

From: Kerner, Martha
Sent: Wednesday, June 11, 2014 3:59 PM
To: Kerner, Martha
Subject: Campus Financial Internal Controls Initiative

Good Afternoon Colleagues,

We would like to take a moment to provide you an update on the campus Internal Financial Controls initiative. Leaders from Business Services and Administrative Process Redesign (APR) are working with us on the planning and management. Many of you have been or will be involved as this work moves forward, so it is important to us that we are communicating about our goals and process.

Let us begin with intent. The goal of this initiative is to establish a "UW-Madison Financial Internal Controls Framework." In other words, an approach to support risk reduction in relation to our campus financials, ensure the integrity of our financial data and help maintain compliance with financial laws and regulations. Doing so is also critical to building long-term protections for our reputation and resources.

Our goal today is to outline the groundwork that has been laid, as well as the next steps.

First, thank you for your participation in the Financial Forum that was sponsored by the Office of the VCFA, the Administrative Council and Business Services in February of this year. The education on the concepts of internal controls and risk, as well as exercises on current financial processes, were an excellent introduction to the initiative. If you have not had a chance to review the compiled materials from the Forum -- both the information disseminated and input collected -- they are available on the [Business Services internal controls](#) web page.

Following this introduction, the next step is a review of our campus financial processes. The lens for this is an assessment of our processes for potential risk to the institution. Based on its expertise and experience with peer universities, PricewaterhouseCoopers (PwC) has been retained to conduct the risk assessment. In addition to our existing financial data, audit reports and your input from the Forum, PwC will be interviewing representative staff across campus in the next few weeks. We encourage you to participate fully and candidly if you receive an interview request.

The risk assessment will provide added perspective on opportunities to implement higher education best-practices and standard financial control guidelines across a wide range of campus activities.

We anticipate that by early this fall, campus leaders will identify and prioritize areas of potential risk exposure for the institution. We will then begin launching a series of process improvement projects to address these control gaps. Over time, we will create corrective action plans and implement control mechanisms to support ongoing improvements as needed.

We look forward to your participation and support in this important initiative.

Thank you.

Darrell Bazzell
Vice Chancellor for Finance and Administration

Martha Kerner
Assistant Vice Chancellor for Business Services