



University of Wisconsin System Fiscal Year 2019-20

Background

The University of Wisconsin (UW) System provides postsecondary academic education for approximately 168,000 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.

To fulfill our statutory requirement, we conducted a financial audit of UW System by auditing its financial statements in accordance with applicable government auditing standards, issuing our auditor's opinion, reviewing internal controls, and reviewing certain financial management topics.

Audit Results and Key Findings

Our [unmodified opinions](#) on UW System's financial statements, including its aggregate discretely component units, for fiscal year (FY) 2019-20 are included in its *2020 Annual Financial Report*. We provide an unmodified audit opinion when audit evidence supports the conclusion that the financial statements provide a fair view of an entity's financial activity in accordance with generally accepted accounting principles (GAAP).

We identified weaknesses in information technology (IT) security policies, procedures, and controls. We considered these weaknesses to be a significant deficiency in internal control in our [Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters](#).

We also found:

- On a GAAP basis, UW System's [net position](#), which provides a measure of its overall financial condition, was \$5.4 billion as of June 30, 2020.
- [UW System was allocated a total of \\$94.2 million from the Higher Education Emergency Relief Fund](#) as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020. UW System institutions spent \$58.1 million as of June 30, 2020, including \$40.6 million related to student aid and \$17.5 million related to institutional costs associated with the public health emergency.
- On a budgetary basis, [UW System's total program revenue balance was \\$1.2 billion as of June 30, 2020](#). The amount from unrestricted sources, such as tuition and auxiliary operations decreased from \$866.6 million as of June 30, 2019, to \$773.2 million as of June 30, 2020.

Audit Recommendations

We [recommend](#) UW System Administration continue development of a comprehensive information security program and develop a structure to monitor for compliance with systemwide policies. We also recommend that UW System Administration work with UW institutions to achieve compliance in a timely manner.