

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

Audit, Risk, and Compliance Committee

Thursday, February 5, 2026
10:45 a.m. – 12:00 p.m.

Varsity Hall I, 2nd Floor
UW-Madison Union South
1308 W. Dayton Street,
Madison, Wisconsin
& By Videoconference

- A. Calling of the Roll
- B. Declaration of Conflicts
- C. Proposed Consent Agenda:
 - 1. Approval of the Minutes of the December 4, 2025, Audit, Risk, and Compliance Committee Meeting
 - 2. Office of Internal Audit: Fiscal Year 2026 Audit Plan Progress Report
- D. Office of Internal Audit
 - 1. Results of Reports Recently Issued
 - 2. Audit Plan Risk Model
- E. Move into closed session to:
 - 1. Confer with legal counsel regarding potential or pending litigation [New York v. Trump (District of Rhode Island, Case No. 25-cv-00039), Mass. v. NIH (District of Massachusetts, Case No. 25-cv-10338), AAU v. NIH (District of Massachusetts, Case No. 25-cv-10346), California v. Dept. of Education (District of Massachusetts, Case No. 25-cv-10548), New York v. McMahon (District of Massachusetts, Case No. 1:25-cv-10601), Colorado v. HHS (District of Rhode Island Case No. 25-cv-00121), Rhode Island v. Trump (District of Rhode Island, Case No. 1:25-cv-00128), Mass. v. HHS (District of Massachusetts, Case No. 25-cv-10814), AAU v. Dept. of Energy (District of Massachusetts, Case No. 1:25-cv-10912-ADB), Maryland v. Corporation for National and Community Service, operating as AmeriCorps (District of Maryland, Case No. 1:25-cv-01363), ACLS, et. al. v. McDonald (Southern District of New York, Case No: 1:25-cv-03657), New York v. Kennedy (District of Rhode Island, Case No. 1:25-cv-00196), AAU v. National Science Foundation (District of Massachusetts, Case No. 1:25-cv-11231), AAU v. Department of Defense (District of Massachusetts, Case No. 1:25-cv-11740); New Jersey v. OMB (District of Massachusetts, Case No. 1:25-cv-11816); Washington v. Department of Education (Western District of Washington, Case No. 2:25-cv-01228); COE v. Department of Education (District of Columbia, Case Nos. 1:25-cv-03514 and No. 1:25-cv-03491); Chamber of Commerce of the United States of

America and AAU v. United States Department of Homeland Security (District of Columbia, Case No. 1:25-cv-03675-BAH); and California v. Noem (District of Massachusetts, Case No. 1:25-cv-13829)], as permitted by s. 19.85(1)(g), Wis. Stats.;

2. Deliberate and negotiate contracts that require a closed session for competitive or bargaining reasons, as permitted by s. 19.85(1)(e), Wis. Stats; and
3. Consider strategies for crime detection and prevention, as permitted by s. 19.85(1)(d), Wis. Stats.

**OFFICE OF INTERNAL AUDIT
FISCAL YEAR 2026 AUDIT PLAN PROGRESS REPORT**

REQUESTED ACTION

For information and discussion.

SUMMARY

One of the responsibilities of the Audit, Risk, and Compliance 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 2026 Audit Plan.

Presenter

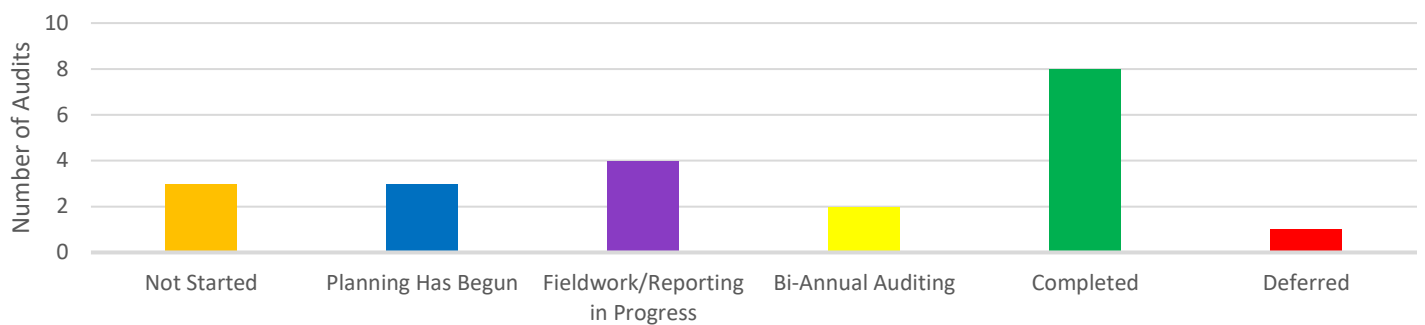
- Lori Stortz, Chief Audit Executive

ATTACHMENTS

- A) Universities of Wisconsin Office of Internal Audit Fiscal Year 2026 Audit Plan Progress Chart.

**OFFICE OF INTERNAL AUDIT
FISCAL YEAR 2026 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	\$31.89M Funding in Biennium for Workforce Devel. 4 High-Demand Areas	Reputational, Compliance
4	Budgetary Controls at UW-Madison	Fraud, Compliance, Reputational
5	Commitments Made by System to WI Legis. per BOR Resol. Dec. 13, 2023	Reputational, Compliance
6	Cybersecurity	Data Security, Fraud, Operational, Compliance with Policy
7	Employee-Owned Businesses Contracting with Universities	Conflicts of Interest, Financial, Youth Protection
8	Information Technology (IT) Distributed Units	Data Security
9	Institutional Relationships with Foundations and Associated Affiliated Organizations	Fraud, Reputational, Compliance with Policy
10	Internal Assessment Fiscal Year 2025	Conformance with Institute of Internal Audit (IIA) Standards
11	Internal Assessment Fiscal Year 2026	Conformance with Institute of Internal Audit (IIA) Standards
12	Physical Plant Services Chargebacks	Financial, Compliance with Policy
13	Research Administration Management Portal (RAMP)	Data Security, Operations, Compliance with Grant Requirements
14	Segregated Fees	Financial, Compliance with Policy, Reputational
15	Shared Services (Excludes UW-Madison)	Compliance, Operational
16	Third-Party Risk Management	Operational, Financial, Reputational, Data Security
17	Workday Go Live, Key Controls and Business Processes	Data Security, Operations, Financial
18	NCAA Athletics Division I Agreed-Upon Procedures Engagements	Compliance with NCAA Agreed-Upon Procedures
19	NCAA Athletics Division II Consulting Project	Compliance with NCAA Agreed-Upon Procedures
20	Office of Educational Opportunity (OEO)	Compliance
21	Wisconsin Educational Development Corporation (WEDC) Grants	Grant Compliance, Fraud



Bar graph reflects the number of audits per stage of completion, with various stages on the x-axis and the number of audits on the y-axis. Not Started 3 audits, Planning Has Begun 3 audits, Fieldwork/Reporting in Progress 4 audits, Bi-Annual Auditing 2 audits, Completed 8 audits, Deferred 1 audit.

**OFFICE OF INTERNAL AUDIT
RESULTS OF REPORTS RECENTLY ISSUED**

REQUESTED ACTION

For information and discussion.

SUMMARY

Since the December 4, 2025, meeting of the Audit, Risk, and Compliance Committee, the Office of Internal Audit has issued the following reports:

- NCAA Athletics Division 1 Agreed-Upon Procedures Engagement – Executive Summary Fiscal Year 2025
 - NCAA Agreed-Upon Procedures Report – UW-Green Bay
 - NCAA Agreed-Upon Procedures Report – UW-Milwaukee
- Institutional Relationships with Foundations and Associated Affiliated Organizations – Executive Summary

Presenter

- Lori Stortz, Chief Audit Executive

BACKGROUND

One of the responsibilities of the Audit, Risk, and Compliance Committee, as outlined in the committee charter, is to summarize results of reports recently issued.

**OFFICE OF INTERNAL AUDIT
AUDIT PLAN RISK MODEL**

REQUESTED ACTION

For information and discussion.

SUMMARY

Per the Audit, Risk, and Compliance Committee (ARC Committee) Charter, the Committee “Exercises oversight of all internal audit functions to ensure audit coverage adequately encompasses all aspects of UW System operations.”

Presenter

- Lori Stortz, Chief Audit Executive

BACKGROUND

Per discussion with the ARC Committee, the Office of Internal Audit (OIA) reevaluated the audit plan development process (audit plan risk model) to help ensure the identified risks could be analyzed objectively and efficiently by internal and external stakeholders. To do this, OIA included a scoring component to the risk assessment.

ATTACHMENT

- A) Audit Plan Risk Model

**Office of Internal Audit**

780 Regent Street, Suite 305

Madison, Wisconsin 53715

(608) 263-4397

wisconsin.edu/offices/audit/

To: The University of Wisconsin System Board of Regents Audit, Risk, and Compliance Committee

Per discussion with the Audit, Risk, and Compliance Committee (ARC Committee), we reevaluated our audit plan risk model to help ensure the identified risks could be analyzed objectively and efficiently by internal and external stakeholders. To do this, we included a scoring component to our audit plan risk model.

In prior years, we assessed risks using similar criteria; however, the criteria were not explicit. Also, we documented our rationale to include or exclude the risks in a narrative format. Although our audit plan risk model conformed with the Institute of Internal Auditors (IIA) standards, the narrative rationale did not allow others to efficiently identify the assessment criteria or the prioritization of risks.

Summary of Enhancement to Audit Plan Risk Model

We explicitly defined and documented the criteria for assessing risks of the Universities of Wisconsin for creation of the audit plan. The criteria include inherent risk factors such as fraud and reputational impact. Additionally, we included control risk factors such as policies and procedures in place and staff training that may help mitigate the risk. The combined assessment of inherent risk and control risk determine the residual risk score, a numerical value used to prioritize risks. Further, we assessed the risks against other factors such as auditability and audit team expertise to evaluate if it would be feasible for our office to audit said risk.

The risks with the highest residual risk score, in conjunction with the assessment of other factors, are considered for inclusion on the draft audit plan.

Overview of Audit Plan Risk Model

The IIA standards state, “The chief audit executive must create an internal audit plan that supports the achievement of the organization’s objectives.”

Throughout the year, we compile potential risks and their respective candidate audit(s). A candidate audit is a high-level objective to evaluate the potential risk(s). We also solicit feedback from various stakeholders (e.g., Chief Business Officers, Chief Compliance and Risk Officer, Chief Information Security Officer, General Counsel, Audit Liaisons, etc.) and external peers. After we have determined the list of potential risks appears complete, we assess the risks as described herein.

The draft risks are vetted with various stakeholders to help ensure we have captured and assessed the risks appropriately. We calculate the total audit hours available considering our utilization goals, leave, and other professional development tasks, and assign estimated budget hours to the candidate audits that will be included on the proposed audit plan.

The proposed audit plan is submitted to the ARC Committee for review and approval. After the audit plan is approved, we socialize the plan with the appropriate stakeholders at the universities.