

**BRIEFING SHEET**Report 20-7
July 2020

State Auditor

[Joe Chrisman](#)**University of Wisconsin System****Background**

The University of Wisconsin (UW) System provides postsecondary academic education for approximately 172,000 students and consists of 13 four-year universities, 13 two-year branch campuses associated with a university, and UW System Administration, which consists of the UW System President's staff. UW System is governed by an 18-member Board of Regents.

We conducted a financial audit of UW System and reviewed the status of recommendations we made in prior audits related to financial management of auxiliary operations, affiliated organizations, personnel systems, and information technology.

Key Findings

During our audit, we found:

- On the basis of generally accepted accounting principles (GAAP), UW System's net position was \$5.4 billion as of June 30, 2019.
- On a budgetary basis, UW System's total program revenue balance was \$1.3 billion as of June 30, 2019. Of this amount, \$866.6 million was from unrestricted sources such as tuition.
- UW System Administration did not provide written guidance to UW institutions to improve program revenue balances reporting.
- UW System Administration's policy on financial management of auxiliary operations has not been updated since June 1999, is inconsistent with other UW System policies, and is based on requirements removed from Wisconsin Statutes in July 2015.
- UW System Administration implemented 10 of our 16 recommendations from report 19-5 related to affiliated organizations, partially implemented 2 recommendations, and has not implemented 4 recommendations.
- UW System Administration and UW-Madison implemented our recommendations from report 19-5 related to personnel system policies.
- UW System Administration partially implemented recommendations related to information technology policies and procedures.

Key Recommendations

We continue to make recommendations related to financial management of auxiliary operations and affiliated organizations. We recommend UW System Administration report to the Joint Legislative Audit Committee by November 13, 2020, on the status of its efforts to implement our recommendations.

[Printer Friendly Version](#)**Legislative Audit Bureau**www.legis.wisconsin.gov/lab

(608) 266-2818

22 East Mifflin Street
Suite 500
Madison, Wisconsin 53703