

11/28/2018

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM

I.6. Joint Meeting of the Business and Finance
and Audit Committees

Thursday, December 6, 2018
8:00 a.m. – 8:55 a.m.
UW-La Crosse Student Union
Room 3314
521 East Ave. N., La Crosse, WI

- a. Approval of the Minutes of the Joint Meetings with the Business and Finance Committee on June 7, 2017, February 8, 2018, April 5, 2018, and June 6, 2018
 - b. Plante Moran External Audit: Annual Financial Report
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I.5. Audit Committee

Thursday, December 6, 2018
9:00 a.m. – 10:15 a.m.
UW-La Crosse Student Union
Room 3314
521 East Ave. N., La Crosse, WI

- a. Approval of the Minutes of the August 23, 2018 Meeting of the Audit Committee
- b. Internal Audit
 1. Fiscal Year 2019 Audit Plan Progress Report
 2. Summarized Results of Audits Recently Issued
 3. System Security and Access Audit Status and Comment Themes
 4. Progress on Management Responses to Audit Reports
- c. Internal Controls and Enterprise Risk Management
 1. Emergency Planning and Preparedness

Joint Audit Committee and Business & Finance Committee

Item I.6.b., “Plante Moran External Audit: Annual Financial Report”

Materials will be provided under separate cover.

December 6, 2018

Agenda Item I.5.b.1.

**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
FISCAL YEAR 2019 AUDIT PLAN PROGRESS**

BACKGROUND

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.

REQUESTED ACTION

No action requested. Item for information and discussion only.

DISCUSSION

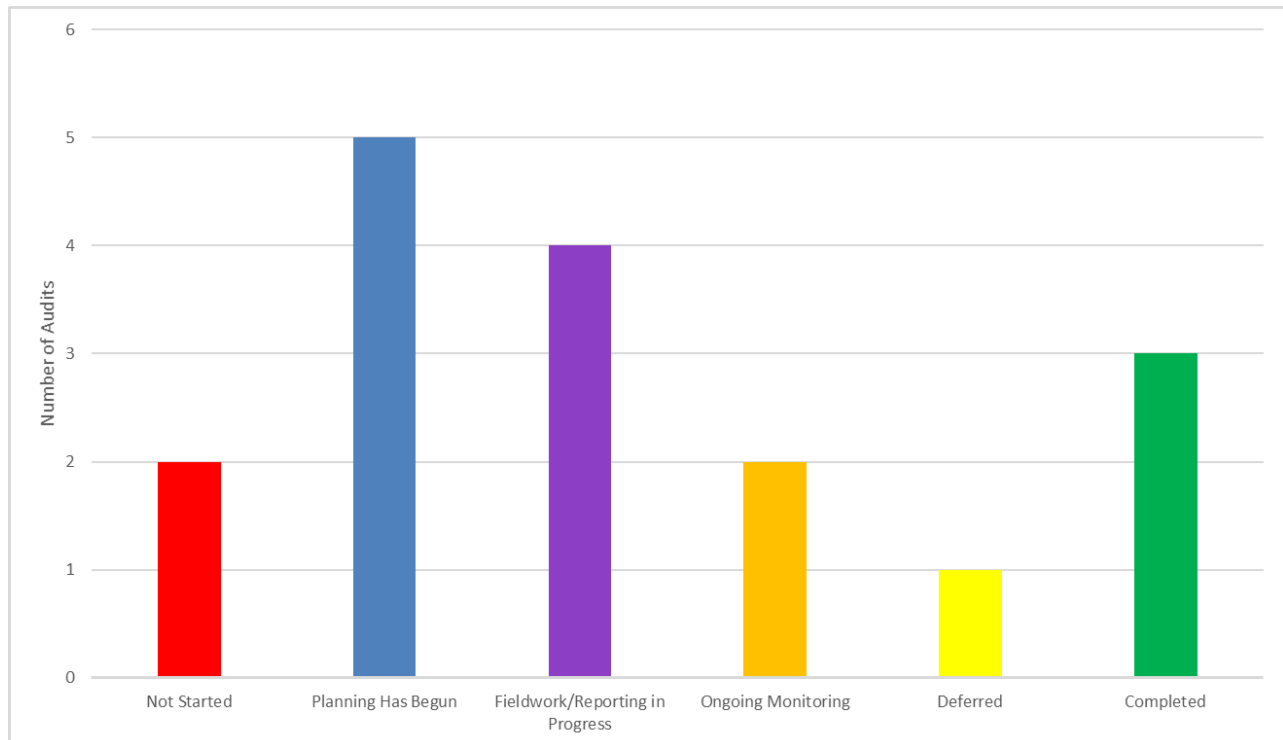
The attached chart provides a summary of audit progress for the Fiscal Year 2019 Audit Plan.

RELATED BOARD OF REGENTS POLICIES

NA

**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
FISCAL YEAR 2019
AUDIT PLAN PROGRESS**

	Title	Audit Type
1	Payroll (Continuous Monitoring)	Financial
2	Purchasing Cards (Continuous Monitoring)	Financial
3	Shop @ UW (Continuous Monitoring)	Financial
4	System Security and Access	Information Technology
5	Transactions with Foundations (FY 2018)	Compliance
6	Contract Management	Compliance
7	Purchasing	Compliance
8	Business Operations in Auxiliaries or Student Services	Financial
9	Payment Card Industry Compliance	Compliance
10	Data Integrity, Definition, Governance, and Ownership – Top Three Systems/Applications	Information Technology
11	Hazardous and Universal Waste	Operational
12	Regent Policies 14-2 Sexual Violence and Sexual Harassment and 14-8 Consensual Relationships Follow-up	Compliance
13	Information Technology Procurement	Information Technology
14	Tax Cuts and Jobs Act of 2017 (The “Tax Act”)	Compliance
15	DoIT System Services Group	Operational
16	NCAA Athletics Division I, II	Financial
17	Institutional Relationships with Foundations (FY 2019)	Compliance



**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
SUMMARIZED RESULTS OF AUDITS RECENTLY ISSUED**

BACKGROUND

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

REQUESTED ACTION

No action requested. Item for information and discussion only.

DISCUSSION

Since the August 23, 2018 meeting of the Audit Committee, the Office of Internal Audit has issued a number of reports including:

- Bank Account Creation Management and Oversight for UW-Madison, UW-Milwaukee, UW-Oshkosh and UW-Superior
- Payroll (Continuous Monitoring)
- Purchasing Cards (Continuous Monitoring)
- Research for UW-Madison
- Transactions with Foundations – UW System.

An executive summary was also issued for Purchasing and Contract Management for UW System.

Lori Stortz, Chief Audit Executive, will provide highlights of these documents.

RELATED BOARD OF REGENTS POLICIES

NA

December 6, 2018

Agenda Item I.5.b.3.

**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
SYSTEM SECURITY AND ACCESS AUDIT STATUS AND COMMENT THEMES**

BACKGROUND

The Board of Regents delegates to the President of UW System the authority to implement and maintain an information security program (Program). The Audit Committee has oversight responsibility over this Program.

REQUESTED ACTION

No action requested. Item for information and discussion only.

DISCUSSION

The attached chart provides a summary of audit progress for the System Security and Access audits. It also lists the most prevalent audit comments and matters encountered during the audits.

RELATED BOARD OF REGENTS POLICIES

Regent Policy 25-3
Regent Policy 25-5

System Security and Access Audit Status

	UWSA	Eau Claire	Green Bay	La Crosse	Madison	Milwaukee	Oshkosh	Parkside	Platteville	River Falls	Stevens Point	Stout	Superior	Whitewater
Audit Status														

- Report issued, and comments closed
- Report issued, and internal audit is auditing management’s response to close comments
- Report issued, and management is addressing comments
- Audit fieldwork in process (Plan to issue reports in January and February 2019)
- Audit has not started (To start January 2019)

System Security and Access Audit Comment Themes:

- Authentication requirements, including multi-factor
- Data classification and protection
- Audit documentation requirements
- Varying interpretations of risk and policies

**UW SYSTEM ADMINISTRATION
OFFICE OF INTERNAL AUDIT
MANAGEMENT RESPONSE PROGRESS**

BACKGROUND

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.

REQUESTED ACTION

No action requested. Item for information and discussion only.

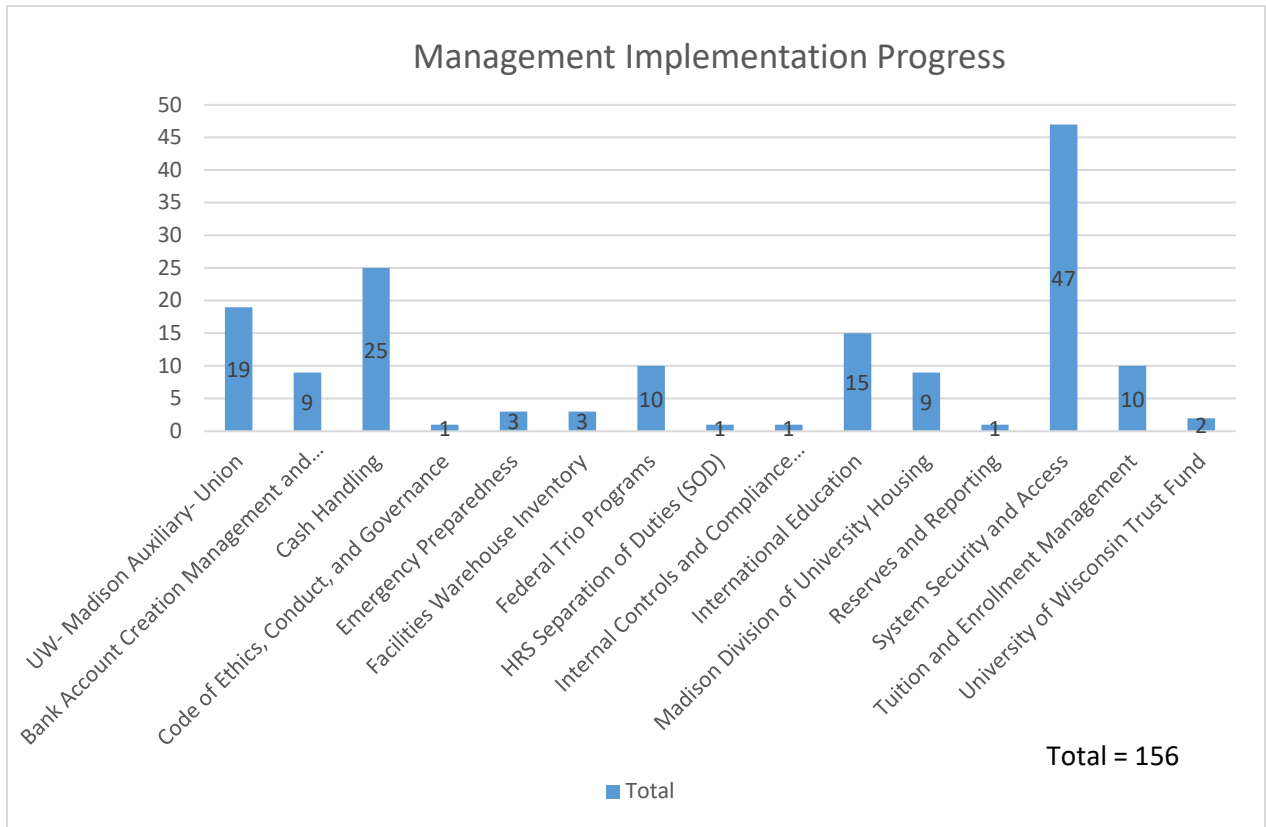
DISCUSSION

The following charts present audits issued during fiscal 2016 through fiscal 2019 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.

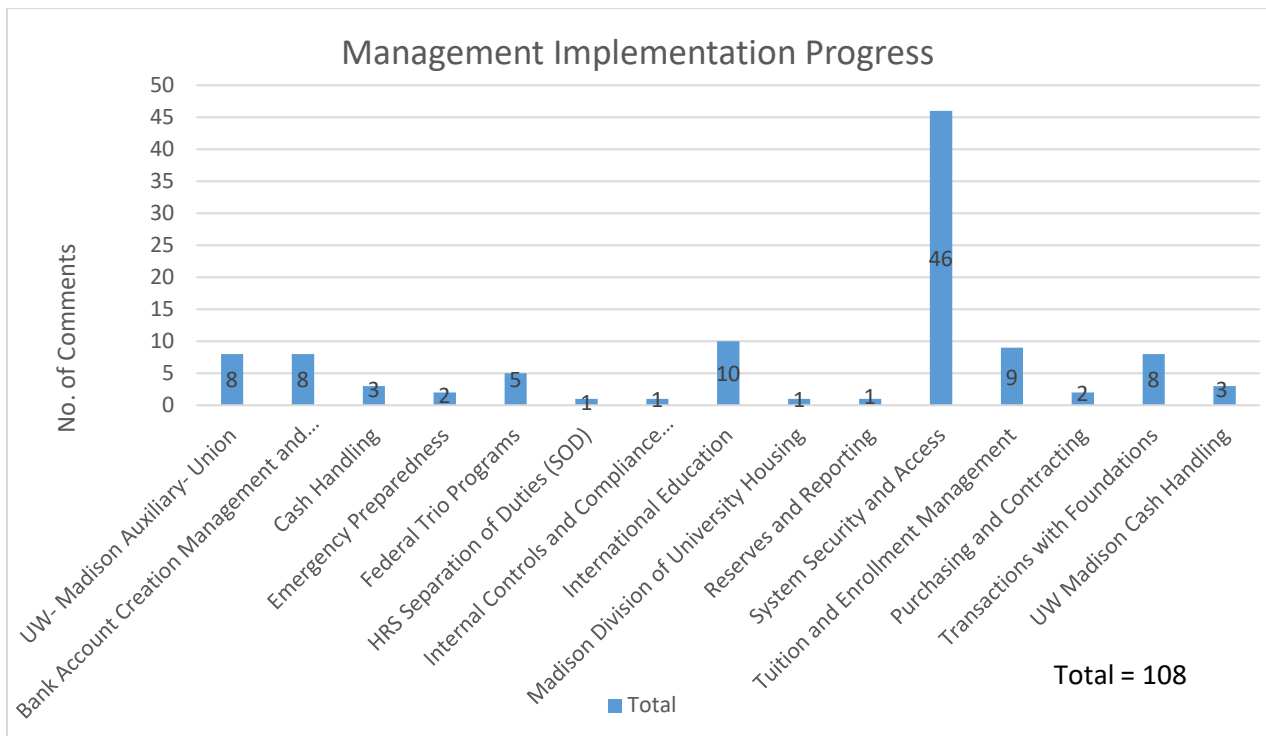
RELATED BOARD OF REGENTS POLICIES

NA

Prior Reporting Period

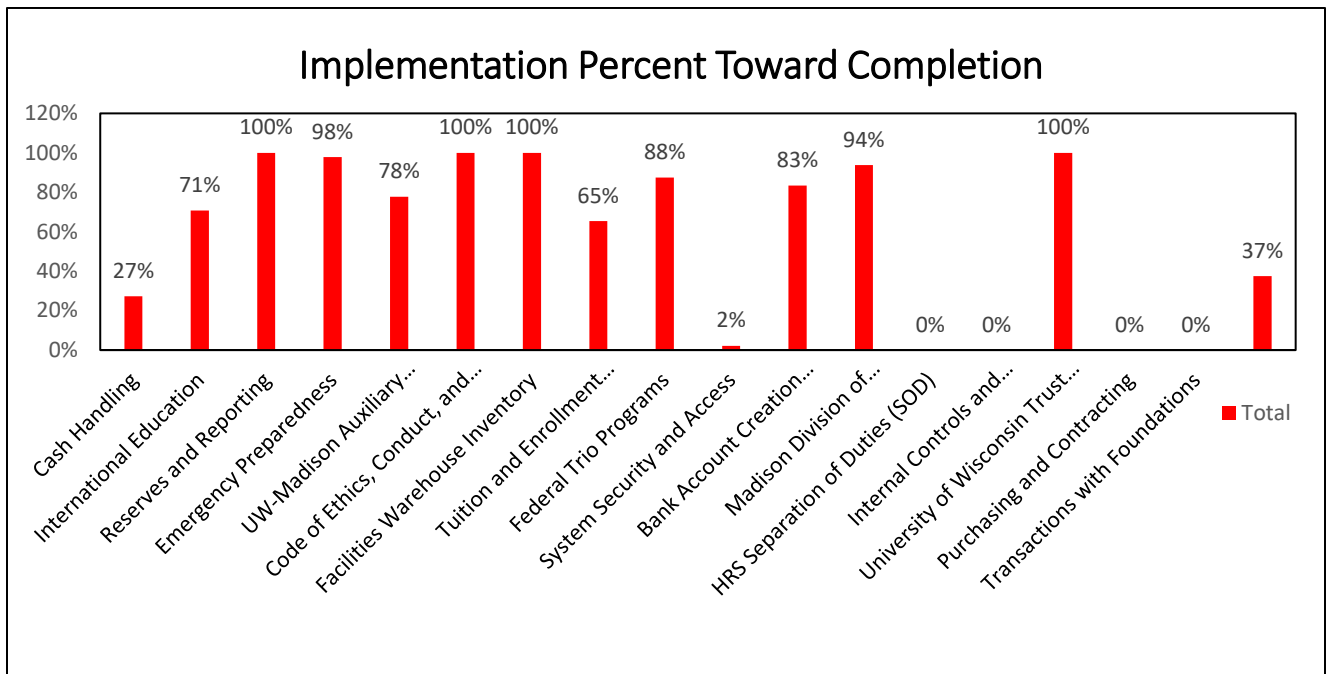


Current Reporting Period



Roll-forward from Prior Reporting Period to Current Reporting Period

Audit	Previously Reported Open Comments	Comments Issued	Comments Closed	Current Open Comments
Cash Handling	25	0	19	6
International Education	15	0	5	10
Reserves and Reporting	1	0	0	1
Emergency Preparedness	3	0	1	2
UW - Madison Auxiliary Services - Union	19	0	11	8
Code of Ethics, Conduct, and Governance	1	0	1	0
Facilities Warehouse Inventory	3	0	3	0
Tuition and Enrollment Management	10	0	1	9
Federal TRIO Programs	10	0	5	5
System Security and Access	47	0	1	46
Bank Account Creation Mgmt. and Oversight	9	11	12	8
Madison Division of University Housing	9	0	8	1
HRS Separation of Duties (SOD)	1	0	0	1
Internal Controls and Compliance Structure	1	0	0	1
University of Wisconsin Trust Fund	2	0	2	0
Purchasing and Contracting	0	2	0	2
Transactions with Foundations	0	8	0	8
Total	156	21	69	108



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

UNIVERSITY OF WISCONSIN SYSTEM UPDATE ON EMERGENCY MANAGEMENT

BACKGROUND

UW Institutions have worked on emergency management planning for many years. In the wake of the Virginia Tech active shooter incident, the President of the UW System asked the UW Institutions to ensure Continuity of Operations plans and response plans were in place.

UW System Administration contracts with the UW-Madison Police Department's Emergency Management Unit to assist UW institutions in developing plans, testing, exercising, and improving their plans. UW institutions commonly work with their local city and county governments to coordinate and integrate their plans and responses to events.

Currently the UW System is implementing an Emergency Management Standard, to help ensure critical elements are addressed in UW Institution plans and uniformity of emergency management across the System. The standard has eight areas of evaluation with 32 primary data points for consideration.

Emergency management plans are "all-hazard plans" which means they can be used to respond to a variety of events such as natural disasters, fires or public health events. The underlying structures can be applied to any type of disaster, incident, or pre-planned event.

REQUESTED ACTION

This is for information only.

DISCUSSION

Today is the first annual update on UW System Emergency Planning and related activities.

RELATED REGENT POLICIES

Regent Policy Document 23-2: Health and Safety and Security at UW System Institutions