

UW-Madison
Project Charter
Financial Internal Controls - Framework Development
[3.16.15]

Project Name	Financial Internal Controls - Framework Development
Executive Sponsors	Rebecca Blank, Chancellor Sarah Mangelsdorf, Provost Darrell Bazzell, Vice Chancellor for Finance and Administration
Managing Sponsor	Darrell Bazzell, Vice Chancellor for Finance and Administration
Business Owners	Martha Kerner, Assistant Vice Chancellor for Business Services UW-Madison Deans, Directors and Associate Deans for Finance
Problem Statement	Currently UW-Madison does not have a comprehensive financial internal control framework. Operating in a highly decentralized environment, the University is exposed to multiple risks that could be mitigated with a planned and consistent approach to effective financial internal controls.
Business Case	<p>Effective organizations, including institutions of higher education, have developed and implemented internal control frameworks.</p> <p>A comprehensive financial internal control framework is supported by a body of processes, policies and procedures which an organization uses to:</p> <ul style="list-style-type: none"> • accomplish its goals and objectives; • maintain compliance with laws and regulations (including detecting and preventing fraud) and internal policies; • ensure the reliability of data and financial information for effective decision-making; and • protect its resources, both tangible (e.g., equipment, property or funding) and intangible (e.g., reputation). <p>This project focuses on financial internal controls for UW-Madison. The financial internal control plan will utilize the Committee of Sponsoring Organizations (COSO) Internal Control Integrated Framework as a guide.</p> <p>This project builds upon several recent and related activities including the 2014 Financial Forum with campus leadership and financial personnel, and the financial risk assessment performed by Price Waterhouse Coopers (PwC).</p>
Goal(s)	<p>To build and sustain a framework for financial internal controls for UW-Madison. It will define, articulate and continually assess the university's control environment, financial risk, control activities, information and communication strategies and monitoring activities.</p> <p>A successful framework will move us away from status quo, requiring us to think broadly and with vision, and provide:</p>

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	<ul style="list-style-type: none"> • compliance with laws and regulations; • transparent, reliable financial information; • protection for resources and reputation of the university; • accountability and ownership of risks and internal controls across the University; and • greater stakeholder confidence in the University’s financial risk management activities. 	
Deliverables	<ul style="list-style-type: none"> • The outline of and plan to achieve a financial internal control framework for UW-Madison • Identification and prioritization of initial process opportunities based on the PwC risk assessment • Internal Control objectives for each process under review and design • Redesigned or designed processes • Staff competencies and credentialing for each redesigned/designed process • Validation of the internal controls for each redesigned/designed process 	
Scope / Boundaries	<p>This project is focused on financial internal controls only. It is acknowledged that UW System will influence parts of the internal control framework for UW-Madison, and that there are dependencies with IT systems that UW-Madison does not control.</p> <p>Any statutory obligation to certify to the effectiveness of its internal controls as a delegated institution within UW System should be taken into consideration.</p>	
Project Structure	See attached diagram.	
Project Staff	Role	Responsibilities
Executive Steering Committee (Blank, Mangelsdorf, Bazzell)	Executive sponsors and final decision-makers	Meet periodically with the project team to assess progress, make necessary decisions and provide overall direction.
Darrell Bazzell	Managing Sponsor	Monitor the project, provide regular feedback to the project team and serve as liaison to Executive Steering Committee.
Martha Kerner	Project Leader	Responsible for the leadership of the project, work products and deliverables.
Project Team		Responsible for the planning, timeline and execution of the project. Coordinate the work between the various entities serving within the project, and the integration of individual process changes into the framework as a whole. Monitor

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Advisory Committee		that COSO internal control elements are included in the scope and the outcomes of each team. Advise the project leader and project team on project approach, timeline, and execution issues; critical decisions involving business processes, financial and administrative systems, organizational design and capabilities, and the design of financial controls.
APR Staff	Project Management and Process Improvement	Provide overall project management for the initiative, and guidance and coaching to the process teams. Design project materials and tools, including charters, implementation and project plans, communication materials and dashboards.
Subject Matter Experts	Role	Responsibilities
UW-System Financial Administration	Partners	Partner in the design of financial reporting deliverables
DoIT	Partners	Partner in the implementation of technology solutions
UW-System Internal Audit	Validators	Validate that the redesigned or designed processes meet objectives for internal control
Project Timeline	<ul style="list-style-type: none"> • Initial communication with key stakeholders: February - April 2015 • Advisory Committee Kick-off: March 2015 • Process teams begin work: March 2015 • Initial Framework completed: December 2016 	
Document Revisions	1.20.15 apg 3.5.15 apg 3.11.15 apg 3.16.15 mam (to note approval)	
Date(s) Approved by Executive Sponsor	Approved by Vice Chancellor Darrell Bazzell 3.16.15	