

**UW System Board of Regents
Audit Committee**

Symphony Room
Gordon Dining & Event Center
770 W. Dayton Street
Madison, Wisconsin
& via Zoom Videoconference
December 5, 2024

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 10:45 a.m. by Regent Angela Adams.

A. Calling of the Roll

Roll call was taken. Regents Adams, Colón, Goitom, Salzwedel, and Underly were present. Absent were Regents Adongo, Brenkus, and Traynor.

B. Declaration of Conflicts

Regent Adams asked if anyone had a conflict of interest regarding the items on the agenda: none were stated.

C. Approval of the minutes of the September 26, 2024 meeting of the Audit Committee

Regent Underly made a motion to approve the minutes of the September 26, 2024 Audit Committee meeting, seconded by Regent Colón, which were approved unanimously without discussion.

D. Internal Audit

1. Fiscal Year 2025 Audit Plan Progress Report

Chief Audit Executive Lori Stortz reviewed the progress to date on the *Fiscal Year 2025 Audit Plan*. Ms. Stortz stated her office has been actively planning and preparing to launch the audits *Youth Protection and Compliance* and *Information Technology (IT) Privacy Policy – UWSA 1040*. In addition, her team has been actively working to understand the progress of ATP and continues to engage with leadership on that very important project. She affirmed that her office is making solid progress on the *Fiscal Year 2025 Audit Plan*, and she expects to complete the plan substantially by the end of the fiscal year.

2. Summarized Results of Audits Recently Issued

Ms. Stortz then provided a high-level summary of the results of reports recently issued by the Office of Internal Audit since the last meeting in September. This included the *UW-Madison National Collegiate Athletic Association (NCAA)*, the *Office of Educational Opportunity (OEO)*, and *Purchasing Cards (Bi-Annual)* audits.

They discussed the *UW-Madison National Collegiate Athletic Association (NCAA)* compliance (outside of financial) audit first, in which Ms. Stortz was pleased to report that there were no findings to report back to management.

Next, the *Office of Educational Opportunity (OEO)* audit was discussed. Ms. Stortz indicated that President Rothman had asked her team to test around processes the OEO uses, and she was pleased to say there were no findings.

The last report mentioned was *Purchasing Cards (Bi-Annual)* audit. CAE Stortz reported the results were consistent with prior audits – most issues were clustered at two universities who she has worked with and after this audit period have made significant changes to their processes which should improve their compliance moving forward. Regent Goitom asked about ineligible vendors and the committee had a brief discussion as it applies to purchasing cards.

3. Approval of Update to the Office of Internal Audit Charter

It was decided to defer voting on this until the next committee meeting in February 2025.

4. Report of the Chief Audit Executive

Ms. Stortz gave the Chief Audit Executive Report to the committee, during which she followed up with information regarding the comprehensive hotline data – previously discussed. CAE Stortz also touched on K10 Vision, the Office of Internal Audit’s new audit management system, stating that it is going well, and she looks forward to the opportunities it will present. Regent Salzwedel asked for a “demo” of K10 to show how the technology is being used to improve effectiveness and efficiencies. This demo will be included as part of the February meeting.

E. Office of Compliance and Risk Management

1. Fiscal Year 2025 Annual Plan Progress Report

Next, the committee heard from Chief Compliance and Risk Officer, Paige Smith, and Director of Risk Management, Joseph Rayzor, who shared a progress report on the Office of Compliance and Risk Management *Fiscal Year 2025 Annual Plan*. Mr. Razor discussed interconnected risks and the UWSA Risk Treatment Plan – Year 1. Regent Salzwedel suggested the need to begin planning for different scenarios and how those plans should be reflected in the budgets for the 10-year – 15-year plan. The Regents also need to decide which committee is responsible for bringing this plan to the Board in the future.

Ms. Smith shared recent statistics, including the 50% increase in UW brand recognition. Regent Colón applauded the upturn. Jack Jablonski, Associate Vice President for Public Affairs, Communications, & Branding, joined the discussion and explained that figure was calculated by conducting a pre-campaign and a post-campaign survey.

The regents stated that the primary long-term risk is financial viability. They have directed that when setting all committee agendas in 2025, financial viability needs to be considered by staff responsible for drafting them. This will be an important step forward for the Board in their oversight function.

Ms. Smith briefly discussed youth programs at the UW universities and was encouraged to say they are growing and the number of criminal background checks (CBCs) done by each university for the adults involved shows they are taking this responsibility very seriously.

F. Discussion of Draft Update to the Board of Regents Audit Committee Charter

Next, Ms. Stortz brought forward the draft update to the *Board of Regents Audit Committee Charter* (Charter). This too will be further discussed when the committee meets in February. Ms. Smith addressed proposed changes to the Charter, which included incorporating a specific section to oversee and review

high-risk enterprise risk management activities. The committee discussed changing its name to incorporate “risk” and “compliance” to reflect the increased focus on compliance and risk-related governance issues. They discussed that management should include this proposed change in the draft Charter that will be considered at the February 2025 Audit Committee meeting.

The regents will consult with the committee leadership and the chief audit executive and chief compliance officer on any suggested additional changes to the draft charters, with the goal of approving them in February of 2025.

G. UW-Green Bay Athletics Presentation

The meeting concluded with a presentation from Joshua Moon, UW-Green Bay’s Director of Athletics, who shared the *Fiscal Year 2023 Annual Athletics Report* – noting it was their 42nd year of Division 1 athletics. The report contained many noteworthy statistics. UW-Green Bay’s athletics program is home to 14 sports with 230 student-athletes, and 49 consecutive semesters with an average GPA over 3.0. The regents were impressed with the information Director Moon shared and commended him on the performance of the UW-Green Bay student-athletes. Regent Adams encouraged him to continue shining the light for UW-Green Bay and the Universities of Wisconsin.

The meeting concluded at 11:45 a.m.

Respectfully submitted,

Erika L. Laabs
Recording Secretary