



## 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.