UW System Board of Regents
Joint Meeting of the Audit Committee and Business & Finance Committee
University of Wisconsin-Stout
UW-Stout Memorial Student Center
Cedarwood/Maplewood Room
302 10ᵗʰ Avenue East
Menomonie, Wisconsin
And Via Webex Videoconference
March 30, 2023

A Joint meeting of the Audit Committee and the Business and Finance Committee was called to order at 8:00 AM by the Chair of the Business & Finance Committee, Regent Scott Beightol.

A.   **Calling of the Roll**

Present: Regents Atwell, Beightol, Jones, Manydeeds, Miller, Peterson, Prince, Rai, Wachs, and Weatherly
Present via Webex Video Conference: None
Absent: Regents Colon and Staton - At all times, the Committee had a quorum

B.   **Declaration of Conflicts**

The Chair asked committee members to identify any conflicts of interest. There were none.

C.   **Administrative Transformation Program Update. No action was taken as this was for information only.**

Presenters included:
- Sean Nelson, Vice President for Finance and Administration, UW System Administration
- Rob Cramer, Vice Chancellor for Finance and Administration, UW-Madison
- Lois Brooks, Vice Provost for Information Technology and Chief Information Officer, UW-Madison
- Steven Hopper, Senior Associate Vice President for the Office of Learning and Information Technology and Chief Information Officer, UW System Administration

The Audit Committee and the Business & Finance Committee met jointly for the purpose of receiving an update on the Administrative Transformation Program, or ATP. As background, the ATP project will modernize the outdated administrative technology infrastructure of the UW System by standardizing finance, human resources, and research administration business processes and implementing integrated, cloud-based technology systems. The project, authorized by the Board of Regents in October 2020, has a scheduled "go live" date of July 2024. Steven Hopper used a car maintenance metaphor to demonstrate the need for the Administrative Transformation Project. When the cost to fix the old vehicle exceeds the purchase of a new vehicle that is the time to reinvest in a new vehicle or system in this case. He provided a historical summary of the steps taken to date. Steven has taken over the project leadership for the past two months and states the team is top notch. There will be obstacles to overcome. Continuous adaptation will be needed as we transition to implementation.

The committees received a status report from the ATP leadership team that shared issues identified during the project's Planning and Architect Phase, and corrective actions taken by the team to address those gaps. Among these are the provision of additional staffing and financial resources to the non-UW-Madison universities to ensure successful adoption of Workday at those institutions. The team continues to monitor key risks, which include staffing challenges and the integration of ancillary systems. While the team has implemented mitigating actions, these and future unknowns could affect the project's scope and schedule. The project is being tracked under budget, with financial contingencies available to resolve these challenges. While acknowledging the potential impacts of these risks on the scope and schedule, ATP Leadership continues to target July 2024 as an achievable implementation date. Steven used another metaphor of the plane landing, smooth landing or coming in hot or we circle the airport a little before making another safe landing of the plane.

Questions/ Comments: Regent Peterson asked if other Universities have implemented this system? Steven Hopper shared Nevada System of Higher Education, University of Arkansas were similar systems who have done this. Peers such as Ohio State, University of Virginia and Rutgers are also contacts that we rely on. The complexity of the system is a bit of a nuance others did not have. Regent Peterson expanded on this saying "nuance is an understatement." Regent Rai asked if with 13 different systems does that equate to 13 different platforms? Steven shared they are all the Peoplesoft platform but different instances. Regent Prince asked about the users of the system and asked about the cost of training and the cost of change management; are these part of the Budget? Steven shared yes the change management, implementation, communications and training are all part of the project plan and expense. Regent Atwell asked about the planes that have crashed. What failures were identified. Steven shared they had site visits to Vanderbilt, Yale, and Harvard. Our goal is to learn from what others have had to do to reset. Regent Atwell asked when we go live when do we take the car keys away? Steven shared it will be close to July first. There will be a two-month cut over plan. The change will be immediate. Regent Atwell further asked if the added positions are temporary and are there further efficiencies yet to be recognized? Steven shared it is an integrated interface. It is difficult to quantify. Rob shared the original plan was to focus on Madison. Madison DOit will take an active role in pushing this out to the other institutions. Regent Jones asked what the biggest surprise was. Customer confirmation sessions have indicated an overwhelming positive reaction. The feedback has been reassuring.
Regent Weatherly thanked Steven for the challenge of integrating all the systems. He asked who Steven reports to. Steven stated he reports to Sean Nelson and the executive sponsors of the project which includes Lois Brooks and Rob Cramer. Regent Weatherly expressed concern with the sophistication of implementation, and asked how the regents get past the placation to know that things are in fact going well. We have a fiduciary responsibility to be mindful of the risks versus knowing things are going well. Steven is making sure that the risks are known and that there is transparency. He has seen projects where everything is fine until it is not. Steven shared we have partnered with internal audit. They are making sure we are reporting the right things. We asked, do we have appropriate project management methodologies, is there an appropriate separation of duties, and lastly what is the testing strategy. We have a third-party independent verification service, Barry Dunn and Associates as well. Regent Beightol shared that he thought Regent Weatherly's question was valid. Changing the status report on several items from "green" to "yellow" was the appropriate thing to do. Adding quality assurance has been beneficial. We know there are going to be

problems. The fact that we were able to find $16.5 million to support the campuses and do it within budget is important. Steven confirms that System is learning from the best practices of the campuses.

Discussion: None

The meeting adjourned at 8:46 AM.

Respectfully submitted,

Brenda L. Joyce
Recording Secretary