



**MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT BOARD
ADVISORY AUDIT COMMITTEE**

Minutes December 9, 2021

CALL TO ORDER

The regular meeting of the Milwaukee Area Technical College District Board Advisory Audit Committee was held in open session on Thursday, December 9, 2021 and called to order by Ms. Nikki Moews at 3:07 p.m. The meeting was held virtually and/or via phone.

A. ROLL CALL

Present: Nikki Moews Dennis Butler, Sharon Johnson, and Katherine Reilly.

B. COMPLIANCE WITH THE OPEN MEETINGS LAW

Proper notice of the meeting had been given in compliance with the Wisconsin Open Meetings Law.

C. APPROVAL OF MINUTES, August 26, 2021

The minutes were approved with no objections.

D. COMMENTS FROM THE PUBLIC

None.

E. ACTION ITEMS

None.

F. DISCUSSION ITEMS

1. External Audit Update

- a. Mr. Paul Frantz, Partner with Baker Tilly, reported that the external audit was conducted as planned and received full cooperation from management throughout the process. All financial reports were prepared by management with no material significant issues. An unmodified opinion (the highest level of assurance) was issued for: the Comprehensive Annual Financial Report (CAFR), the MPBS financial statements, and the Single Audit of Federal and State Awards.

One finding related to compliance of student financial aid reporting was noted. A plan has been put in place to address this finding.

For the audit results letter, no discrepancies or recommendations were noted.

2. Conflict of Interest Report

- a. Kristen DeCato, Assistant General Counsel, reported that MATC issues annual Administrator Contracts along with a Conflict of Interest (COI) disclosure & collateral employment forms. The COI disclosure & collateral employment forms require Administrators to disclose both income and non-income producing activities outside of the college to determine whether any COI exist. A total of 229 Administrative Contracts and COI disclosure forms were issued. A total of 120 (52%) were received. Of those received, 14 included disclosures that were not determined to be conflicts. The college is exploring options to increase the return rate of the COI disclosure forms. Ms. DeCato will follow up with this committee on the process of distributing the forms along with the deadline date to submit the forms.



3. Internal Audit Update

Brian Kubik, Manager-Internal Audit, provided the update on Internal Audit (IA) activities.

- a. Risk Assessment - Mr. Kubik noted that no risk assessment had occurred this fall. However, IA has been asked to assist in the review of a topic that came up during the spring risk assessment. As MATC transitioned to the Guided Pathways model, many changes in the organization structure occurred. On the academic side, one of the most prominent was the elimination of the Associate Dean role. The responsibilities of that role were disbursed across many new positions. Questions and concerns have been raised regarding these responsibilities, and whether they have all been assigned and/or are being completed in the new model. The Division of Institutional Effectiveness has been tasked with reviewing this question and has asked IA to assist. In the framework of MATC's Continuous Quality Improvement Cycle (Plan-Do-Check-Adjust), this review will be a the "Check", with recommendations coming for any noted gaps that will likely lead the "Adjust" actions.
- b. Audit Plan – Mr. Kubik noted the addition of the Guided Pathways project to the plan, the carryover of two audits [Compliance Review V: Safety Plans/Classroom Impact and Data Quality], and the removal of the Work-From-Home project (discussed below).
- c. Audit Results – Mr. Kubik provided background on this project. It was communicated to the Committee in November-2020. Based on the risk assessment results at that time, along with the myriad of publications, webinars, etc., that were addressing best practices for organizations being six months into the pandemic, this project was aimed to identifying the communications being received by MATC employees. The focus was on written guidance (via updates to the Employee Handbook and/or its Appendices, and updates to procedures) to employees on expectations in the new work-from-home environment. The scope included Human Resources (HR) and Information Technology (IT).

Three meetings with HR took place in January, 2021. IA presented items noted in the form of questions – asking if new/updated language in specific areas would help employees understand new expectations and requirements. HR noted that there is a Handbook Committee that would have to review and approve any changes. They were to share the shared questions, and discuss at the next meeting. Through August, the Committee had not met. Thus, the Handbook and Appendices have remained unchanged throughout the pandemic.

Regarding procedures, a separate project had been kicked off in December-2020 for owners of all Administrative Procedures across the college to review existing procedures, determine if they were current or needed update, and communicate those decisions (with updates in the latter case) to the Office of General Counsel. The due date was communicated as March 31, 2021. As of this meeting, responses from 16% of the identified owners of the procedures have not been received. As such, procedures were not updated for any changes in guidance due to the pandemic.

IA met with IT Leadership in March-2021. An overview of the process IA undertook, a pdf of Handbook sections with questions, and red-lined IT procedures were shared. IT was to review and provide a response. A number of communications were exchanged into the summer, and early fall, each time no review had occurred. Our then CIO went on leave and eventually resigned, an interim CIO was named, and they IA had a leave of absence. In short, no updates have yet been made, but in discussion this with our new CIO, it is agreed come changes are needed.

During the summer of 2021, our HR department began a project to examine what the future of work-from-home might look like at MATC. As with most organizations across the nation, there will likely be some form continuing post-pandemic. The first draft of this proposed Board Policy was shared in November-2021, with a second read this month. Presuming approval in some form, MATC will be forced to operationalize the policy via procedures and updates to the Handbook/ Appendices. As such, IA is proposing to stop this review and remove it from the audit plan.

- d. Audit Follow-up – Mr. Kubik shared that no action plans had been completed since the last Committee meeting.



- e. Share Knowledge – Mr. Kubik explained two interrelated initiatives on-going at MATC. A renewed push to create a Governance, Risk, & Compliance (GRC) Committee is underway. This group would provide oversight to a wide range of risks and compliance issues across the college. A large category under this GRC risk matrix is environmental health and safety (EHS). A separate group is working to develop an oversight structure that will include sub-groups addressing operations and academics. Currently, responsibility is decentralized, so there has not been any one person/department accountable for validating and documenting that requirements are met, training is occurring, etc. Both projects aim to create structures to enable the college to meet these goals and others.

Mr. Kubik also shared two items related to the Advisory Audit Committee Charter. One requirement (Item P) requires an annual self-assessment be completed and shared with the Board. On a quarterly basis, Mr. Kubik shares a self-assessment document that notes the requirements and whether the Committee is on pace to meet them. As of this meeting, there are no gaps noted.

Mr. Kubik also noted that Item I requires the members to periodically review the Charter for any necessary changes. The last update of the Charter occurred in November-2018. Members are asked to review the Charter (copy provided) and be prepared at the next meeting to discuss any concerns noted.

G. INFORMATION ITEMS

None

H. OLD BUSINESS/NEW BUSINESS

The date and time of the next meeting is February 16, 2022, 3:00 p.m.

Adjournment

The meeting adjourned at 3:47p.m.

Respectfully submitted,
Kathleen Lawson
Executive Assistant, Finance