

**UW System Board of Regents
Audit Committee**

Fireside Lounge, 1st Floor
UW-Milwaukee Student Union
2200 E. Kenwood Boulevard
Milwaukee, Wisconsin
& via Zoom Videoconference
June 6, 2024

MEETING OF THE AUDIT COMMITTEE

The meeting of the Audit Committee was called to order at 8:47 a.m. by Regent Angela Adams.

A. Calling of the Roll

Roll call was taken. Regents Adams, Colón, Goitom, Underly, and Weatherly were present.

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 April 4, 2024, meeting of the Audit Committee

Regent Colón made a motion to approve the minutes of the April 4, 2024, Audit Committee meeting, seconded by Regent Weatherly, which were approved unanimously without discussion.

D. Internal Audit

1. Fiscal Year 2024 Audit Plan Progress Report

Chief Audit Executive Lori Stortz reviewed the progress to date on the *Fiscal Year 2024 Audit Plan*. She confirmed that her office has substantially completed the plan with a few audits that will be finished this summer. She expects to bring those audit reports to the committee when we meet again in August.

2. Summarized Results of Audits Recently Issued

Ms. Stortz then provided a high-level summary of the results of audits recently issued by the Office of Internal Audit since our last meeting in April 2024. This included the *Internal Assessment for the Office of Internal Audit*, and the audits *Regent Policy Document 13-1*, *General Contract Approval*, *Signature Authority*, and *Reporting*, and *Payment Card Industry Compliance – Representations from Universities to System*.

Per the Charter of the Audit Committee of the Board of Regents, the Office of Internal Audit must comply with the Institute of Internal Auditors (IIA) Standards and code of ethics and therefore is part of the audit plan every year. This requires they conduct an *Internal Assessment for the Office of Internal Audit* as well as an external assessment (every five years), which will be done in the next couple of months. The *Annual Report* for their office will be presented to the committee in August.

RPD 13-1 Signature Authority and Approval – a significant policy that deals with management committing the regents to contracts and obligations. In general, they found that the policy is being followed. However, they recommended there be additional training offered online for new CBOs, Chancellors, and others that come onboard who need to comply with this policy, and management at the system-level offer a template on who can sign contracts on the university’s behalf – and make it concise, so that it can be kept in one place. Ms. Stortz affirmed management has agreed to do this. Their second recommendation was that when this policy is up for revision that some of the feedback received from people in the field, (e.g., unclear, ambiguous, appears to conflict with other policies) be taken into account as ways to improve clarity to this policy.

There was discussion about whether or not the UW System would be bound by a contract signed by someone who does not have contract signing authority, (Audit Committee and Ms. Stortz, joined by Senior Associate Vice President for Finance, Julie Gordon), and it was agreed this was a matter that would need to be clarified with System Legal – General Counsel, Quinn Williams.

The last report Ms. Stortz reviewed was the *PCI Compliance* audit, which resulted in no findings. She gave kudos to management for bringing the UW System into compliance. Ms. Stortz indicated that the process has been highly cost effective and they were very pleased with the results.

Regent Adams thanked Ms. Stortz and Ms. Gordon.

3. Present Fiscal Year 2025 Audit Plan for Approval

This was followed by Ms. Stortz presenting the proposed *Fiscal Year 2025 Audit Plan* for approval. Regent Colón made a motion to adopt Resolution D.3., seconded by Regent Weatherly. The Resolution was approved unanimously by the committee.

Ms. Stortz noted this year’s approach to creating the audit plan had been slightly different from other years because they were able to leverage the work that had been done in the Risk, Compliance, and Audit process, both at the campus and System levels. They also received input from their Big 10 peers, feedback from client relationship meetings, considered risks that had not been tested in a few years, and President Rothman provided input.

4. Independence Statement

Lastly, Ms. Stortz reaffirmed the independence statement for the Office of Internal Audit.

E. Office of Compliance and Risk Management

1. Present Fiscal Year 2025 Annual Plan for the Office of Compliance and Risk Management (OCRM) for Approval

The committee next heard from Paige Smith, Chief Compliance Officer, and Joseph Rayzor, Risk Management Director, who presented the Office of Compliance and Risk Management’s *Fiscal Year 2025 Annual Plan* for approval. Regent Colón made a motion to adopt Resolution E.1., seconded by Regent Underly. The Resolution was approved unanimously by the committee.

Regent Adams stated that the Annual Plan was very impressive – providing a comprehensive and strategic approach to risk management. Furthermore, this plan aligns with the IIA’s Three Lines of Defense Model. Ms. Smith affirmed that her office plans to continue to work closely with the Office of Internal

Audit and partner with the UW working group to implement new and improved processes and protocols. Mr. Rayzor indicated that their goal is to encourage and foster a risk-management culture.

2. Presentation of RCA Pilot Program Year 1 Summary Report

Ms. Smith and Mr. Rayzor concluded with a presentation summarizing the risk assessments completed during Year 1 of the Risk, Compliance and Audit (RCA) Pilot Program. Regent Adams asked them to return and provide an update to the committee in August. Mr. Rayzor maintained that many of the risks are interconnected, (e.g., aging infrastructure, professor retention, declining enrollment, ADA compliance) and the sum is greater than all of its parts. They discussed the fluid nature of risks and Regent Adams thanked them for their report.

F. UW-Milwaukee Athletics Department

UW-Milwaukee NCAA Division I Athletics 2023-24 Report

For the final item on the agenda, Amanda Braun, Athletic Director at UW-Milwaukee, presented the *UW-Milwaukee NCAA Division I Athletics 2023-24 Report*. She began by presenting academic achievements of the athletes, including:

- 48 semesters of GPA 3.0 +
- 18 semesters of GPA 3.2 +

Additionally, Ms. Braun noted that UW-Milwaukee has increased its student-athlete support through DEI and mental health services. She also stated that giving back to the community is very important to their program as well. They manage to find time in their busy schedules for community service activities – this past year nearly 4,000 hours across all of the student-athletes. Through many examples, she outlined how the athletics program benefited UW-Milwaukee. Regents Colón and Adams congratulated her on the great work, the academic performance, graduation rate, and the community service.

Respectfully submitted,

Erika L. Laabs
Recording Secretary