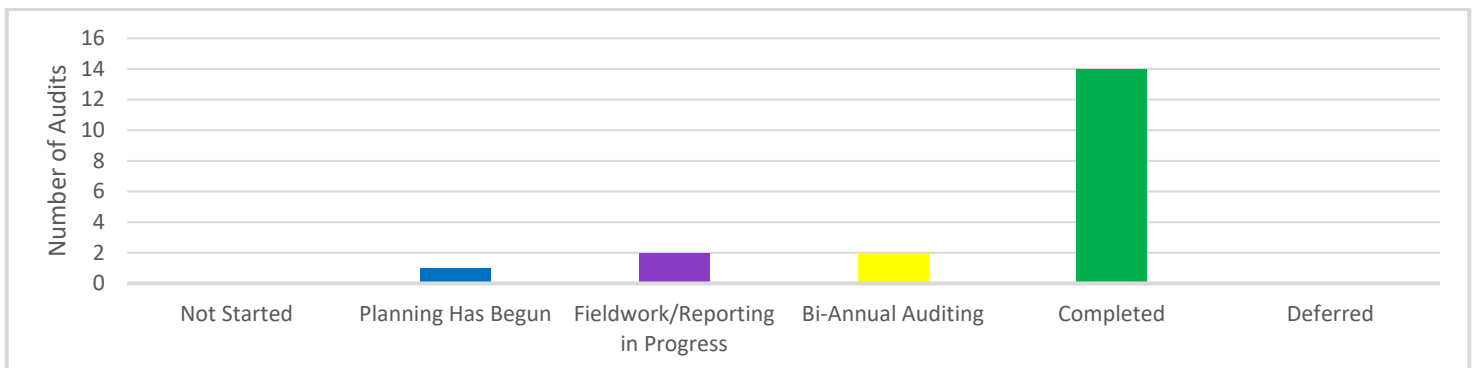
- Lori Stortz, Chief Audit Executive

ATTACHMENTS

- A) UW System Administration Office of Internal Audit Fiscal Year 2023 Audit Plan Progress Chart.

**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
FISCAL YEAR 2023
AUDIT PLAN PROGRESS**

	Title	Risks
1	Payroll (Bi-Annual Auditing)	Fraud, Data Accuracy, Compliance with Policy
2	Purchasing Cards (Bi-Annual Auditing)	Fraud, Embezzlement, Compliance with Policy
3	Criminal Background Checks	Reputational, Conflicts of Interest, Regulatory Compliance, Compliance with Policy
4	Information Technology Remote Access (Phase Two)	Data Security, Reputational, Operational, Financial
5	Behavioral Health	Student Health and Safety, Compliance
6	Child Care Centers	Compliance with Policy, Financial, Operational
7	Controlled Substances in Research	Compliance, Fraud, Reputation, Public Safety
8	Export Controls	Compliance with Laws, Reputational
9	General Ledger Clearing Accounts	Fraud, Financial
10	Information Technology Asset Management	Compliance with Policy, Data Security, Data Availability, Operational, Financial, Fraud
11	Information Technology Bi-Monthly Compliance Reports	Compliance with Policy
12	Internal Assessment	Conformance with IIA <i>Standards</i> and Code of Ethics
13	Madison NCAA Athletics Compliance Audit	Compliance
14	NCAA Athletics Division I Consulting Engagements	Data Accuracy
15	Nepotism and Conflicts of Interest	Conflicts of Interest, Fraud, Financial
16	Recruitment and Admission of International Students	Fraud, Compliance with Laws and Policy, Reputational
17	Research Integrity	Compliance, Fraud, Reputation
18	ShopUW+ Internal Controls	Fraud, Financial, Operational
19	Working in Isolation	Human Safety, Regulatory Compliance



SUMMARIZED RESULTS OF AUDITS RECENTLY ISSUED

REQUESTED ACTION

For information and discussion only.

SUMMARY

Since the June 8, 2023 meeting of the Audit Committee, the Office of Internal Audit has issued the following reports:

- Child Care Centers – Executive Summary
- Controlled Substances in Research – Executive Summary
- Payroll Bi-Annual Audit Report
- Research Integrity – Executive Summary
- Working In Isolation – Executive Summary

Presenter(s)

- Lori Stortz, Chief Audit Executive

BACKGROUND

One of the responsibilities of the Audit Committee, as outlined in the committee charter, is to summarize results of audits recently issued.

Thursday, July 6, 2023

SUMMARY REPORT OF INTEGRITY HOTLINE ACTIVITY

REQUESTED ACTION

For information and discussion only.

SUMMARY

For the period of July 1, 2022 through May 31, 2023, 48 incidents were reported.

The dissemination, analysis, investigation, and resolution of the incidents reported to the hotline continues to go well. As of May 31, 2023, 41 of the incidents had been closed. Thirty-four of the incidents did not require an investigation or the Office of Internal Audit concurred with management that no corrective action was necessary. Seven of the incidents resulted in corrective action being taken.

The Office of Internal Audit has received reports of incidents in each of the risk categories, with most classified as employee relations. Incidents were open an average of 39 days.

Presenter(s)

- Lori Stortz, Chief Audit Executive

BACKGROUND

The UW System Integrity Hotline went live on May 15, 2015. The Audit Committee requested periodic updates to ensure reports are being addressed in a timely manner.

The hotline was rebranded and a new communication strategy was launched in the summer of 2021. The strategy was designed by UW System Office of Public Affairs & Communications who then provided templates of communication materials to the institutions. The institutions were asked to promote the hotline in the manner most appropriate for their stakeholders.

PROGRESS ON CLOSING AUDIT COMMENTS

REQUESTED ACTION

For information and discussion only.

SUMMARY

One of the responsibilities of the Office of Internal Audit as outlined in the charter is to establish a follow-up process to monitor and identify whether corrective actions have been effectively implemented, or whether senior management has accepted the risk of not taking action. The Audit Committee has requested regular progress reports on this monitoring.

Presenter(s)

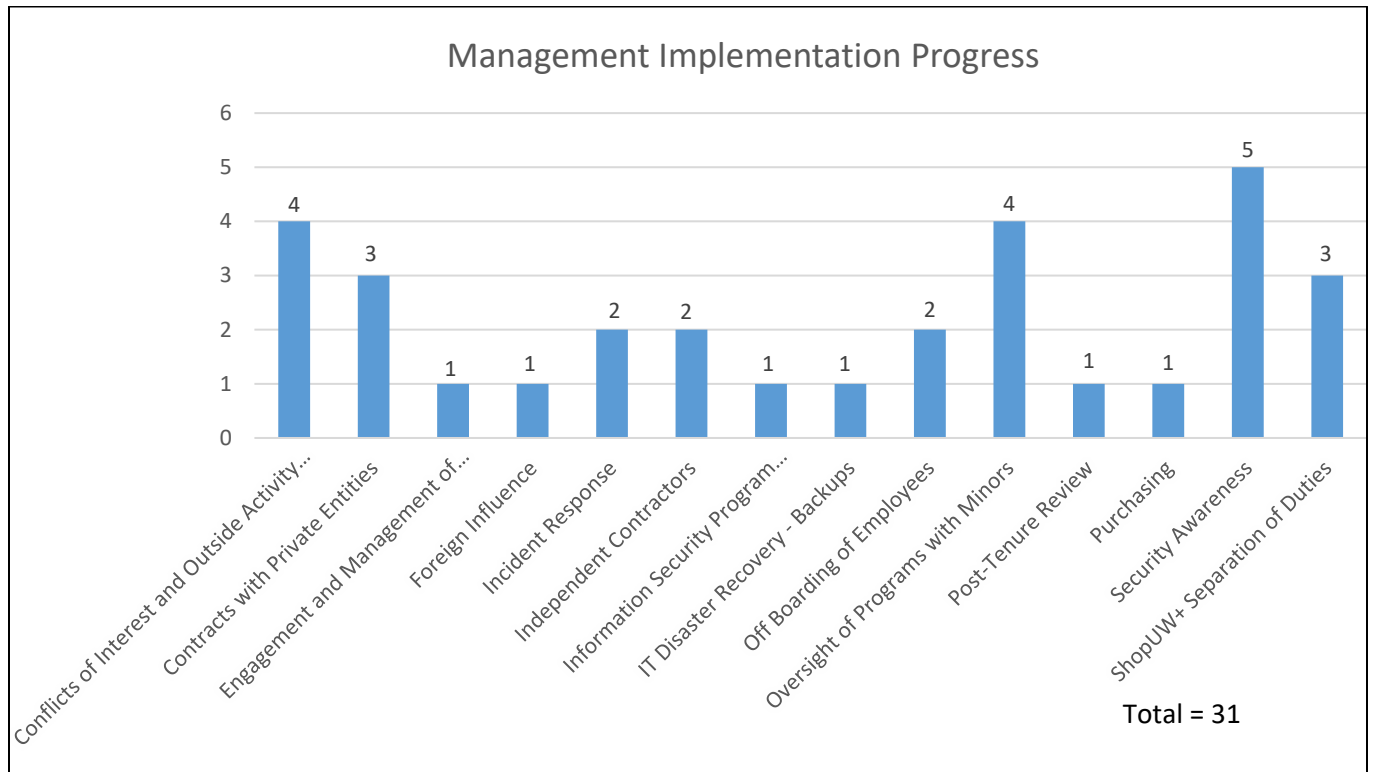
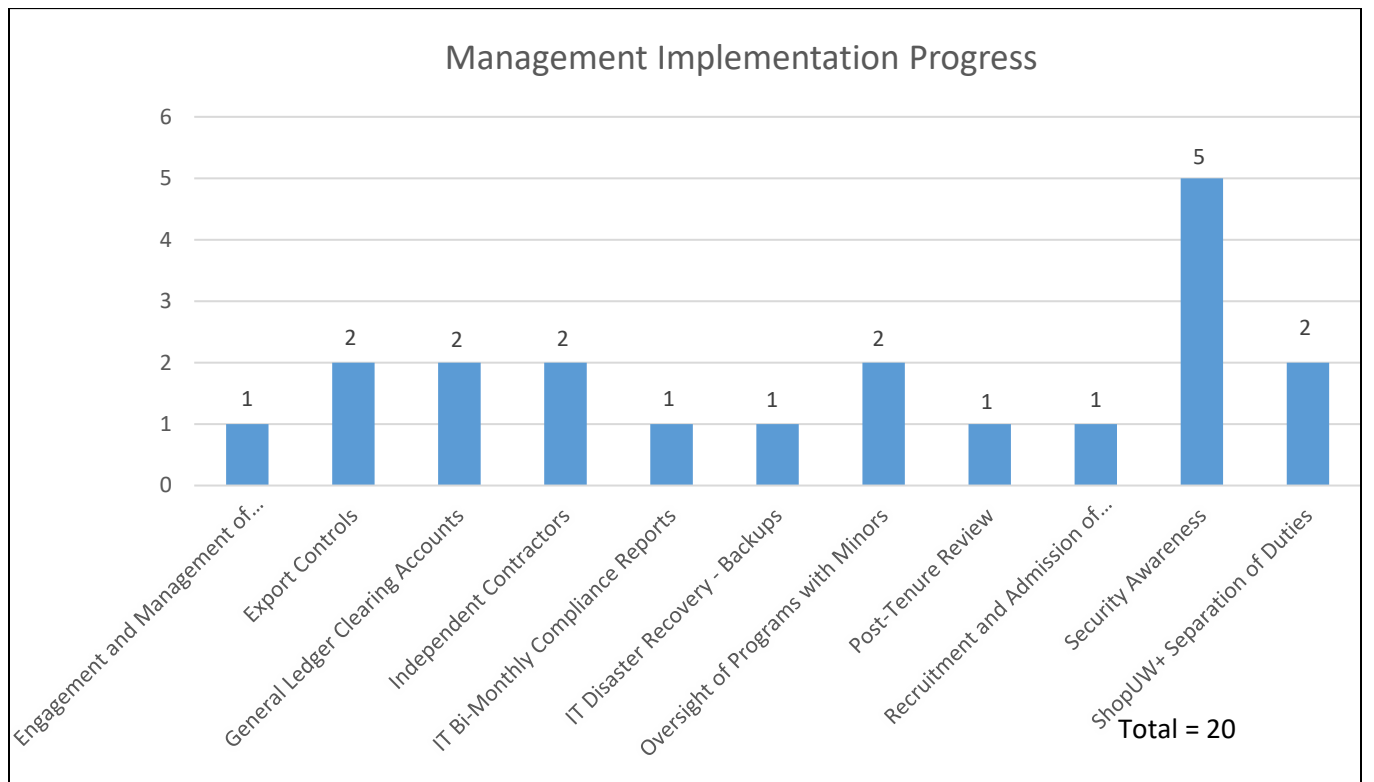
- Lori Stortz, Chief Audit Executive

BACKGROUND

The following charts present audits issued during fiscal year 2020 through fiscal year 2023 and the progress management has made toward resolving the comments and recommendations included in the audit reports. Management's corrective action plans were audited by the Office of Internal Audit to determine if they were implemented.

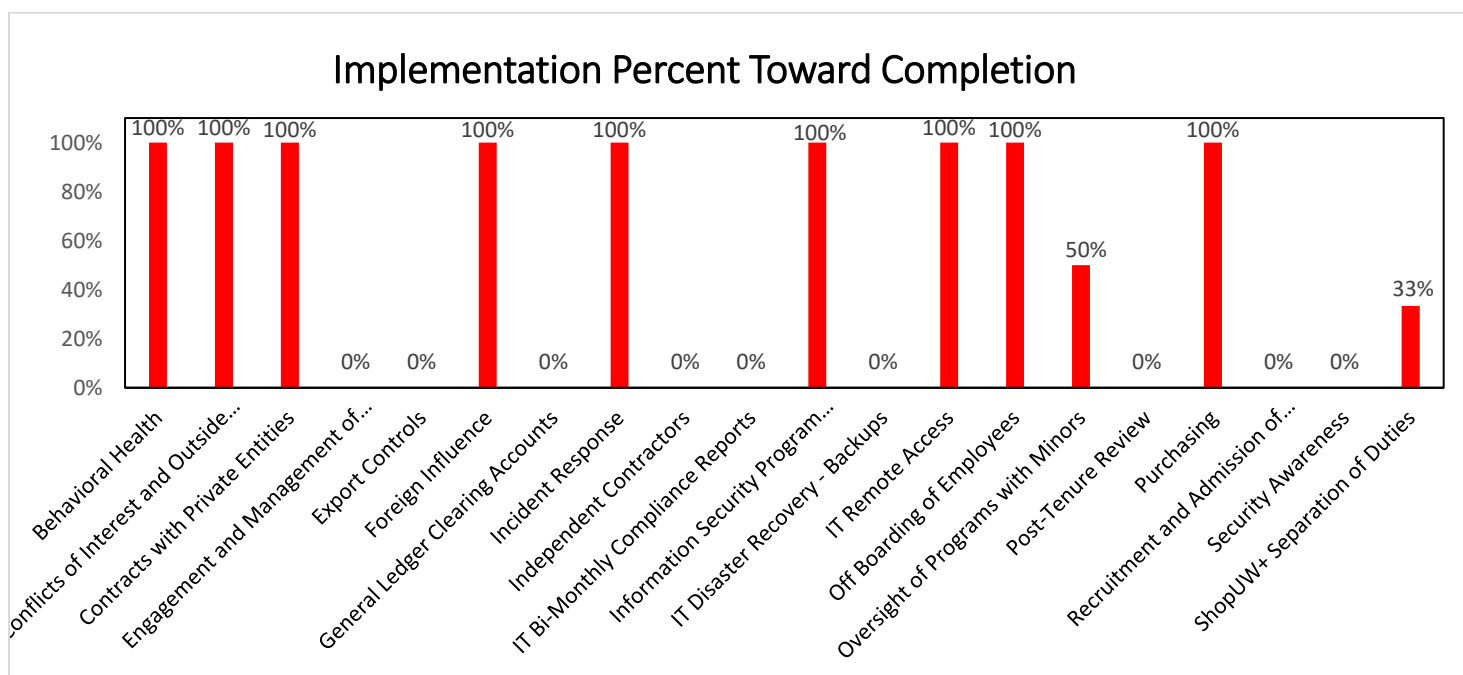
ATTACHMENTS

- A) UW System Administration Office of Internal Audit Follow-Up Presentation

Prior Reporting Period**Current Reporting Period**

Roll-forward from Prior Reporting Period to Current Reporting Period

Audit	Previously Reported Open Comments	Comments Issued	Comments Closed	Current Open Comments
Behavioral Health	0	3	3	0
Conflicts of Interest and Outside Activity Reporting	4	0	4	0
Contracts with Private Entities	3	0	3	0
Engagement and Management of Independent Contractors	1	0	0	1
Export Controls	0	2	0	2
Foreign Influence	1	0	1	0
General Ledger Clearing Accounts	0	2	0	2
Incident Response	2	0	2	0
Independent Contractors	2	0	0	2
IT Bi-Monthly Compliance Reports	0	1	0	1
Information Security Program Accountability	1	0	1	0
IT Disaster Recovery - Backups	1	0	0	1
IT Remote Access	0	1	1	0
Off Boarding of Employees	2	0	2	0
Oversight of Programs with Minors	4	0	2	2
Post-Tenure Review	1	0	0	1
Purchasing	1	0	1	0
Recruitment and Admission of International Students	0	1	0	1
Security Awareness	5	0	0	5
ShopUW+ Separation of Duties	3	0	1	2
Total	31	10	21	20



The above charts and graphs do not necessarily represent all audit comments outstanding due to timing issues

**OVERVIEW OF THE UW SYSTEM
RISK, COMPLIANCE AND AUDIT (RCA) PILOT PROGRAM**

REQUESTED ACTION

For information and discussion only.

SUMMARY

The UW System Office of Compliance and Risk Management will provide an overview of its plans to initiate the UW System Risk, Compliance and Audit (RCA) Pilot Program during the academic year of 2023-2024.

Presenter

- Paige Smith, UW System Chief Compliance Officer

BACKGROUND

The UW System Office of Compliance and Risk Management has developed a new risk assessment approach that will enhance and improve the manner, method and timeline under which UW System and its universities will identify, assess, and mitigate high-level risks.

This program is consistent with the commonly known system-level “Enterprise Risk Management” but focuses on the institution-level risk management activities in addition to the full enterprise. The program will be offered as a pilot program for six (6) participating universities and will occur during the FY23-24 academic year.

ATTACHMENTS

A) Overview of the UW System RCA Pilot Program

**Overview of the UW System Risk, Compliance and Audit (RCA) Pilot Program
Prepared by the Office of Compliance and Risk Management
July 6, 2023**

What is the RCA Program?

The Office of Compliance and Risk Management (OCRM) has developed a new risk assessment approach that will enhance and improve the manner, method and timeline under which UW System and its universities will identify, assess, and mitigate high-level risks. This program is consistent with the commonly known system-level “Enterprise Risk Management” but focuses on university-level risk management activities in addition to focusing on the full system as an enterprise. This will be conducted as a pilot program for its first year.

Why is this needed?

Currently, universities identify and evaluate their risks through their own methods, which may include high-level discussions at the leadership level, administrative checks, and balances at the director level, and/or general day-to-day observations at the operational levels. Risks are identified and managed every day. However, there has been no standardized process under which universities are consistently identifying and assessing their risks at all levels.

This pilot program will create a standardized and consistent process at the university levels for conducting consistent and informative risk assessments. It will encourage universities to engage in regular and updated discussions to stay aware of their risks that could impact their universities. This process will include the identification of high-level risks, evaluation of existing controls and policies, and using the data collected to develop mitigation plans to minimize said risks to a reasonable level.

How will it work?

OCRM will prepare a list of commonly known risk topics in the higher education industry and those previously identified during our system wide ERM process in 2021. This general list will be shared with participating university leaders, compliance officers and risk managers for their review and input before it is finalized.

Once the final list is developed, a total of ten (10) topics will be selected for each university to assess during the pilot. The ten will be comprised of five system-wide topics

and five discretionary topics (selected by each university). Universities may assess additional risk topics at their discretion. The five system-wide topics will be used to conduct the System-wide risk assessment based on the assessment results submitted by each university.

OCRM will provide advanced hands-on training to university leaders and managers on how to conduct the risk assessments and use the acquired data to mitigate risks. This training and guidance will be offered starting in June and lasting throughout the year, as needed and upon request. There is no cost to universities for receiving this training or guidance from OCRM. OCRM will also cover the costs for any assistance or expertise from Gallagher (UW System's insurance/risk management consulting firm) during this process.

The pilot will begin during the fall semester of 2023. Universities will determine their actual timeframes with a hard deadline on or before February 15, 2024. Once the assessments are complete, OCRM will also assist and support universities in evaluating their results and determining where there may be compliance gaps. If gaps are identified throughout the system, OCRM will work with university stakeholders to develop and initiate mitigation and resolution plans and timelines for addressing said gaps.

UW System Risk and Compliance Council will use the pilot results to complete a systemwide risk assessment between March 1 and April 30, 2024 to identify and assess those high-level risks that may impact the systemwide enterprise.

Once the systemwide risk assessment is completed, the results will be reported to President Rothman and the Board of Regents Audit Committee. OCRM will work with the UW System Risk and Compliance Council, in consultation with university leaders, to determine what, if any, mitigation is necessary to adequately manage said systemwide risks. Any mitigation will occur during the following FY24-25 academic year.

How will this process impact system-level internal audits?

In FY23, the Office of Internal Audit (OIA) will develop its annual audit schedule as usual. Going forward, OIA will consider the results of the system-wide and university risk assessment results as a part of its internal audit annual plans, in collaboration with university leaders, OCRM, UW System Risk and Compliance Council, UW System and the Board of Regents Audit Committee. The goal is not to increase the number of audits each year, but to use the risk assessment information to prioritize which areas require additional review to ensure controls are effectively managing said risks.

What is the intended outcome?

With a more structured and collaborative process, we seek to gain relevant and useful risk-specific data that will ensure university leaders are making the most informed

and strategic decisions in prioritizing their resources, staff, and funds to successfully manage risks and fulfill their overall strategic goals and mission. Some specific objectives and outcomes include:

1. Proactively identify and address risks, compliance gaps or other issues of concern through a structured and informed process rather than waiting for such issues to be revealed through either an incident or audit finding. (*Using IIA's Three Lines of Defense Model*)
2. Improve university and system oversight, awareness and understanding of risks and compliance issues to support a more fulfilled culture of compliance and ethics.
3. Create a structure under which universities will work closely with UW System Offices to mitigate risks and compliance gaps in an effective and timely manner.
4. Create a more consistent level of reporting, monitoring, and auditing at the university level for more awareness and understanding of their risks and compliance gaps.
5. Use information at the university and system level for the benefit of setting university and system strategic goals, priorities, and resource allocations.
6. Provide a more interactive and informative process between university leadership and system administration for setting system-level goals and priorities related to risk and compliance issues based on University data and reporting.
7. Provide a more informed and interactive process with university leadership and system administration in identifying and setting risk, compliance, and audit priorities for each calendar.

In summary, OCRM is committed to creating the most efficient and effective way to manage both System-wide and university high-level risks so that we remain informed, prepared, and successful in effectively responding to incidents, as well as maintaining proper controls for the health and safety of our campus communities. The pilot program will accomplish these goals and outcomes and create a long-term strategic approach for identifying, assessing, and managing our risks for future success.

**UPDATE ON PROGRESS OF IMPLEMENTATION OF SYS 625
YOUTH PROTECTION AND DATA COLLECTION POLICY**

REQUESTED ACTION

Item for information and discussion only.

SUMMARY

Over the previous three years, there has been significant progression in the initiatives related to youth protection and compliance within the University of Wisconsin (UW) System. In March 2023, the implementation of the revised System Policy 625 was formally established. Campuses subsequently initiated measures to ensure compliance with this policy, which encompassed the formulation of individual policies and standard operating procedures, the utilization of technology, and the appointment of designated partners on campus to supervise youth protection.

In accordance with the principles of cooperation and mutual respect, our efforts are currently focused on working in partnership with each campus, through precollege liaisons, to produce comprehensive documentation intended for all personnel, programs, and participants that serve youth. The Office of Compliance and Integrity is in the midst of releasing a suite of tools designed to facilitate campuses in managing an extensive array of youth programs, staff, and participants.

The Youth Activity Registration System (YARS) is responsible for maintaining contemporaneous records of youth activities on every campus and for providing a historical record of all corresponding activities, leadership, and staff. Furthermore, YARS supports Precollege Liaisons in reviewing compliance with policy stipulations such as staff-to-participant ratios, documentation of program training and orientation, emergency planning, among others.

CampDoc, on the other hand, enables institutions to monitor youth participation in diverse programs. This system allows for the tracking of medical needs, consent forms, incident reports, behavioral remediation measures, and compliance with licensing requirements. It also serves as a comprehensive documentation platform for precollege career records of youth participants.

In conjunction with Shared Services and Human Resources, the Office of Compliance and Integrity is currently piloting *Volunteer Matters*, a volunteer management solution aimed at aiding campuses in documenting the training, vetting, and credentialing processes for volunteers serving the youth.

Presenter(s)

- Prenicia Clifton, Director of Youth Protection and Compliance

BACKGROUND

On March 1, 2023, the revised UW System Policy 625 became effective and instrumental in supporting the implementation of training, safe oversight of minors, policies, and standards for youth protection and compliance.

Previous Action or Discussion

Director Clifton presented to the Audit Committee on February 9, 2023, on the initial roll out of revised System Policy 625.

Related Policies

- Regent Policy Document 20-19, UW System Criminal Background Check Policy
- Regent Policy Document 23-3, Youth Protection, Compliance, and Data Collection
- UW System Administration Internal Policy HR-7, Minors in the Workplace
- UW System Administration Internal Policy HR-8, Minor Protection and Adult Leadership

ATTACHMENTS

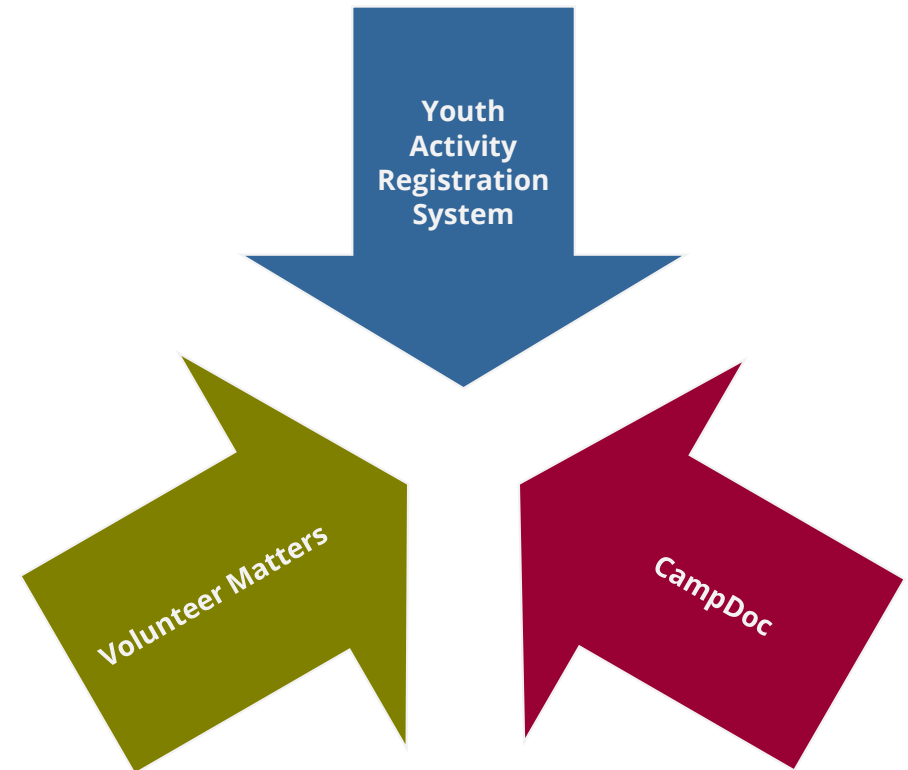
- A) The Role of Technology in Keeping Youth Safe at UW System Universities
- B) Architecture of Compliance

Youth Protection

The Role of Technology in Keeping Youth Safe
at UW Universities

Achieving Compliance and Efficiency Through Using Technology

- Accurate Documentation is nearly impossible without proper tools
- Technology can help prevent abuse through supporting campuses in documenting all activities on their campuses



Monitoring Youth Program Activity

- ✓ Monitoring youth program activity is essential to identify potential issues early
- ✓ Technology aids in collating and analyzing data efficiently

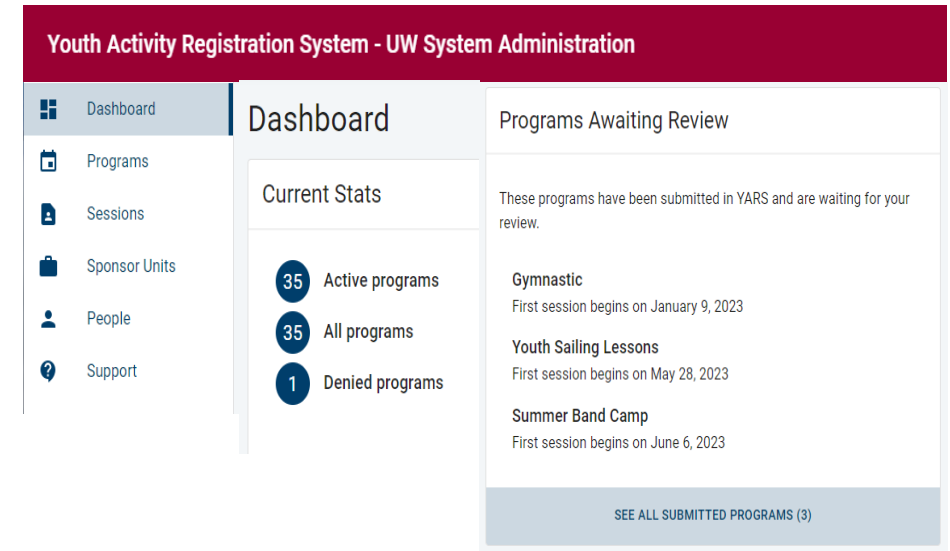
Audit Recommendation

Monitoring Youth Program Activity

We recommend that UW System Administration develop and maintain a universal database of all activities with vulnerable populations/minors that occur on each of the UW Universities and campuses. The database should include a listing of all individuals with access to vulnerable populations (minors) that are involved with each of the activities in the listing.

Youth Activity Registration System (YARS)

- Maintains up-to-date records of activities
- Manages reports
- Provides historical record of all activities and leadership and staff involved
- Helps create projects in a timely fashion
- Adheres to program ratio, program training requirement, emergency planning, and more



Youth Participant Registration System (CampDoc)

- **Universities can keep track of:**
 - Youth participation in various programs,
 - Medical Needs
 - Consent Forms
 - Program Hopping
 - Behavioral Remediations
 - Compliance with State Licensing Requirements
 - Documentation of a Youths full Precollege Career

The screenshot displays the 'ALL FORMS 1. Test / Health Profile' interface for the University of Wisconsin DEMO. The main section is titled 'Emergency Contacts' and contains fields for 'Parent/Guardian #1'. These fields include: 'Name' (text input), 'Relationship' (dropdown menu with 'Relationship' selected), 'Preferred Phone Number' (text input with a phone icon), and 'Alternate Phone Number' (text input with a phone icon). Below these fields is a section for 'Parent/Guardian #2'. At the bottom of the form, there are buttons for 'PREVIOUS STEP' and 'NEXT STEP', along with a progress indicator showing '25% Complete'. On the right side, a sidebar lists various form sections: 'General Information', 'Emergency Contacts' (highlighted), 'Healthcare Provider', 'Insurance', 'Allergies (ALL FORMS EXCEPT INDIVIDUAL)', 'Medications (ALL FORMS EXCEPT INDIVIDUAL)', 'Health History', 'Immunizations', 'Authorizations', 'Pick Up Authorization', 'Athletics (SUPPLEMENTAL)', 'Music (SUPPLEMENTAL)', 'Water Activities (SUPPLEMENTAL)', 'Travel (SUPPLEMENTAL)', and 'Grant Based Programs (SUPPLEMENTAL)'. The top right corner shows a 'Test Account' link and a help icon.

Youth Staff Volunteer Registration System (Volunteer Matters)

- Youth Serving Staff training and participation is key in youth protection
- Online training modules, tracking systems, and digital communication tools are just some of the ways Volunteer Matters can assist.

The screenshot displays a web interface for the Youth Staff Volunteer Registration System. It is divided into two main sections: 'Contact Status' and 'Credentials'.

Contact Status

Contact ID	5cTsAuVwTS9BphNNpUHBnTw
Status	Staff
Status Date	2023-05-15
Contact Created	2023-05-15 12:48:34.0

Credentials

	Volunteer Agreement Status: Missing Add
	Criminal Background Check Status: Missing Add
	Clery Campus Security Authority Status: Missing Add
	CPR/First Aid/AED Status: Missing Add
	New Director Orientation Training Status: Missing Add
	Title IX Responsible Employee Status: Missing Add
	UW System Youth Protection

Benefits and Challenges of Technology

Benefits

- Provides numerous benefits such as efficiency and scalability

Challenges

- Data privacy and records retention

Solutions

- Worked closely with UW System and UW-Madison Cybersecurity to create compliant technology
- Worked with UW System Records Retention to create a youth records retention schedule and have already automated many requirements

Early Adoption of Documentation

Projected Summer Numbers			
Institution	Participants	Staff	Volunteers
UW-Eau Claire	2,408		696
UW-Green Bay	2,000		200
UW-Madison	36,454	1,956	5,540
UW-Milwaukee	5,100	245	20
UW-Oshkosh	2,257	6	11
UW- Parkside	710		181
UW-Platteville	2,257	6	11
UW-River Falls	2,841		230
UW-Stevens Point	4,325	350	460
UW Stout	2,816		359
UW Superior	1,417	39	25

Conclusion

- **Technology is an effective solution that will create efficiencies and long-term benefits**
- **It is a valuable tool in the protection of young people in higher education settings**

Building an Architecture of Youth Protection and Compliance

University of Wisconsin- System



Prenicia Clifton

UW-System Director of Youth
Protection and Compliance

June 3, 2022

C.R.A.F.T.I

Understanding How Your Campuses Interact with Minors

C.R.A.F.T.I

Commuter

- Camps
- Conferences

Residential

- Conferences
- Athletic Recruiting Trips

Affiliated

- Private Coachings
- Coaches LLC's
- Alumni Associations

Field Trips

- Admissions Trips
- Athletic Recruiting

Individual Activities

- Shadow Days
- Internships
- Music Lessons
- Tutoring

Architecture of Compliance



- Who is here?
- Who is responsible?
- When?
- Where?
- Why?

How the Architecture of Compliance Can Support the Safety of Minors on Campus



Who Is Here?

In order to protect minors, we must first understand all the ways in which we serve minors.

- Conferences
- Residential and Commuter Camps
- Affiliated Programs
- Field Trips
- Third Party Programs
- Individual Interactions (Internships, Shadow Experiences, Virtual Interactions, etc.)

How the Architecture of Compliance Can Support the Safety of Minors on Campus



Who is Responsible?

In recognizing all the ways we serve minors we must also document and vet those that fall out of the traditional program staff roles.

- Faculty
 - Staff
 - Volunteers
 - Interns
 - Independent Contractors
 - Vendors
 - Student Volunteers and Employees
- *Note that many people are not employees and therefore may not interact with HR or they may be employees who have not notified HR that they are adding duties that may shift employment categories to positions of trust.

How the Architecture of Compliance Can Support the Safety of Minors on Campus

When



- In recognizing that minors respond differently to emergencies as compared to adults, it is important that campuses create safety and emergency plans specific to this populations. It is crucial to include campus security, health officials, and program directors in this planning. Understanding when youth are present, will better support campuses in making sure that programs with minors are also informed if emergencies occur on campus. People working with minors should be trained by campus security on the following protocols:
- Missing Child
- Drowning
- Active Threat
- Communicable Disease
- Mental Health Crisis with Youth

How the Architecture of Compliance Can Support the Safety of Minors on Campus

Where

Understanding where minors will be on campus supports in emergency/safety planning as well clarifying who will be interacting with minors. We can better assess if vendors and contractors may have unrestricted access to minors. It is also important to recognize that universities are typically designed for adults and minors may need more support and oversight navigating our spaces.



Training Requirements Building Framework of Protection

Building a Framework of Protection

- Youth Protection-Protection from predators and peers
- Youth Mental Health First Aid- Protection from self-harm
- Advance CPR and First Aid- Medical Protection in the era of Covid-19
- Emergency and Safety Planning
- Protection of UW System from Historical Accusations- Proper Program, Participant, and Employee Registration

Questions



- Contact:
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