



January 30, 2025

NOTICE TO RESIDENTS OF THE MILWAUKEE AREA TECHNICAL COLLEGE DISTRICT, WISCONSIN

A regular open meeting\* of the **ADVISORY AUDIT COMMITTEE** of the Milwaukee Area Technical College District Board, Wisconsin, will be held in the BOARD ROOM, (ROOM M210), of the MILWAUKEE AREA TECHNICAL COLLEGE, 700 West State Street, Milwaukee, Wisconsin on Wednesday, February 5, 2025, beginning at 3:00 P.M.\* In addition, the following zoom link (Meeting ID: 858 7170 6747; Passcode: 177255) can be used for optional virtual access to the meeting:

<https://us02web.zoom.us/j/85871706747?pwd=eZxUPfubAuKChWSZOY2yrhgGOnGwv4.1>

The agenda\*\* for said meeting is presented as follows:

- A. **Roll Call**
- B. **Compliance with the Open Meetings Law**
- C. [Approval of Minutes, November 6, 2024 - Attachment 1](#)
- D. **Comments from the Public**
- E. **Action Items**
- F. **Discussion Items**
  - 1. Compliance Update – Christopher Morgan
  - 2. Internal Audit Update – Brian Kubik
- G. **Information Items**
- H. **Old Business/New Business**
  - 1. Date of Next Meeting: **TBD**

Committee Members: Gale Pence, Dennis Butler, Sharon Johnson and Katie Hoffman

\* Other members of the MATC Board may be present, although they will not be participating as members of this committee. This meeting may be conducted in part by telephone. Telephone speakers will be available to allow the public to hear those parts of the proceedings that are open to the public.

\*\* Action may be taken on any agenda item, whether designated as an action item or not. Agenda items may be moved into Closed Session for discussion when it becomes apparent that a Closed Session is appropriate under Section 19.85 of the Wisconsin Statutes. The Committee may return into Open Session to take action on any item discussed in Closed Session.

*Reasonable accommodations are available through the ADA Office for individuals who need assistance. Please call 414-297-6610 to schedule services at least 48 hours prior to the meeting.*



## Attachment AAC – 1

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

#### Minutes November 6, 2024

##### CALL TO ORDER

The regular meeting of the Milwaukee Area Technical College District Board Advisory Audit Committee was held in open session on Wednesday, November 6, 2024 and called to order by Mr. Gale Pence at 3:01 p.m. in the Board Room, M210, at the Downtown Milwaukee Campus of Milwaukee Area Technical College (with virtual attendance an option).

##### A. ROLL CALL

Present: Gale Pence, 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 7, 2024

The minutes were approved with no objections.

##### D. COMMENTS FROM THE PUBLIC

None.

##### E. ACTION ITEMS

None.

##### F. DISCUSSION ITEMS

###### 1. External Audit Update

Mr. Paul Frantz, Partner-Baker Tilly, provided an update on both the Financial Audit and the Single audit for FY2024. The Financial audit is still in-process. No changes have been made to the plan presented in May. The review is behind schedule in part due to turnover at MATC and delays in receiving actuarial data from third parties. Mr. Frantz indicated the expectation of completing the review during December. Finally, he noted that there were no material weaknesses or significant discrepancies noted.

Regarding the Single Audit, Mr. Frantz noted they expected to issue an Unmodified Opinion.

###### 2. Internal Audit Update

- Risk Assessment – Mr. Kubik briefly described the risk assessment process carried out biannually at MATC. Three risks/risk areas in which audits are planned, and reasons why were discussed. These topics were: Data Quality, Financial Aid (Part II), and the Hiring Process (Human Resources). Additionally, the top three risks/risk areas for which audits were not planned were discussed. These topics were: Culture, Fiscal/Budget Management, and Compliance.
- Audit Plan – The audit plan for FY2025 was discussed, and there have been two audits completed (drafted) and two new audits added based on the results of the risk assessment. Thus, three audits remain on the Plan.
- Audit Results – Mr. Kubik discussed the results of the Program Viability review. There was one draft issue related to the lack of completing instructional program reviews in accordance with MATC Board Policy and Administrative Procedure. An action plan to revise this review process was drafted and shared with



the Dean's, and is currently being evaluated. Once a final (new) procedure is developed, it will be shared with IA and included in the report. The development of a new process would also necessitate revisions of the policy and procedure. It was also noted that a current input to the review process was a report from Institutional Research (IR), but that the rankings it developed were of questionable use. If that report will continue to be an input in the review process, Academics and IR should collaborate to design a new ranking guide that would add value. Finally, it was observed that as written, the current process had employees (Pathway personnel, faculty, etc.) with a vested interest in the continuation of the program making the recommendation to continue or discontinue the program to leadership. IA noted the inherent conflict of interest, and recommends that the new process in development include neutral and/or external parties in the evaluation process, to avoid real and/or perceived conflicts and improve transparency.

- Audit Follow Up – It was noted that through October 25, one action plan had been completed since the last Committee meeting, leaving 12 past-due plans that are in-progress. Discussion on potential closure of additional plans ensued.
- Share Knowledge – Mr. Kubik shared the information regarding cybersecurity in higher education. Finally, regarding the Advisory Audit Committee Charter, Mr. Kubik noted that his observation was that the Committee was on track to meet its Charter requirements for FY2025.

#### **G. Information Items**

None.

#### **H. Old Business/New Business**

- Date of Next Meeting:

The date and time of the next meeting will be Wednesday, February 5 at 3:00 p.m.

#### **Adjournment**

The meeting adjourned at 3:53 p.m.

Respectfully submitted,  
Jolene Arnold  
Executive Assistant, Finance & DEI



Internal Audit Update  
**Advisory Audit Committee**  
February 5, 2025



➔ **RISK ASSESSMENT**

**Third-Party Risk Management (TPRM) – Higher Education**

According to a Verizon 2022 Data Breach Investigations Report, “62% of all data breaches happen via third-party vendors. TPRM refers to activities and policies designed to identify, assess, and mitigate the potential risks from products and services provided by outside vendors, suppliers, contractors, or service providers. Higher education relies on a large catalog of technology tools, any of which carries some risk to the institution. All institutions utilize third-parties. They can bring significant benefits (savings, efficiency, etc.), but institutions need to weigh the benefits against the costs when evaluating potential relationships.



Educause, a nonprofit association whose mission is to “advance higher education through the use of information technology”, worked with institutions to develop a Higher Education Community Vendor Assessment Toolkit (HECVAT). It provides a framework to generalize higher education information security and data protections, seeking to address consistency and ease of use. The toolkit provide a suite of tools allowing institutions to adopt, implement, and maintain a consistent risk/security assessment program. MATC’s “Technology and Data Governance Committee” is currently reviewing the HECVAT toolkit, and will be providing a recommendation to the President’s Cabinet regarding potential adoption.

**DISCUSSION**

Currently, MATC’s Procurement process may employ many of the steps outlined in the toolkit, but processes have not been formalized. This presents a higher risk that steps that could identify high risk associations are not consistently completed as third parties are evaluated. Whether through adoption of the HECVAT Toolkit, or another structured approach, MATC can improve its risk assessment procedures, and risk profile, by creating formal, defined processes to follow.

➔ **AUDIT PLAN**

Internal Audit’s (IA) risk-based approach requires periodic assessment/reassessment of the Plan. IA will monitor the Plan throughout the year to maintain alignment with strategic/business objectives and key risks. In accordance with the Committee’s Charter (Item F), the Plan and any changes to the FY2025 Plan are presented for review:

**FY2024-25**

<b>Audits</b>	<b>YTD Total</b>
Internal Audit Plan	5
+ Additions to the Plan	0
- Completed Audits (two in draft status)	2
- Deletions to Plan	1
<b>Adjusted Total</b>	<b>2</b>

**DISCUSSION**

Regarding the FY2025 Audit Plan, two audits (Financial Aid, Part I; Program Viability) have been drafted, and one audit (Data Quality) are in the planning stage. One additional audit has not yet been started (Financial Aid, Part II), and one audit was removed from the Plan as MATC Leadership decided to hire an external party to review the HR Hiring Process. Finally, IA is sharing an addendum to the Zancil/Stipend Compensation Review below, based on additional information obtained since that original audit.

Other projects and/or areas of assistance include: Follow-up work on Zancils, Data Governance Committee/ subcommittees, the SOP Initiative, MATC Board Policies & Administrative Procedures cyclical review, Clery Compliance Team, Quality Improvement Advisory Workgroup, Public Safety Advisory Committee/ subcommittee, AI Taskforce, and others.

## AUDIT RESULTS

Since the November 6, 2024 Committee meeting, IA has not completed any additional audits to present. But draft issues have been identified related to the Zancil process (Zancil Addendum report). A preliminary look at those issues is shared below for the Committee's information.

**Name of Project:** Zancil Addendum report

### Background

IA completed and presented (to the Committee) for review an audit of Zancil/ Stipend Compensation in November, 2023. As Management was working to implement action plans and IA participated to ensure the identified risks were addressed, additional concerns/opportunities were noted. The District Board has inquired about Zancil's specifically and in response to their questions, this addendum report was drafted.

### Objectives/Scope

This was not a planned audit; rather, this addendum will attempt to layout additional findings on the current state with an understanding that many of these issues are currently being addressed by management.

### Findings

#### Payment for Zancils- Curriculum Development

While attempting to reconcile Zancil assignments and Stipends payments for curriculum development (CDev) activities, two potential issues were noted due in part to the unique way CDev was paid. These included:

- Review of 46 Instructor's Programs (total of 59 Zancil assignments for CDev) identified six instances (10%) where the payment was not appropriately aligned to the Zancil payments made in subsequent semesters and likely resulted in faculty being overpaid.
- The Employee Handbook/Faculty Appendix allows for three options if a full-time (FT) instructor's load is below 90%. One of those is to add a professional assignment (i.e., Zancil) and another is to pro-rate their pay. During the review, IA found that if a FT instructor's load is at 80%, and a Zancil for CDev is assigned at 20% load their FT load increases to 100%, resulting in the faculty member being paid as if they were at 100% load (full contract salary) plus the amount paid for Zancil assignments, which would result in the faculty being overpaid. Thus, they were likely paid twice for the CDev as the salary increased, and they would have received a Stipend.

#### Payments for Zancils- Undocumented Process

During the review, IA noted that when a Zancil is assigned to an instructor whose load is already within the 90-108% load range (i.e., the range in which an instructor is considered FT, and receives their regular FT salary), the full Zancil load is paid as 'overload' even if the load remains at 100% or below. The Zancil process and the interaction between full salary, prorated salaries and Zancils is undocumented, which could lead to overpayments as addressed above.

#### Zancil Assignments for Large Loads

During a discussion with the WTCS, they noted that no single Zancil assignment should be greater than 25% of their load. Researching, the WTCS's Finance and Administrative Manual (FAM) notes that "If 25% or more of a person's time is spent performing work directly related to a specific non-instructional cost center, that individual's remuneration, fringe benefits, and other related costs are to be allocated to that cost center." The current system in use (Colleague) does not allow for splitting these types of costs amongst various cost centers, so elimination of these large load assignments would be necessary to comply with the FAM.

**Zancil Budget Process**

It was noted in the original audit (observation) that there was a lack of monitoring Zancil costs, which included budget vs. annual as there was no formal process for Zancil budgeting. This could lead to actual costs being far greater than anticipated. The Academic and Finance teams have had multiple meetings geared towards developing new budgeting processes for Zancil costs. These discussions continue, but Zancil costs are scheduled to be broken out in monthly financial statements reported to the Board beginning in January, 2025.

**Management Action Plan(s):** Management acknowledges the issues noted above, and is reviewing options to address these concerns. Action plans are not anticipated to be finalized until the summer of 2025.

**DISCUSSION**

In addition to these issues, IA included several “observations” in the draft report. These included:

- (1) Academic leadership creating a new Zancil code (031) for Accreditation related activities [IA notes that accreditation was previously included in ‘Committee Membership’ code, and had not yet been removed from that code as of the draft of this report.];
- (2) Cost of Instruction [An issue in the original report, it has since been learned that the WTCS does not define cost of instruction’, and suggested MATC speak with other WTCS colleges. One sister college shared their approach, and MATC Management is assessing that information.];
- (3) Conflict of Interest [During discussions with the WTCS, upon their learning that MATC allows faculty to scheduling the assignments of their peers, they indicated this was a conflict of interest in their perspective, and suggested MATC end this practice.];
- (4) Full-Time Load [The Employee Handbook/ Faculty Appendix allows for three options if a FT instructor’s load is below 90%. One of those options is to pay the instructor in the current semester (although no assignment for additional load is assigned) in return for an uncompensated assignment in a future semester. However, there is no process in place, and to IA’s knowledge, no position/person responsible for ‘tracking’ any such uncompensated assignments due back to the college.]; and
- (5) Zancil Assignment Data [Finance completed a review of Zancil data for FA2024 and noted (a) \$2.8M (thru October) paid for that semester, trending \$5.6M+; (b) roughly 50% of all FT faculty were receiving Zancil payments; and (c) 30% of all FT faculty had Zancils account for 25% or more of their FT load.].

 **AUDIT FOLLOW-UP**

Audit Follow-Up is a critical component of the IA Model. It is the manner in which IA validates that MATC has strengthened its management and process controls. It is not until this validation is performed that the benefits of the audits are realized. IA reports the status of outstanding issues/action plans to Management monthly and the Committee quarterly. The Audit Follow-up Report (**Attachment 1**) is shared with the Committee, as well as a summary of the report below (as of January 24, 2025):

Issue Resolution Status Report as of 1/24/2025									
Audit	Issues	Not Due	Completed		Past Due- In Process		Past Due- Not Started		WNBI*
			Number	Percentage	Number	Percentage	Number	Percentage	
Faculty Compensation	1	0	0	0%	1	100%	0	0%	0
Compliance Review II	1	0	0	0%	1	100%	0	0%	0
Cash Handling	1	0	0	0%	1	100%	0	0%	0
Zancil/Stipend	9	1	0	0%	8	100%	0	0%	0
Financial Aid, Pt I (Draft)	4	4	0	0%	0	0%	0	0%	0
Program Viability (Draft)	3	3	0	0%	0	0%	0	0%	0
<b>Total at 1/24/2025</b>	<b>19</b>	<b>8</b>	<b>0</b>	<b>0%</b>	<b>11</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>0</b>
<b>Total at 10/25/2024</b>	<b>20</b>	<b>8</b>	<b>1</b>	<b>8%</b>	<b>11</b>	<b>92%</b>	<b>0</b>	<b>0%</b>	<b>0</b>

\* WNBI – Will Not Be Implemented

**DISCUSSION**

No action plans have been completed since the November Committee meeting. Action plans from the Financial Aid and Program Viability audits are still being drafted. These action plans are tracked and reported in the monthly reports shared with the President's Cabinet.

➔ **SHARE KNOWLEDGE**

**Committee Charter Compliance**

As of January 24, 2025, all items on the FY2025 Charter Compliance report (**Attachment 2**) are noted as either Pending or Requirement Met.

**Committee Charter Review**

Finally, item I in the AAC Charter requires the Committee to periodically review the charter for any necessary changes. If noted, any suggested changes would go before the District Board for approval. IA asks that the Committee members review the Charter (**Attachment 3**) prior to our next Committee meeting, and bring forward any suggested changes/updates for discussion





Audit Follow-up Summary Report  
As of January 24, 2025

Audit Name	Report Date	Original # of Audit Issues	Pending*		Added since		Total Issues at 1/24/2025	# Not Yet Due	# Past Due	Complete**	WNB!***
			at 10/31/2024	(+)	10/31/2024	(=)					
Faculty Compensation Calculations	3/24/2017	4	1		0		1	0	1	0	0
Compliance Review II - Athletics/SAS	6/20/2018	7	1		0		1	0	1	0	0
Cash Handling	6/28/2021	2	1		0		1	0	1	0	0
Zancil/Stipend Compensation Review	9/6/2023	12	9		0		9	1	8	0	0
Financial Aid Review, Pt. I (DRAFT)		4	4		0		4	4	0	0	0
Program Viability (DRAFT)		3	3		0		3	3	0	0	0
Zancil Addendum (DRAFT)		4	0		4		4	4	0	0	0
<b>Total 1/24/2025</b>		36	19		4		23	12	11	0	0
<b>Overall Percentage 1/24/2025</b>									100%	0%	
<b>Overall Percentage 10/25/2024</b>									92%	8%	
<b>Overall Percentage 7/31/2024</b>									100%	0%	
<b>Overall Percentage 4/30/2024</b>									86%	14%	

\* Pending represents outstanding action plans from previous follow-up period identified.  
 \*\* Completion Percentage calculation includes both completed action plans and those in the "Will Not Be Implemented" category  
 \*\*\* Will Not Be Implemented (Management decision)

  Past Due >60 days  
  Past Due <60 days

**Summary**

Total Open Action Plans, October 26, 2024	19
Action plans added	4
Action plans completed	0
Action plans, will not be implemented	0
<b>Total Open Action Plans, January 24, 2025</b>	<b>23</b>

MATC Audit Issues Log  
As of 1/24/2025

#	Audit	Issue Name / Issue	Action Plan	Items to be Provided (Deliverables):	Owner	Due Date	Status	UPDATE:
1	<b>Faculty Compensation Calculations,</b> 3/24/17	<b>Lack of Overall Description of Compensation Process</b> Currently, there is no one location, written or otherwise, where the methodology for calculating a faculty member's compensation (FT and PT) is documented. This creates a lack of transparency related to a process which accounts for over 25% of all MATC expenses. There are various locations where portions of the process are documented, including the employee handbook, Load Calculation Guide, and old bargaining agreements, but other aspects of the process are not documented and/or not accessible to everyone. This could lead to confusion and misunderstanding of the process(es), which can lead to errors not being caught, and erroneous payments being made.	A formal, written description of the faculty compensation process, which describes the process from start (course credit assignment) through finish (payroll remittance) will be developed for both FT and PT faculty. This will incorporate all aspects of the process (i.e., course/hours, load, scheduled hours, Class/Step, stipends, hourly rate table, etc.), and will be placed in a location accessible by the college community.	EXPECTED DELIVERABLES: A copy of the completed procedure, guide, handbook section, or other written documentation, with observation of it being posted/available for the college community to access.	E. Bonds, w/ asst. fr. Academics (Scheduling, L'Ship/Deans), Payroll, others (?)	12/15/2017  Revised: 3/31/2019	<b>Past Due-In Process</b>	<i>Jan'24</i> : Load explanation will be incorporated into one "compensation guide for employees and faculty" being developed as part of Zancil audit (below). - As of May-2024, approximately 80% complete.
5	<b>Compliance Review II - Athletics/ SAS</b> 6/20/2018	<b>Closed Captioning Procedures</b> MATC, like other colleges and universities, has obligations under civil rights laws requiring them to provide accommodations, such as captioning, to ensure equal access, equal opportunity, and effective communications with people who are deaf or hard of hearing. Currently, MATC has needs to create and implement a captioning policy/procedure and train instructors/staff how to caption video materials to ensure compliance. MATC has already acknowledged a gap, and has submitted and received approval for grant funds from the WTCS to address these areas. As part of the grant submission, action plans were outlined. These same action plans are noted here as the means identified to rectify this compliance gap.	<b>Action Plan 5.5.A:</b> The migration of instructional video content will be a summer initiative. The goal is to have all video's identified in Blackboard migrated in time for the start of the fall semester.	Curriculum will provide evidence of the number of videos captioned and uncaptioned within the new product.	Dr. Holt, Dr. King	<del>8/31/2023</del> 9/30/22	<b>Past Due-In Process</b>	<i>Sep'24</i> : EE0103-1 (Closed Captioning) was updated (awaiting OGC review). Add'l commu. sent to faculty. <i>Nov'24</i> : Faculty infomed of 10.15.24 deadline to CC videos. Per Nov. report (Online Learning), > 1,500 remain non-CC's (~ 120 resp. owners). No action has been taken. <i>Jan'25</i> : A new approach is under development - specific to Blackboard - which students can access (timeline to be developed). To be followed by periodic review process. Expect to finalize plan early in Feb-2025.
			<b>Action Plan 5.5.B:</b> Curriculum will work with the Office of Gen. Counsel and review Admin. Procedure EE0103-1 (Closed Captioning), and make any necessary updates to incorporate new processes/protocols associated with the new software for closed captioning purposes.	Evidence of the Admin Procedure 'review date', and updated (as applicable) procedure post review.	Dr. Holt	11/15/2021	<b>Complete</b>	<i>Oct'21</i> : As part of the Administrative Procedures Review/Update initiative, this procedure was noted as being reviewed/updated. <i>Jul'24</i> : A revised Admin Procedure has been drafted. <i>Nov'24</i> : Revised EE0103-1 is still pending. <i>Dec'24</i> : Revised EE0103-1 posted on 1.2.25
2	<b>Cash Handling (Cash Offices)</b> 6/28/2021	<b>Payment Card Readers</b> During the observations of the various cash offices, IA noted that the card readers in use appeared to be quite old. IA shared the name and model numbers with MATC's Director of Information Security to determine if these readers were compliant with Payment Card Industry Data Security Standards (PCI DSS) requirements. Upon review, they were not compliant. Currently, Student Accounts/Cash Offices are working with IT to determine next steps. MATC recently transitioned to US Bank, and that transition will impact the college's next steps as well.	Student Accounts/Cash Offices is working with IT to finalize a plan to update the card readers in the Cash Offices, and get these areas compliant with PCI DSS requirements.	IA will work with the IT department and Student Accounts to obtain validation of the changes made, along with documentation/correspondence from the bank noting the college's compliance with PCI DSS.	Jeanne Bynum	<del>11/30/2023</del> 11/01/2022	<b>Past Due-In Process</b>	<i>Jul'24</i> : Vendor determined, contract being reviewed. <i>Sep'24</i> : Contract signed; FIN & IT working thru implementation plan. <i>Oct'24</i> : MATC awaiting 'project plan' from TouchNet to begin. <i>Nov'24</i> : Vendor (TouchNet) provided a proposed 13 wk timeline to implement. <i>Jan'25</i> : Timeline still not finalized.
1	<b>Zancil-Stipend Compensation Review</b> 9/6/23	<b>No Definitions for Zancils or Stipends</b> Per review of MATC's Empl.Handbook, Faculty Appendix, Load Calculation Guide, MATC.edu, myMATC, and Board Policies/ Administrative Procedures, IA was unable to find definitions of what Zancils and Stipends constitute at MATC. The only language noted for Zancils was "professional assignments", and no language was found regarding Stipends. As these two payments accounted for over \$6M in payments in FY2022 (last full year of data reviewed), IA recommends Administration review these two pmt. types and produce clear definitions to share with the college. [Note: As there is an open action plan related to outlining how 'Load' is calculated and paid at the college, these items could be combined into an overall explanation of faculty payment.]	Academic Services, with the assistance of other areas/leaders [i.e., Human Resources (HR), Payroll, etc.], will develop clear definitions of what Zancil and Stipend payments are at MATC. This information will be made available to the college community so there is clarity and transparency.	Written document(s) that outline what Zancil assignments/ payments are, as well as what qualifies as an assignment bearing a Stipend payment when completed. This document(s), once completed, will be posted for the college community to see.	Dr. King, Barb Cannell (Lead), Dr. Jenkins, Pathway Deans	6/30/2024	<b>Past Due-In Process</b>	<i>Nov'23</i> : IA met with Aca. & HR re: Zancil/Stipends. <i>Dec'23-May'24</i> : On-going. <i>Jun'24</i> : Zancil definiton discussed during the work of the Zancil Jt. Team. Further refinement of the Zancil codes included a new code for Accreditation work (Zancil 031). With the Activity Facilitator process change, how to pay (previously pd via Stipend, convert to Zancil?) being discussed. Still TBD, but would be reflected in the compensation manual being developed by HR. <i>Aug'24-Jan'25</i> : Discussions continue (?) re: how Act. Facilitator (and other) pmts will be made.
2	<b>Zancil-Stipend Compensation Review</b> 9/6/23	<b>No Procedural Documents for Zancils or Stipends</b> As IA was in the planning stages for this audit, it was noted a group was in the process of updating the request/approval process, and in development of a Zancil calculator to bring some level of standardization to the process. This work is ongoing. With that noted, there was/is a lack of standard processes related to documenting the need for Zancil assignments, the requests, approvals, supporting data (including determination of hours needed), and record retention. Further, there were no standard processes for work resulting in stipends being issued to faculty. Due to the dollars involved, and the impact to the budget/budgeting process, IA recommends Administration continue its work and include the development of Standard Operating Procedures related to Zancil assignments.	<b>Aca. Svcs, w/ asst. of other areas, will:</b> <b>#2.1:</b> Work on developing standards for hours for various Zancil assignments to reduce/eliminate the subjectivity of faculty, as well as the potential conflict of interest, in developing hour estimates that directly impact their load and potentially their paychecks.	Any revisions to the Zancil Calculator (and/or tools superseding the current calculator) will be shared with IA to document any 'standards' (i.e., hours, etc.) built into the process.	Dr. King, Barb Cannell (Lead), Dr. Jenkins, Pathway Deans	6/30/2024	<b>Past Due-In Progress</b>	Tied to #3 and #6. <i>Dec'23-Aug'24</i> : Work ongoing. <i>Aug'24-Janv'25</i> : A Zancil SOP has been drafted. However, standards (hours, LF assignments, etc.) still TBD.
			<b>Aca. Svcs, w/asst. of other areas, will:</b> <b>#2.2:</b> Work on developing Standard Operating Procedures (SOPs) that outline the Zancil and Stipend processes. These SOPs will include reference/links to any forms used, other source documents, etc.	As IA is a part of the SOP Team at MATC, it will be in position to verify the submission of an SOP request, draft SOP, addressing of any questions/comments to the draft SOP, and finally the sign-off's necessary for the SOPs to be finalized/posted.	Dr. King, Barb Cannell (Lead), Dr. Jenkins, Pathway Deans	6/30/2024	<b>Past Due-In Progress</b>	<i>Aug'24-Jan'25</i> : Zancil SOP drafted- budget aspects and when/where in process HR reviews/approves, are still to be developed. Further, standards (hours, LF assignments, etc.) still TBD. Regarding Stipend SOP, use of Stipends for faculty moving forward still TBD.
3	<b>Zancil-Stipend Compensation Review</b> 9/6/23	<b>No Procedural Documents for Stipends (Non-Faculty)</b> During the review, multiple forms of Stipend pmts. were noted (e.g., Contracts, Grants, HC Opt-Out, Non-Pensionable Wages, Term. Incentives, TV Projects, etc.). However, there were not SOPs related to these payment types. IA notes that the college-wide SOP Development Initiative kicked-off in HR in the spring of 2023, so it is noted that SOP development is in-process. IA recommends HR includes SOPs focused on the Stipend process in its SOP development initiative.	HR, with the assistance of other areas/leaders as needed, will work to develop a SOP outlining the Stipend process for non-faculty positions. This SOP will include references/links to any forms used, other source documents, etc.	As IA is a part of the SOP Team at MATC, it will be in position to verify the submission of an SOP request, draft SOP, addressing of any questions/comments to the draft SOP, and finally the sign-off's necessary for the SOPs to be finalized/posted.	E. Bonds	6/30/2024	<b>Past Due-In Progress</b>	Tied to #2, #5 and #6. <i>Dec'23-Jan'25</i> : No update to-date on a Non-Faculty Stipends SOP.

MATC Audit Issues Log  
As of 1/24/2025

#	Audit	Issue Name / Issue	Action Plan	Items to be Provided (Deliverables):	Owner	Due Date	Status	UPDATE:
5	Zancil-Stipend Compensation Review 9/6/23	<b>Overlap with Job Description (JD) Duties</b> There are Zancil categories [Committee M'ship, Dept. Projects (program recruitment, lab mgmt., program success studies, etc.), Curriculum Development/Revision] and one Stipend category [Faculty Workload Stipend (lab management)] which appear to be in the standard JD for Instructors at MATC. IA recommends Administration review the job expectations of the faculty and determine what is/is not "outside of normal teaching duties". Then, update the JDs and Faculty Employee Expectations in the Employee Handbook/ Faculty Appendix [as well as incorporate any language necessary in the definition Zancils (action plan 1 above)] to clarify.	Academic Services will work with Administration and Faculty to clarify what responsibilities/tasks are considered standard, normal duties of the instructor position, and what is considered additional work requiring additional (Zancil/Stipend) compensation. Based on the agreed upon decisions, JDs, the Employee Handbook, and Zancil/Stipend docu. will be updated as needed. Further, the decisions of the above decision-making group will be used in development of the definition of Zancils and Stipends (action plan 1 above).	The assembled group will share documentation outlining the decisions agreed to regarding normal job duties of Instructors, and what is considered additional work which will be compensated via Zancil or Stipend payments. Further, if these decisions result in updated faculty JDs and/or updates to the Employee Handbook/Faculty Appendix, these will be documented by IA to validate completion.	Dr. King, Barbara Cannell (Lead), Dr. Jenkins, Pathway Deans, E. Bonds, Faculty Appendix Committee	6/30/2024	Past Due-In Progress	Tied to #2, #3 and #6: <i>Jun'24</i> : The review of job duties across Deans, ADs, Lead faculty and other functions continues. Task lists have been created identifying primary owners and roles. Aligning with existing JDs for Deans & ADs are anticipated to be completed in June. The LF JDs are being reviewed but revision of work won't occur until faculty are available (Fall). Add'l work will be done to define if what is being done is beyond job duties and to what degree. <i>Jul'24-Jan'25</i> : No further update on JDs.
6	Zancil-Stipend Compensation Review 9/6/23	<b>Lack of Human Resources Oversight of Zancil Compensation Process</b> As part of its role in the college, HR is involved in all employee compensation matters and decisions so they can document and substantiate pay decisions should they be called into question. Currently, Zancil compensation decisions are excluded from HR oversight. From a liability perspective, this presents a risk. IA recommends that HR be included in the SOP for Zancils being developed as part of action plan 2 above, specifically in the steps that involve the payment/ compensation determinations for the Zancil assignments.	Academic Services will work with HR to establish steps in the Zancil process (action plan 2 above) that provide HR input/oversight of the payment/ compensation determination for the Zancil assignments.	IA will validate that the action plan deliverables (for action plan 2 above) include HR in the determination/ approval of the compensation amounts for the Zancil assignments. This may include steps that document agreement/sign-off by HR for the determined amount.	Dr. King, Barbara Cannell (Co-Lead), Dr. Jenkins, Pathway Deans, Elle Bonds (Co-Lead)	6/30/2024	Past Due-In Progress	Tied to #2 and #3. <i>Dec'23-Mar'24</i> : See action plan #2 above. A brief mtg was held on 1.30.24. Follow-up mtg sch. for 2.20.24. <i>Jun'24</i> : Ongoing discussion with HR on how/where oversight of Zancils should occur. Add'l mtg's scheduled. Resolution of o/s questions in SOP is planned. <i>Aug'24-Jan'25</i> : Draft SOP "Zancil Procedure" being updated to include HR steps (in-process).
8	Zancil-Stipend Compensation Review 9/6/23	<b>Cost of Instruction (COI) Reported to the State</b> Zancil payments to the faculty are coded to the cost center associated with their positions academic offering (i.e., Math, English, Welding, etc.). As Zancil assignments are not 'directly' related to credit bearing courses/classroom activities, they would be defined as 'non-instruction' related activities. Thus, the current mapping of Zancil costs appears to be inflating the COI calculated at MATC. IA recommends this situation be reviewed to determine if and how MATC can remap Zancil expenses, which will result in better reporting and better data for decision making.	Finance will review what opportunities exist within the WTCS GL account categories, as well as within the Colleague system, which may allow re-mapping of Zancil costs. If it is determined that our current system(s) can accommodate re-mapping, and the process/requirements to complete such a project are not cost prohibitive, they will pursue revisions to the mapping process to improve our reporting data.	A description of (and any mapping documentation) the current state, and revisions made to validate the changes were implemented, will be provided to IA.	E. Kuether	3/31/2024	Past Due-In Progress	<i>Oct'23</i> : Discussions indicate that MATC's processes/ systems may not allow FIN to segregate expenses. Inquiries made to the WTCS re: 'COI' and the GL setup. <i>May'24</i> : IA spoke with a WTCS representative, and is awaiting a 2nd disc. to ID if WTCS has a COI standards. <i>Jun'24</i> : IA spoke w/ WTCS - they do not 'define' COI. MATC seeking info. from other districts re: their handling of non-teaching work (via ISA Group). <i>Jul'24</i> : Info. shared by one district. Add'l ques. posed. <i>Oct'24</i> : Met with NETC. Info shared re: segregation of COI vs admin costs; pay for admin related tasks; etc. MATC to assess info. FIN gathering add'l data to assess. <i>Nov'24-Jan'25</i> : No add'l updates have been received.
9	Zancil-Stipend Compensation Review 9/6/23	<b>Supplemental Pay Inequity</b> Currently, FT faculty are eligible to earn a Stipend payment if they attain a PhD. Such an incentive is not available to non-faculty who attain a PhD. As this achievement increases the credentials, marketability, earning potential, etc., for any employee, IA recommends Administration review this practice and either make it applicable to all employees or eliminate this practice.	Administration will review current practices at MATC, as well as other WTCS peers, to assess what is common practice in the State. Based on this assessment, and with this information documented as the basis for any decision, they will determine how the college will move forward (continue as is, make the stipend available to all employee groups, eliminate the stipend all together).	IA will be provided a final decision document, noting the documentation obtained/used in assessing the situation. If the decision is a change from the current practice, this will be communicated to all employees (via The Week Ahead, via direct email communication, etc.) and IA will document that communication.	E. Bonds, w/ assistance of the President's Cabinet	6/30/2024	Past Due-In Progress	<i>Aug'23</i> : E.Bonds posed a ques. to the WTCS HR Group re: how each handles crediting faculty for earning PhDs (salary bump, tuition reimb., 1x stipend,...). Responses from 8 of 16 colleges rec'd for eval./assessing our protocols. <i>Sep'23</i> : IA shared WTCS college responses with HR. <i>May'24</i> : Options/recomm. to be run through ELT, & may likely need a yr of prep before potential changes c/b made. <i>Jul-Jan'25</i> : No add'l updates on PhD stipends.
10	Zancil-Stipend Compensation Review 9/6/23	<b>Curriculum Development Paid as Zancil in Error</b> The process for paying Instructors for Curriculum Development (CD) is distinct from other Zancil assignments. Instructors are assigned a load percentage (used to calculate their full-time status), but the load (for payment purposes) is turned to zero. This is done because MATC has special payment arrangements for CD. Instructors receive the same amount they would have if paid via normal load, but are paid half when the curriculum is approved, and half after teaching the course for the first time. These payments are made via a Stipend. Thus, IA would expect to see a one-to-one match of Instructors on the Zancil and Stipend list for CD. However, for FY2019-2022, IA noted 15 Instructors received Zancil assignments, but 46 Instructors received Stipend payments. IA learned there is currently no process in place to reconcile this data, and therefore the additional payments listed as Stipends are a question mark.	<b>#10.2</b> : IA will reconcile Zancil assignments for CD from the Scheduling department, Stipend payments for CD from HR, and approvals of CD along with validation of the curriculum being taught for the first time from the Curriculum department at the end of each semester. Any potential discrepancies will be communicated to HR and the Learn pillar for any appropriate action to be taken.	IA will receive Zancil reports from Scheduling, Stipend reports from HR, and reports from Curriculum identifying approvals of new (or major modifications of existing) curriculum and when that curriculum is taught for the first time at the end of every semester.	E. Bonds, A. Shields, L. Mikula, B. Kubik	1/31/2024	Past Due-In Progress	<i>Jan'24</i> : IA rec'd Zancil/ Stipend reports. Wk'g w/ Curriculum to obtain data on courses and pmt. auth. to complete reconciliation. <i>Feb'24</i> : Data from mult. sources, to-date unable to reconcile as common component (course) missing from each source. Add'l overpmts ID'd during review. Wk'g with mult. depts to suggest alternatives to current process. <i>Mar-May'24</i> : Due to the age, collection of overpmts unlikely. The process for CD (Zancil & Stipend) flawed, allowing overpmts in certain situations. Alt. approach recommended - shared results with Aca/HR for potential SOP (Zancil, Stipend) options. <i>Jun'24</i> : The CD. process is being reviewed by Curriculum (Mikula, Futterer, Cannell). The flowchart for process & payment to be reviewed w/ recomm. forthcoming to update the CD language and streamline the pmt process. Proposed changes to be shared in July. <i>Jul-Jan'25</i> : No add'l updates rec'd (Note: The decision on pmt. of Stipends to faculty (#2 above) impacts this plan.
12	Zancil-Stipend Compensation Review 9/6/23	<b>Overpayments to Faculty Member</b> During the review, and conversations regarding the assignment of load and Zancils, it was discovered that a faculty member received an erroneous load percentage for the same course in FY2021 and FY2023. A note within Colleague from 2016 noted the maximum load for the course, but this was missed during the course assignment process. The review found assignment of the proper load percentage would have resulted in no 'overload' for those semesters, resulting in a savings of over \$22k in wages. As per MATC policies/ Employee Handbook, MATC will recoup this amount, allowing for a repayment period not to put undue stress on the faculty member.	<b>#12.1</b> : The Payroll Department is working with the Instructor to develop a repayment plan for the overpayment. Once agreed to, they will implement the plan.	IA will be provided a copy of the agreed upon repayment plan, and will confirm with Payroll when the overpayment has been repaid.	S. Olsen, E. Bonds	12/31/2030	Not Due	<i>Sep'23</i> : IA has copies of the repayment plan. Initial collections have occurred in Sep. On pace to collect sooner than due date due to overload. <i>Dec'23</i> : \$2,100 collected through December, 2023 (9%). <i>Mar'24</i> : \$3,300 collected through March, 2024 (15%). <i>Jun'24</i> : \$4,200 collected through June, 2024 (19%). <i>Sep'24</i> : \$5,250 collected (as of 10/11/24 (23%). <i>Dec'24</i> : \$6,450 collected (as of 12/31/24 (29%).



MATC Audit Issues Log  
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#	Audit	Issue Name / Issue	Action Plan	Items to be Provided (Deliverables):	Owner	Due Date	Status	UPDATE:
		3.1) Designate a 'qualified' Security Official to oversee, implement, and enforce your Information Security Program;	3.1: The College has identified the Director-Information Security as the individual respon-sible to oversee the Information Security Program. This will be noted in an updated version of Admin. Procedure FF0100 (Privacy Act).	Documentation of a new policy/ procedure approved and posted on MATC.edu, or some other posting/ language on MATC.edu noting this position is responsible for overseeing MATC's Info. Security Program.	D. Rowe, Dr. Adams	10/31/2024	Not Due	
		3.2) Conduct a risk assessment - determine foreseeable internal and external threats to customer information security, confidentiality, and integrity;	3.2: The College will complete a risk assessment (based on the NIST SP.800.53 security framework) in writing, and include criteria for evaluating risks and threats.	Documentation of the completed, written risk assessment. In addition, the rationale/criteria for assessing/ranking risks to MATC.	D. Rowe, D. Kasprzak, J. Montavon	TBD	Not Due	
		3.3) Create a written Information Security Program, and design/implement safeguards to control the risks identified (ensure it documented/posted);	3.3: The College will prepare a written ISP, based on the results of its risk assessment, and which identifies the implementation of the following safeguards: a) Technical and physical access controls to ensure only authorized access [as outlined in 3.7 below]; b) An inventory of all relevant parts of the IT environment and management of the same consistent with their business priority and the institution's risk strategy. [Management notes that via new telemetry data from CrowdStrike (which began in June), MATC has controls in place]; c) Encryption of all student info. in transit over external networks and at rest. [Mgmt to seek 'attestation' from Ellucian re: how they address this requirement for higher ed.]; d) Procedures for securely developing internal applications and assessing the security of externally developed applications used in relation to student information [Mgmt to seek 'attestation' from Ellucian re: their 'change mgmt' procedures for secure development of the product. Mgmt also notes student fin info is not stored in any internally developed applications.]; e) MFA for individuals accessing any information system [MFA in place to access MATC network, and can't access Ellucian (i.e., F.Aid info.) without being on network. Meet req.]; f) Procedures for the secure disposal of student info. that are no longer needed for business operations or another legitimate business purpose [Retention procedure- meet requirement]; g) Change management practices, and h) Measures to monitor and log the activities of authorized users and to detect their unauthorized access or use of or tampering with student info.	Documentation of a Written Security Program, born out of the completed risk assessment, which addresses the eight bullet points below. a) Items outlined in 3.7 below need to be documented in Info. Sec. Prog. b) Telemetry data to be shared to validate control in place. c.) Mgmt will share attestatin if obtained. [If Ellucian will not provide attestation, mgmt will document, along with other mitigating controls in place, and acceptance of any residual risk.] d) Management to share attestation if obtained. [ If Ellucian will not provide attestation, mgmt. to document other mitigating factors, and accept residual risk ]; e) Meet requirement. [Complete] f) Procedures in place, meet requirement. [Complete] g) h) Items outlined in 3.7 below	D. Rowe, D. Kasprzak	TBD	Not Due	
		3.4) Regularly test the effectiveness of internal controls (annual Penetration Tests/bi-annual Vulnerability Assessments), or implement continuous monitoring of 'information systems';	3.4: The College contends it has met this requirement via the following: - CrowdStrike continuous monitoring/alerts; - DHS weekly scans of MATC's network; - Cycye of external vendor penetration test (currently biennially). These mitigating controls will be documented within the Information Security Program (3.3).	Documentation/examples of the three items listed at left will be shared with IA to validate.	D. Rowe, D. Kasprzak	TBD	Not Due	
		3.5) Develop written Incident Response Plan;	3.5: The College believes that its Emergency Management Plan (EMP) serves as a written Incident Response Plan. Via the EMP, the steps MATC will take if it experiences a security event or an incident resulting in unauthorized access to or misuse of information (including student financial information) stored on its system(s) are addressed. Slight updates made to more specifically note GLBA.	Documentation of an updated/approved Emergency Management Plan from Public Safety, noting the coverage of student financial information.	D. Rowe, D. Kasprzak, A. Barkow, S. Rowe	TBD	Not Due	

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#	Audit	Issue Name / Issue	Action Plan	Items to be Provided (Deliverables):	Owner	Due Date	Status	UPDATE:
		3.6) Ensure information security staff are prepared/competent (i.e., there are established policies/procedures to ensure staff receive security awareness training, new hires are qualified, and there is ongoing professional development);	3.6A: The College will develop procedures to provide applicable staff with regular security awareness training. This will include specialized security training for employees, affiliates and service providers with the responsibility of maintaining the security program and ensuring the college stays abreast of emerging threats and countermeasures.	Documentation of a training plan for identified individuals who work with student financial information within IT.	D. Rowe, D. Kasprzak, M. Wild	TBD	Not Due	
			3.6B: Leadership in IT, F.Aid, Student Accts and the Registrar's Office will work with HR to review the job descriptions for roles across the college with responsibilities that involve student financial information. This review will focus on determining whether the language/requirements necessitate any updates to ensure only qualified candidates for these positions are considered.	Documentation of the roles (job descriptions) reviewed, the results (i.e., those determined to need additional language added and said language updates), and copies of final, revised job descriptions.	D. Rowe, A. Nixon, Dr. Adams, J. Montavon, J. Bynum	TBD	Not Due	
		3.7) Implement and maintain technical & physical access controls on customer information to limit access to authorized users, and limit access to "need to know" information (staff and vendors/consultants);	3.7: The College will outline how it will assess who has access to student financial information, and how it will regularly check whether those users (employees and vendors) still have a legitimate business need for that access (preferably in a SOP).	(a) A written SOP outlining the process for, and timeline/frequency of, reviewing colleague access to FA screen; (b) documentation of a periodic system access review being completed (review planned by IT for	D. Rowe, D. Kasprzak, J. Montavon	TBD	Not Due	
		3.8) 'Qualified' Security Official delivers Board presentation annually; and	3.8: The College will implement annual reporting to the Board, by the Designated Security Official, on the state of the information security program and the protection of student financial information.	Documentation of the Board agenda in which the reporting will occur, and the minutes for said meeting noting the discussion occurred.	D. Rowe, D. Kasprzak	12/31/2024	Complete	Dec'24: MATC's IT Dept presented a Board report at the 12.17.24 District Board Mtg.
		3.9) Breach Reporting Requirements	3.9: The College will create a new procedure, or update its current "Reportable Breach Notifications" procedure, outlining how it will comply w/ FTC Breach Reporting Requirements.	Documentation of a new (or updated) procedure being approved and posted to MATC.edu	D. Rowe, D. Kasprzak	TBD	Not Due	
4	Financial Aid Review, Part I, 8/XX/24	<b>Cohort Default Rate Review/Oversight</b> The Cohort Default Rate (CDR) is the percentage of a school's borrowers who enter repayment on certain Federal Family Education Loans and/or William D. Ford Federal Direct Loans during that FY and default (or meet the other specified condition) within the cohort default period (or federal fiscal year). Institutions can suffer sanctions if a school's three most recent official CDRs are 30.0% or higher. Each institution has the authority to review draft data against its own, internal data, and is given the opportunity to challenge data that it feels is inaccurate. This is considered a best practice. Currently, MATC does not have any internal processes, and/or does not utilize the services of a third party, to review, verify or challenge this data. As a result, any data integrity issues remain in the data. This can potentially lead to inflated CDR's for MATC, which can limit access to benefits available to schools with low CDR's.	4.1: Fin. Aid management will develop a procedure (SOP), using in-house tools and/or third-party tools, to annually review draft CDR data made available by the DoE. This procedure will include a process for submitting challenges of the data to the DoE if inaccuracies are identified.  4.2: Financial Aid management will implement the review, and challenge data if applicable, during the FY2025 cycle (i.e., approximately February through June).	IA will receive a copy of the SOP after it has been created, reviewed, and posted to MATC's SOP Repository.  IA will validate a review has been completed, and if applicable, that challenges have been submitted to the DoE.	J. Montavon  J. Montavon	TBD  7/31/2025	Not Due  Not Due	



**MATC Audit Issues Log**  
As of 1/24/2025

#	Audit	Issue Name / Issue	Action Plan	Items to be Provided (Deliverables):	Owner	Due Date	Status	UPDATE:
1	Program Viability Review, 10/xx/24 <b>DRAFT</b>	<b>Lack of Program Viability Reviews</b> It has been identified that the board policy (D0503- Quality Assessment of Instructional Programs and Support Services) and administrative procedure (DD0500- Program Suspension and Discontinuance) requiring annual program reviews has not been consistently followed in recent years. Such reviews are a critical component of the college's continuous quality improvement (CQI) process, which support strategic planning and decision-making. A clear reason for this departure from policy/procedure was not provided, but the pandemic's impact on what may have been routine processes may be at least partially responsible. This oversight has contributed to the continuation of programs with low enrollment and limited financial viability, resulting in inefficient use of institutional resources. The lack of adherence to the review process has also likely exacerbated budget shortfalls and hindered the college's ability to adjust its program offerings to meet the changing needs of students and employers.	An Academic workgroup has developed a preliminary plan for Program Viability. The draft is shared below, noting that ownership, due dates, and deliverables still need to be clarified.  1.1: An Academic workgroup, AIC (with assistance from other areas) has developed a work plan that includes: •Create work team, meeting weekly; •Create Prog. Via. flowchart; •Dean/AD Retreat to discuss Prog Via; •Draft Viability tool shared; •Draft Data Map shared; •AIC leaders & Viability tool creator meet; •Discussion at AIC Mtg; and •Spring work plan to be created for launch in Fall of 2025	(#1.1) Deliverables have yet to be identified by Academics (i.e., what will be provided to IA to evidence completion of said tasks). The following are noted as of 11.30.24: •TBD; •TBD; •TBD; •TBD; •TBD; •TBD; •TBD; •TBD; •TBD; and •TBD.	B. Cannell	•5/31/25 •5/31/25 •10/31/24 •10/31/24 •10/31/24 •12/31/24 •12/31/24 •5/31/25	Not Due	<b>Nov'24:</b> IA is awaiting a full list of specific owners, due dates, and deliverables. Status as of 11.30.24:  •In Progress; •In Progress; •Complete (has to be validated); •Complete (has to be validated); •Complete (has to be validated); •In Progress; •In Progress; and •In Progress.
2	Program Viability Review, 10/xx/24 <b>DRAFT</b>	<b>Use of Program Performance Matrix (PPM)</b> The previously outlined Program Viability process began with the completion of PPM's by Institutional Research (IR). While IA was able to document that these matrices were completed, the 'rankings' (gold-silver-bronze, in the categories of external demands, student success, program uniqueness, and cost analysis) are awarded based on an algorithm w/ approximately 20 different measures. However, with the measure's unknown, the rankings did not provide value. As the PPM's are an input to the program review process, the AIC needs to understand and find the rankings useful to utilize the reports.	(#2.1) Academic and IR leadership will work together to develop agreed upon metrics/KPIs to be used in the Program Performance Dashboards (PPD) that will provide useful data for use in the new Program Sustainability and Viability process.  (#2.2) IR leadership will complete a SOP that outlines the annual PPD process, including data needs/sources, timelines, responsible parties, and communications when completed and posted.	(#2.1) IA will be provided evidence of the agreed metrics/KPI's to be incorporated into the PPDs to be completed in fall of 2025. Final validation will occur when the new PPD's are produced in fall 2025.  (#2.2) IA sits on the SOP Review Team, so it will be aware of the SOP lifecycle (request, submission of draft, comment resolution, and ultimately VP signature approval) and be aware of the posting of a final SOP.	Dr. King, B. Cannell, Dr. Isahaku, Dr. Sitte, J. Mies, J.Schliesmann, K.Hall  O.Finnegan, K.Hall	11/30/25 ???	Not Due	<b>Nov'24:</b> Due date yet to be finalized. Input from IT needed re: application being added to server to facilitate data needs.  <b>Nov'24:</b> Due date pending #2.1 above.
3	Program Viability Review, 10/xx/24 <b>DRAFT</b>	<b>Revision of Board Policy/ Administrative Procedure</b> With the revision of the instructional program evaluation process (issue 1 above), the current board policy (D0503) and Administrative Procedure (D0500) will be outdated and not reflective of the process being implemented.	The board policy and admin. procedure will be revised to reflect the new process being implemented. The policy will need to be presented to the District Board for review/approval, while the administrative procedure will need to be reviewed by the Office of General Counsel's office, prior to posting on the MATC.edu website.	IA will confirm with OGC's office when the administrative procedure has been reviewed, and posted to the website. Regarding the board policy, IA will monitor the district board agenda and meetings confirm presentation and approval by the board of the updated policy.	B. Cannell, Dr. Sitte, J.Mies	9/30/25 ???	Not Due	<b>Nov'24:</b> Due date pending #2.1 above.

Indicates "Draft" language, as IA is awaiting final action plans, identification of owners, due dates, and/or deliverable information from Management.

MATC Audit Issues Log  
As of 1/24/2025

#	Audit	Issue Name / Issue	Action Plan	Items to be Provided (Deliverables):	Owner	Due Date	Status	UPDATE:
1	Zancil Addendum Report 1/13/25	<p><b>Payment for Zancils- Curriculum Development</b></p> <p>While attempting to reconcile Zancil assignments and Stipends payments for curriculum development (CDev) activities, two potential issues were noted due in part to the unique way CDev was paid. These included:</p> <ul style="list-style-type: none"> <li>•Review of 46 Instructor's Programs (total of 59 Zancil assignments for CDev) identified six instances (10%) where the payment was not appropriately aligned to the Zancil payments made in subsequent semesters and likely resulted in faculty being overpaid.</li> <li>•The Employee Handbook/Faculty Appendix allows for three options if a full-time (FT) instructor's load is below 90%. One of those is to add a professional assignment (i.e., Zancil) and another is to pro-rate their pay. During the review, IA found that if a FT instructor's load is at 80%, and a Zancil for CDev is assigned at 20% load their FT load increases to 100%, resulting in the faculty member being paid as if they were at 100% load (full contract salary) plus the amount paid for Zancil assignments, which would result in the faculty being overpaid. Thus, they were likely paid twice for the CDev as the salary increased, and they would have received a Stipend.</li> </ul>	TBD	TBD	TBD	TBD		Management acknowledges the issue noted, and is reviewing options to address the concerns. Action plans are not anticipated to be finalized until the summer of 2025.
2	Zancil Addendum Report 1/13/25	<p><b>Payments for Zancils- Undocumented Process</b></p> <p>During the review, IA noted that when a Zancil is assigned to an instructor whose load is already within the 90-108% load range (i.e., the range in which an instructor is considered FT, and receives their regular FT salary), the full Zancil load is paid as 'overload' even if the load remains at 100% or below. The Zancil process and the interaction between full salary, prorated salaries and Zancils is undocumented, which could lead to overpayments as addressed above.</p>	TBD	TBD	TBD	TBD		Management acknowledges the issue noted, and is reviewing options to address the concerns. Action plans are not anticipated to be finalized until the summer of 2025.
3	Zancil Addendum Report 1/13/25	<p><b>Zancil Assignments for Large Loads</b></p> <p>During a discussion with the WTCS, they noted that no single Zancil assignment should be greater than 25% of their load. Researching, the WTCS's Finance and Administrative Manual (FAM) notes that "If 25% or more of a person's time is spent performing work directly related to a specific non-instructional cost center, that individual's remuneration, fringe benefits, and other related costs are to be allocated to that cost center." The current system in use (Colleague) does not allow for splitting these types of costs amongst various cost centers, so elimination of these large load assignments would be necessary to comply with the FAM.</p>	TBD	TBD	TBD	TBD		Management acknowledges the issue noted, and is reviewing options to address the concerns. Action plans are not anticipated to be finalized until the summer of 2025.
4	Zancil Addendum Report 1/13/25	<p><b>Zancil Budget Process</b></p> <p>It was noted in the original audit (observation) that there was a lack of monitoring Zancil costs, which included budget vs. annual as there was no formal process for Zancil budgeting. This could lead to actual costs being far greater than anticipated. The Academic and Finance teams have had multiple meetings geared towards developing new budgeting processes for Zancil costs. These discussions continue, but Zancil costs are scheduled to be broken out in monthly financial statements reported to the Board beginning in January, 2025.</p>	TBD	TBD	TBD	TBD		Management acknowledges the issue noted, and is reviewing options to address the concerns. Action plans are not anticipated to be finalized until the summer of 2025.

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**Milwaukee Area Technical College (MATC)  
Advisory Audit Committee Self-Assessment  
Fiscal Year 2025**

**Introduction:**

As noted in the Advisory Audit Committee Charter, the MATC Advisory Audit Committee (Committee) is expected to perform an annual self-evaluation to ensure that the roles and responsibilities of the Committee are carried out effectively. The following roles and responsibilities are copied from the approved Committee Charter:

Committee Charter Approved: November 27, 2018

Last Reviewed: February 16, 2022

The Committee shall be responsible for providing oversight assistance to the MATC District Board (Board) in fulfilling its responsibility relative to the auditing, accounting and financial reporting processes, including a reliable system of operational, financial and compliance internal controls, compliance oversight functions, and assessing the quality and integrity of the financial reports of MATC. In so doing, it is the responsibility of the Committee to maintain free and open communication with the Board, the internal auditor, the external auditor, and the Leadership of MATC.

QUALIFICATIONS OF MEMBERS	ASSESSMENT
<p>A. The Committee shall be comprised of external members who are independent of MATC and its Management. Members of the Committee shall be considered independent if they have no relationship to MATC that may interfere with the exercise of their independence from Management and MATC.</p>	<p><b>Requirement Met:</b> As of April 30, 2017, the Committee consisted of four members. The members of the Committee are independent of MATC and its Management.</p> <p>This independence is validated by the annual Conflicts of Interest Disclosure Statements completed by Committee members and reviewed by Internal Audit (IA), and Human Resources and Committee Chair (if necessary). For FY2025, these statements have been completed, reviewed, and no potential conflicts were reported.</p>
<p>B. Committee members must be financially literate, and at least one member must be a financial expert as defined in the Sarbanes-Oxley Act of 2002.</p>	<p><b>Requirement Met:</b> All of the Committee members demonstrate financial literacy. At least one Committee member, Ms. Katie Reilly, was considered a financial expert as defined by the Sarbanes-Oxley Act of 2002.</p>

**AUTHORITY AND RESPONSIBILITIES**

In carrying out its oversight responsibilities, the Committee should ensure that its procedures remain flexible in order to permit it to react well to changing conditions and assure the Board that the auditing, accounting and financial reporting processes, the internal controls, the Compliance activities and the financial reports of MATC are in accordance with all related requirements and are of the highest quality.

The Committee shall not be responsible for planning or conducting audits, for determining whether financial statements are in accordance with generally accepted accounting principles, or determining whether financial statements are complete and accurate, or for assuring compliance with laws and regulations. The Committee as a whole and each member separately shall be entitled to rely on the accuracy of the financial and other information that is provided to the Committee by persons within MATC or by professionals, experts, and independent auditors which provide MATC with information.

The Committee shall have access to MATC's personnel, facility books and records for the purpose of satisfying its responsibilities.

In carrying out these responsibilities, the Committee will:

**Risk Assessment**

**Assessment**

<p>A. Discuss with Management, the internal auditor and external auditors to obtain a clear understanding of financial risk assessment and risk management, as well as MATC’s major financial risk exposures and the steps management has undertaken to monitor and control these financial risk exposures.</p>	<p><b>Pending:</b> Management and Internal Audit (IA) are available to discuss risks and exposures at each meeting when presenting IA reports, audit follow-up reports, bi-annual risk assessment results and compliance issues. The IA reports include action plans Management will implement to mitigate such risks and exposures, with subsequent follow-up performed on the action plans. The external auditors are available to discuss risks and exposures as they present the results of the year-end financial statement audit. Committee members routinely make inquiries of these reports and assess Management’s action plans to minimize such risks.</p>
<p>B. Discuss with Management, the internal auditor and external auditors to obtain a clear understanding of the internal controls systems implemented by Management, the overall effectiveness of the internal control framework, and whether Management is setting an appropriate “control culture” by communicating the importance of internal controls.</p>	<p><b>Pending:</b> Management and IA are available to discuss risks and controls at each meeting when presenting IA results, audit follow-up reports, bi-annual risk assessment results, and compliance issues. The IA reports include an internal control assessment table, which outlines whether effective controls were identified, and if not, the action plans to be implemented to address the risk. The external auditors are available to discuss internal controls and exposures related to the financial reporting and statements as they present the results of the year-end financial statement audit. Committee members routinely make inquiries of these reports and assess Management’s focus on the control environment.</p>

**Financial Reporting Process**

**Assessment**

<p>C. Inquire of Management, the internal auditor and external auditor about financial reporting processes to address complex or highly judgmental accounting or internal control areas.</p>	<p><b>Pending:</b> Management and IA are available to discuss complex or highly judgmental accounting or internal control areas at meetings in which interim financial information, compliance issues and/or IA reports are presented. The external auditors are also asked to discuss complex or highly judgmental accounting or internal control areas as they present the results of the year-end financial statement audit.</p>
<p>D. Review the adequacy and effectiveness of the accounting and financial controls, including information technology, of MATC with the financial and accounting personnel, internal auditor and external auditor, and elicit any recommendations for the improvement of the system of internal controls with emphasis on the adequacy of internal controls to expose payments, transactions, or procedures that might be deemed illegal or otherwise improper.</p>	<p><b>Pending:</b> The external auditors will present the results of the June 30, 2024 year-end financial statement audit at the November 6, 2024 Committee meeting, and will communicate any findings related to the accounting and financial controls.</p> <p>IA presented draft findings from the Financial Aid review at the May and August, 2024 Committee meetings and the Zancil/Stipend Compensation Review at the August and November, 2023 Committee meetings. The Committee reviewed/ reviews summaries of these reports and associated action plans/ recommendations and engaged Management, IA, and the external auditors on the adequacy and effectiveness of the accounting and financial controls of MATC as needed. The final reports are provided to the Committee members upon request.</p>
<p>E. Review disclosures of internal controls from MATC made in conjunction with the quarterly or annual financial statements.</p>	<p><b>Requirement Met:</b> The results of interim financial information are presented periodically during the year at District Board meetings. The Committee may engage Management in discussions on accounting/ financial results, judgmental accounting areas and quarterly close procedures/ findings during the fiscal year.</p>

**Milwaukee Area Technical College  
Advisory Audit Committee Self-Assessment  
Fiscal Year 2025**

**Internal Auditors**

**Assessment**

<p>F. Review the bi-annual IA plan, and any changes to it.</p>	<p><b>Requirement Met:</b> The Committee reviewed the FY2025-02 proposed Plan at the November 6, 2024 Committee meeting.</p> <p>A standing agenda item exists for each quarterly Committee meeting to review any changes made to the annual IA plan.</p>
<p>G. Review a summary of findings from completed internal audits and a progress report on the IA plan.</p>	<p><b>Pending:</b> The Committee receives summaries of IA reports and a current Plan update at each of the Committee meetings during the fiscal year. The Plan update provides information regarding changes, deferrals, additions, etc. Copies of full audit reports are available upon request to Committee members.</p> <p>A standing agenda item exists for each quarterly Committee meeting to review a summary of findings from completed audits since the previous Committee meeting.</p>
<p>H. Ensure that Management action plans are received, discussed and acted upon in an appropriate and timely manner.</p>	<p><b>Pending:</b> Through a standing agenda item, the Committee reviews the results of action plan follow-up through the Audit Follow-Up summary presented at each quarterly Committee meeting.</p>
<p>I. Review periodically the IA Charter for necessary changes, and recommend any changes be approved by the Board.</p>	<p><b>Requirement Met:</b> An updated Advisory Audit Committee Charter was approved by the Committee, moved to and approved by the Board at its November, 2018 meeting. This charter was reviewed at the February 16, 2022 Committee meeting, with no updates being proposed. The Committee will be asked to review the charter again in FY2025.</p> <p>An IA Charter was shared at the August 18, 2022 Committee meeting for review, with a vote on adoption taken at the November 17, 2022 Committee meeting. The IA Charter was adopted.</p>

**Milwaukee Area Technical College  
Advisory Audit Committee Self-Assessment  
Fiscal Year 2025**

**External Auditor**

**Assessment**

<p>J. Review at least annually, the following with Management and the external auditor:</p> <ul style="list-style-type: none"> <li>a. Scope of the proposed audit for the current year and the procedures to be utilized (full scope - specific scope - limited scope).</li> <li>b. Annual audited financial statements, the annual report and the single audit.</li> <li>c. Results of timely analysis of significant financial reporting issues and practices, including changes in, or adoptions of, accounting principles and disclosure practices.</li> <li>d. Matters required to be communicated to the Audit Committee by Statements of Auditing Standards, including audit adjustments made and passed.</li> <li>e. Judgments about the quality and the clarity of the financial disclosure's practices used or proposed to be used.</li> <li>f. Management Letter and Management's response to the Management Letter.</li> <li>g. Whether any CEO, CFO, Controller or Chief Accounting Officer has been hired by MATC from the external auditor within the past year.</li> <li>h. Material off-balance sheet transactions.</li> </ul>	<p><b>Requirement Met:</b></p> <ul style="list-style-type: none"> <li>• The scope of the audit for the year-ending June 30, 2024 was noted to be a full scope. This was discussed during the May 2, 2024 Committee meeting.</li> <li>• The results (to-date) of the year-ending June 30, 2024 audit(s) were discussed at the November 6, 2024 Committee meeting.</li> <li>• Significant financial reporting issues and practices (if applicable), including changes in or adoptions of accounting principles and disclosure practices, were presented by Baker Tilly at the November 6, 2024 Committee meeting, and/or the December 17, 2024 District Board meeting.</li> <li>• SAS requirements (if applicable) were presented and discussed at the November 6, 2024 Committee meeting, and/or the December 17, 2024 District Board meeting.</li> <li>• Judgments about the quality and clarity of the financial disclosure's practices were presented and discussed at the November 6, 2024 Committee meeting, and/or the December 17, 2024 District Board meeting.</li> <li>• Management Letter items (if applicable) were discussed at the November 6, 2024 Committee meeting.</li> <li>• MATC did not hire any external auditors into these positions.</li> <li>• Material off-balance sheet transactions for the year-ending June 30, 2024 (if applicable) were discussed at the November 6, 2024 Committee meeting, and/or the December 17, 2024 District Board meeting.</li> </ul>
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**Milwaukee Area Technical College  
Advisory Audit Committee Self-Assessment  
Fiscal Year 2025**

**Compliance with Laws and Regulations**

**Assessment**

K. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management’s investigation(s) and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.	<b>Pending:</b> Administration will present a Compliance assessment for FY2025 at an upcoming Committee meeting.
L. Obtain regular updates from Management and the organization’s legal counsel regarding compliance matters that may have a material impact on the organization’s financial statements or compliance policies.	<b>Pending:</b> Administration will present a Compliance assessment for FY2025 at an upcoming Committee meeting.
M. Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements.	<b>Requirement Met:</b> The external auditors are asked to discuss regulatory/ compliance matters as they present the results of the year-end financial statement audit [see Section J].
N. Review at least annually a report addressing the results of MATC’s Conflict of Interest Policy.	<b>Pending:</b> Responsibility for adherence to the Conflict of Interest (COI) policy rests with the Human Resources (HR) department and Office of General Counsel (OGC). As part of its implementation of audit recommendations, the OGC provides an oral report to the Committee summarizing the annual results of MATC’s COI Process. Results for FY2025 will be shared with the Committee at an upcoming Committee Meeting.

**Other**

**Assessment**

O. Endorse and encourage Committee education and dialogue relative to emerging issues.	<b>Pending:</b> The Committee is provided general education regarding the college and/or audit areas/risks at every Committee meeting. Emerging issues and/or educational articles are typically shared at each Committee meeting.
P. Complete an annual self-assessment and review results with the Board.	<b>Requirement Met:</b> This document, implemented during FY2017, is reviewed quarterly with the Committee. The completed annual self-assessment for FY2024 was presented to the Committee at the first meeting (August 7, 2024) in FY2025.
Q. Have access to institution personnel and information as needed.	<b>Requirement Met:</b> The Committee, upon request, will be provided with pertinent information (within parameters, to maintain protected information) as it relates to topics under review/ discussion.
R. Expenses incurred by the Committee members in carrying out their roles and responsibilities consistent with this Charter, will be reimbursed by MATC consistent with the MATC District Board Policy B0901, Travel and Expense Reimbursement.	<b>Requirement Met:</b> The Committee is eligible to seek reimbursement for expenses incurred in carrying out their Committee roles. This is covered under the MATC Policy A0113, District Board Compensation.

**Attachment A AUDIT COMMITTEE PROCEDURES**

**Assessment**

**I. COMPOSITION**

<p>A. How appointed – The Committee Chair will be a member of the Board, who is appointed by the Board Chair. The Committee members are identified by Management, and approved by the Board.</p>	<p><b>Requirement Met:</b> The Committee Chair is a member of the Board, appointed by the Board Chair. The approval of the remaining Committee members is recommended by the Committee, and brought before the District Board for approval.</p>
<p>B. Number of Members – In addition to the Chair, a minimum of three and maximum of five external members.</p>	<p><b>Requirement Met:</b> The Committee currently consists of four (Chair and three external members) members.</p>
<p>C. Term of Membership – Non-MATC Board members will be appointed for a three-year term of office, and may serve for consecutive and/or multiple terms, which may be staggered after the initial term.</p>	<p><b>Requirement Met:</b> All Committee members are appointed for three-year terms.</p>

**II. VOTING**

<p>A. Quorum – Simple majority of the members.</p>	<p><b>Pending:</b> A majority of members were present at all Committee meetings during FY2024 (attendance is tracked).</p>
<p>B. Number of Votes Needed – Majority of the members present.</p>	<p><b>Pending:</b> With note to II.A. above, approval by a majority of Committee members is required for all Committee recommendations.</p>

**III. MEETINGS**

<p>A. How Often Committee Meets – A minimum of four times per year. Members of Committee may appear at the meeting in person, by video conference or telephonically. Special meetings may be convened as required, subject to the statutory notice provisions.</p>	<p><b>Pending:</b> The Committee will meet four times during FY2021, on the following dates:</p> <ul style="list-style-type: none"> <li>▪ August 7, 2024</li> <li>▪ November 6, 2024</li> <li>▪ February 5, 2025</li> <li>▪ May, 2025 (exact date TBD)</li> </ul>
<p>B. All meetings will be held in accordance with Wisconsin Statutes Chapter 19, which govern open meetings and public records, including appropriate notice and posting provisions outlined therein.</p>	<p><b>Pending:</b> This is confirmed at each Committee meeting.</p>
<p>C. Agenda Responsibility – Vice President- Finance, with assistance from Internal Audit and General Counsel. The administrative assistant to the Committee will:</p> <ul style="list-style-type: none"> <li>➤ Circulate the agenda and supporting documentation to the Committee members a reasonable period in advance of each meeting</li> <li>➤ Circulate the approved minutes of meetings to members of the Board, Committee and internal and external auditors.</li> </ul>	<p><b>Requirement Met:</b> The Manager- Internal Audit, with the assistance of the General Counsel and CFO, prepares the agenda and meeting materials as necessary.</p>
<p>D. Attendance Requirements – Member must attend at least half of the meetings per year.</p>	<p><b>Pending:</b> Tracked and monitored – all Committee members have attended at least half of FY2025 meetings.</p>
<p>F. Staff support – Vice President- Finance, with assistance from Internal Audit, General Counsel and Administration, as necessary.</p>	<p><b>Requirement Met:</b> The CFO provides staff support to the Committee with the assistance of the IA department and Administration, as necessary.</p>

## Milwaukee Area Technical College (MATC) Advisory Audit Committee Charter

### I. PURPOSE

The Audit Advisory Committee (Committee) shall be responsible for providing oversight assistance to the MATC Board of Directors (Board) in fulfilling its responsibility relative to the auditing, accounting and financial reporting processes, including a reliable system of operational, financial and compliance internal controls, corporate compliance oversight functions, and assessing the quality and integrity of the financial reports of the organization. In so doing, it is the responsibility of the Committee to maintain free and open communication with the Board, the internal auditors, the external auditor, and the Senior Management of MATC. It is understood that all Committee activities will comply with applicable local, state and federal laws, including but not limited to, open meetings and public records statutes. Additionally, the Committee will act in adherence to all applicable MATC Board policies.

### II. QUALIFICATIONS OF MEMBERS

A. The Committee shall be comprised of a Board member appointed by the Board Chair (serving as Chair of this Committee also) and at least three (3) and no more than five (5) external members who are independent of MATC. Members shall be considered independent if they have no relationship to MATC (i.e., do not accept any consulting, advisory, or other compensatory fee from MATC, MATC Foundation, or MPTV) that may interfere with the exercise of their independence from Management.

B. Committee members must be financially literate, and at least one member must be a financial expert as defined in the Sarbanes-Oxley Act of 2002:

A “financial expert” is a person who has an understanding of generally accepted accounting principles and financial statements; the ability to assess the application of these principles in connection with accounting for estimates, accruals and reserves; an understanding of Committee functions; experience preparing, auditing, analyzing or evaluating financial statements, or experience actively supervising persons engaged in such activities; and an understanding of internal controls and procedures for financial reporting. The person must have acquired these attributes through one or more of the following: education or experience actually doing these functions or similar ones; actively supervising someone who is performing these functions or similar ones; experience overseeing or assessing the performance of companies or public accountants who are preparing, auditing or evaluating financial statements; or other relevant experience.

C. See **Attachment A** for Committee Procedures.

### III. AUTHORITY AND RESPONSIBILITIES

In carrying out its oversight responsibilities, the Committee should ensure that its procedures remain flexible in order to permit it to react well to changing conditions and assure the Board that the auditing, accounting and financial reporting processes, the internal controls, the compliance program and the financial reports of MATC are in accordance with all related requirements and are of the highest quality.

The Committee shall not be responsible for planning or conducting audits, for determining whether financial statements are in accordance with generally accepted accounting principles, or determining whether financial statements are complete and accurate, or for assuring compliance with laws and regulations. The Committee as a whole and each member separately shall be entitled to rely on the accuracy of the financial and other information that is provided to the Committee by persons within the organization or by professionals, experts, and independent auditors which provide the organization with information.

The Committee shall have access to the organization's personnel, facility books and records for the purpose of satisfying its responsibilities.

In carrying out these responsibilities, the Committee will:

#### Risk Assessment

- A. Discuss with Management, the internal auditors and the external auditor to obtain a clear understanding of financial risk assessment and risk management, as well as the organization's major financial risk exposures and the steps Management has undertaken to monitor and control these financial risk exposures.
- B. Understand the internal controls systems implemented by Management, the overall effectiveness of the internal control framework, and whether Management is setting an appropriate "control culture" by communicating the importance of internal controls.

#### Financial Reporting Process

- C. Inquire of Management, the internal auditor and the external auditor about financial reporting processes to address complex or highly judgmental accounting or internal control areas.
- D. Review the adequacy and effectiveness of the accounting and financial controls, including information technology, of the organization with the financial and accounting personnel, internal auditor, and external auditor, and elicit any recommendations for the improvement of the system of internal controls with emphasis on the adequacy of internal controls to expose payments, transactions or procedures that might be deemed illegal or otherwise improper.



- E. Review disclosures of internal controls from the organization made in connection with the quarterly or annual financial statements.

Internal Auditors

- F. Review the annual internal audit plan (Plan), and any changes to it, to ensure it addresses key areas of risks.
- G. Review a summary of findings from completed internal audits and a progress report on the internal audit plan, with explanations for any changes to the Plan.
- H. Ensure that Management action plans are received, discussed and acted upon in an appropriate and timely manner.
- I. Review periodically the internal audit charter for necessary changes. Ensure it is approved or re-approved by the Board when required.

External Auditor

- J. Review at least annually, the following with Management and the external auditor:
- Scope of the proposed audit for the current year and the procedures to be utilized (Full scope – specific scope – limited scope). The minimum required scope will be recommended by the Committee.
  - Annual audited financial statements, the annual report and the report on federal awards required under the Office of Management and Budget.
  - Results of timely analysis of significant financial reporting issues and practices, including changes in, or adoptions of, accounting principles and disclosure practices.
  - Matters required to be communicated to the Committee by Statements of Auditing Standards, including audit adjustments made and passed.
  - Accounting estimates and quality of earnings schedules prepared by management or the external auditor.
  - Judgments about the quality and the clarity of the financial disclosure's practices used or proposed to be used.
  - Management Letter and Management's response to the Management Letter.
  - Whether any CEO, CFO, Controller or Chief Accounting Officer has been hired by the organization from the external auditor within the past year.
  - Material off-balance sheet transactions.

Compliance with Laws and Regulations

- K. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's investigation(s) and follow-up (including disciplinary action) of any fraudulent acts or non-compliance.
- L. Obtain regular updates from Management and the organization's legal counsel regarding compliance matters that may have a material impact on the organization's financial statements or compliance policies.
- M. Be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements.
- N. Review at least annually a report addressing the results of MATC's Conflict of Interest Policy.

Other

- O. Endorse and encourage Committee education and dialogue relative to emerging issues.
- P. Complete an annual self-assessment and review results with the MATC Board.
- Q. Have access to institution personnel and information as needed.
- R. Expenses incurred by the Committee members in carrying out their roles and responsibilities consistent with this Charter will be reimbursed by MATC consistent with the MATC District Board Policy B0901, Travel and Expense Reimbursement.

## Attachment A

### MATC AUDIT ADVISORY COMMITTEE PROCEDURES

#### I. COMPOSITION

- A. How Appointed – The Chair will be the member of the Board, appointed by the Board Chair. Potential members are identified by Management, and approved by the Board.
- B. Number of Members – In addition to the Chair, a minimum of three and maximum of five external members.
- C. Term of Membership – Non-MATC Board members will be appointed for three-year terms of office and may serve for consecutive and/or multiple terms, which may be staggered after the initial term.

#### II. VOTING

- A. Quorum – Simple majority of the members.
- B. Number of Votes Needed – Majority of the members present.

#### III. MEETINGS

- A. How Often Committee Meets – A minimum of four times per year. Members of the Committee may appear at the meeting in person, by video conference or telephonically. Special meetings may be convened as required, subject to the statutory notice provisions.
- B. All meetings will be held in accordance with Wisconsin Statutes Chapter 19, which govern open meetings and public records, including appropriate notice and posting provisions outlined therein.
- C. Agenda Responsibility – ~~Internal Audit, with assistance from the Vice President–Finance, with assistance from Internal Audit and~~ General Counsel ~~and CFO~~. The aforementioned, and/or support staff, administrative assistant to the Committee will:
  - a. Circulate the agenda and supporting documentation to the Committee members a reasonable period in advance of each meeting.
  - b. Circulate the approved minutes of meetings to members of the Board, Committee and internal and external auditors.
- D. Attendance Requirements – Members must attend at least half of the meetings per year.
- E. Staff Support – ~~CFO Vice President–Finance~~, with assistance from Internal Audit, ~~and~~ General Counsel and Administration, as necessary.