

3/20/2024

## BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

### **Audit Committee**

Thursday, April 4, 2024  
10:45 a.m. – 12:00 p.m.

Nohr Gallery, Ullsvik Hall  
University of Wisconsin-Platteville  
1 University Plaza, Platteville, Wisconsin  
& via Zoom Videoconference

- A. Calling of the Roll
- B. Declaration of Conflicts
- C. Approval of the Minutes of the February 8, 2024, Audit Committee meeting
- D. Internal Audit
  - 1. Fiscal Year 2024 Audit Plan Progress Report
  - 2. Summarized Results of Audits Recently Issued
  - 3. Overview of the Institute of Internal Auditors new Global Internal Audit Standards

## **FISCAL YEAR 2024 AUDIT PLAN PROGRESS REPORT**

### **REQUESTED ACTION**

For information and discussion.

### **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 2024 Audit Plan.

### **Presenter(s)**

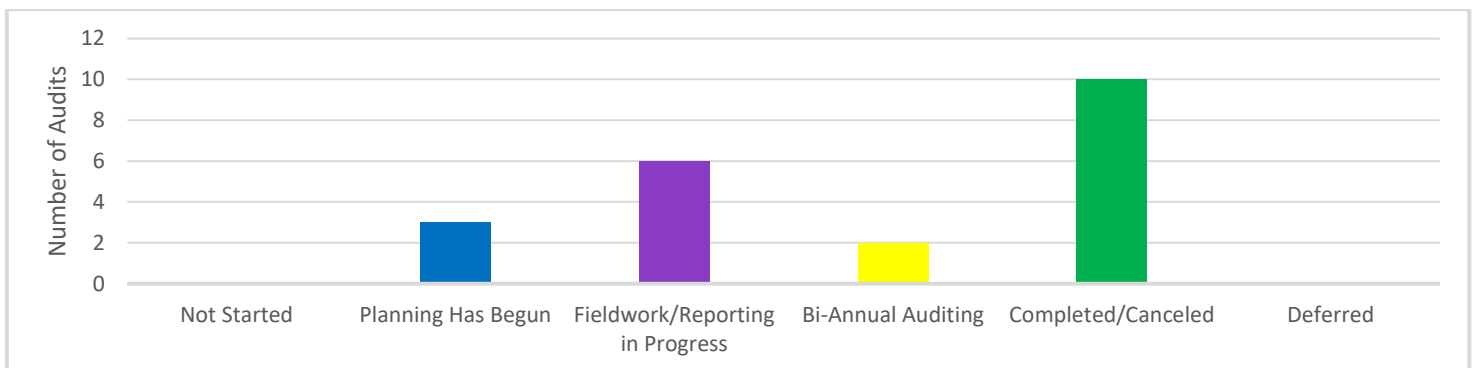
- Lori Stortz, Chief Audit Executive

### **ATTACHMENTS**

- A) Universities of Wisconsin Office of Internal Audit Fiscal Year 2024 Audit Plan Progress Chart.

**UNIVERSITIES OF WISCONSIN  
OFFICE OF INTERNAL AUDIT  
FISCAL YEAR 2024  
AUDIT PLAN PROGRESS**

	<b>Title</b>	<b>Risks</b>
1	Payroll (Bi-Annual Auditing)	Fraud, Data Accuracy, Compliance with Policy
2	Purchasing Cards (Bi-Annual Auditing)	Fraud, Embezzlement, Compliance with Policy
3	Information Technology Asset Management	Compliance with Policy, Data Security, Data Availability, Operational, Financial, Fraud
4	Nepotism and Conflicts of Interest	Conflicts of Interest, Fraud, Financial
5	ShopUW+ Internal Controls	Fraud, Financial, Operational
6	ATP	Operational, Financial
7	Concussion Protocols	Human safety, Compliance
8	Employee References Regarding Sexual Violence and Harassment	Compliance, Reputational
9	General Ledger Clearing Accounts Follow-Up	Financial, Fraud
10	Internal Assessment	Conformance with Institute of Internal Audit (IIA) Standards and Code of Ethics
11	ShopUW+ Internal Controls - Phase 2	Fraud, Financial, Operational
12	Student Safety - Emergency Preparedness	Human safety, Operational, Reputational
13	Third-Party Servicers	Compliance with federal guidance
14	UWSA Policy 616 Student Drivers under State's Liability Protection	Human safety, Operational, Reputational, Compliance
15	Grade Changes	Academic integrity, Compliance, Fraud
16	Other Affiliated Organizations	Financial, Operational, Reputational
17	Payment Card Industry Compliance - Representations from Universities to System	Compliance, IT data security
18	Regent Policy Document 13-1 (RPD 13-1), General Contract Approval, Signature Authority, and Reporting	Legal, Compliance
19	Madison NCAA	Compliance
20	NCAA Athletics Division I and II Consulting Engagements	Compliance with NCAA agreed-upon procedures
21	Wisconsin Economic Development Corporation (WEDC) Grants	Grant compliance, Fraud



## **SUMMARIZED RESULTS OF AUDITS RECENTLY ISSUED**

### **REQUESTED ACTION**

For information and discussion.

### **SUMMARY**

Since the February 8, 2024 meeting of the Audit Committee, the Office of Internal Audit has issued the following reports:

- Other Affiliated Organizations Executive Summary
- Purchasing Card Bi-Annual Audit Report – 6.24.23 – 1.5.24

### **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.

## **OVERVIEW OF THE INSTITUTE OF INTERNAL AUDITORS NEW GLOBAL INTERNAL AUDIT STANDARDS**

### **REQUESTED ACTION**

For information and discussion.

### **SUMMARY**

This presentation will provide an overview of the Institute of Internal Auditors' (IIA's) new Global Internal Audit Standards™ (Standards), in particular the enhanced role of the board in the new Standards. Overall, there are some new terms like Purpose of Internal Auditing, internal audit (IA) mandate, and essential conditions. While the chief audit executive (CAE) is responsible for the requirements related to governing the IA function, activities of the board and senior management are essential to the IA function's ability to fulfill the Purpose of Internal Auditing.

### **Presenter**

- Lori Stortz, Chief Audit Executive

### **BACKGROUND**

The Standards begin with the Purpose of Internal Auditing, which articulates the value of internal auditing to stakeholders:

- "Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight."
- "Internal auditing enhances the organization's:
  - Successful achievement of its objectives.
  - Governance, risk management, and control processes.
  - Decision-making and oversight.
  - Reputation and credibility with its stakeholders.
  - Ability to serve the public interest."

## **Governing the IA Function**

The new Standards consist of five domains, and Domain III is on governing the IA function. The three principles in this domain note the IA function is authorized by the board, positioned independently, and overseen by the board. The new Standards indicate:

- “While the CAE is responsible for the requirements in this domain, activities of the board and senior management are essential to the IA function’s ability to fulfill the Purpose of Internal Auditing. These activities are identified as ‘essential conditions’ in each standard and establish a necessary foundation for an effective dialogue between the board, senior management, and the CAE, ultimately enabling an effective IA function.”
- Some new essential conditions noted for the board in Domain III include:
  - “Champion the IA function to enable it to fulfill the Purpose of Internal Auditing and pursue its strategy and objectives.”
  - “Review the requirements necessary for the CAE to manage the IA function, as described in Domain IV: Managing the IA Function.”
  - “Approve the CAE’s roles and responsibilities and identify the necessary qualifications, experience, and competencies to carry out these roles and responsibilities.”
  - “Engage with senior management to appoint a CAE with the qualifications and competencies necessary to manage the IA function effectively and ensure the quality performance of IA services.”

## **Related Policies**

- Audit Committee Charter