

December 1, 2020

University of Wisconsin System

(report 20-7)

IT Needs Assessment, Procurement, and Security:

UW System (report 20-10)

Department of Administration (report 20-11)

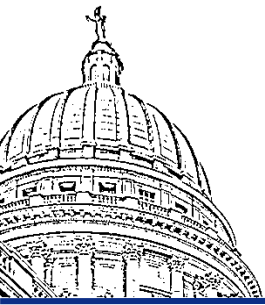
Master Lease Program

Department of Administration (report 20-12)



University of Wisconsin System

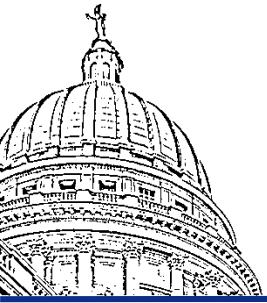
(report 20-7)



UW System (report 20-7):

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 (report 20-7):

UW System Administration and UW-Madison implemented our recommendations related to personnel system policies.

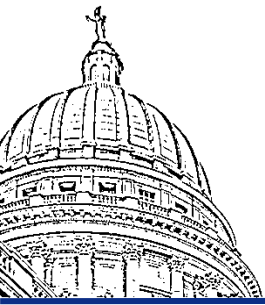
UW System Administration partially implemented recommendations we made in prior audits related to information technology.

We continued to make recommendations related to financial management and affiliated organizations.



IT Needs Assessment, Procurement, and Security:

UW System (report 20-10)



UW System: Needs Assessment

UW System Administration did not include all statutorily required information in the IT strategic plan it provided to the Board of Regents for March 2020.

UW System Administration and UW-Madison implemented IT projects before obtaining the statutorily required approval from the Board of Regents.



UW System: Procurement and Reporting

UW System Administration did not:

- comply with Board of Regents policies because it did not require UW institutions to submit certain information about large, high-risk IT projects; or
- include accurate and complete information about all large, high-risk IT projects in statutorily required semiannual reports to the Joint Committee on Information Policy and Technology.



UW System: Cloud Computing

UW institutions did not consistently:

- evaluate in writing the advantages and disadvantages of transitioning to cloud computing services provided by firms; or
- follow best practices for data security when completing projects involving cloud computing services provided by firms.

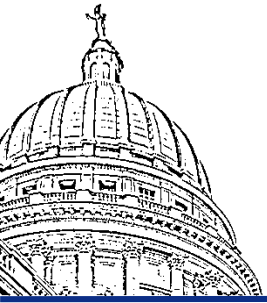


UW System: IT Security

Our prior audits of UW System had found IT security concerns, including incomplete systemwide IT security policies.

Our current audit found that UW System Administration did not develop comprehensive IT security policies and procedures.

We also found 46 concerns with IT security at the UW institutions we reviewed.



UW System: Improving Oversight

We recommend that UW System Administration work with the Board of Regents to:

- modify policies to require the Board of Regents to approve all IT contracts more than \$1.0 million; and
- establish an IT projects committee of the Board of Regents.



IT Needs Assessment, Procurement, and Security:

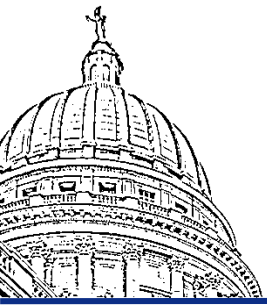
Department of Administration (report 20-11)



DOA: Needs Assessment

DOA did not:

- require state agencies to submit all statutorily required information in their March 2019 IT strategic plans; or
- submit the statutorily required biennial statewide IT strategic plans to the Joint Committee on Information Policy and Technology in 2014, 2016, or 2018.



DOA: Procurement and Reporting

DOA did not comply with statutes because it did not:

- review and approve eight contracts, totaling an estimated \$93.5 million, for five large, high-risk IT projects; or
- submit to the Joint Committee on Information Policy and Technology any statutorily required semiannual reports on large, high-risk IT projects from March 2014 through September 2019.



DOA: Cloud Computing

We found that state agencies did not consistently:

- evaluate in writing the advantages and disadvantages of transitioning to cloud computing services provided by firms; or
- follow best practices for data security when completing projects involving cloud computing services provided by firms.



DOA: IT Security

Our prior audits of DOA found IT security concerns, including about DOA's implementation of policies and standards.

Our current audit found that policies and standards in the DOA-maintained *IT Security Handbook* were incomplete or inadequate.

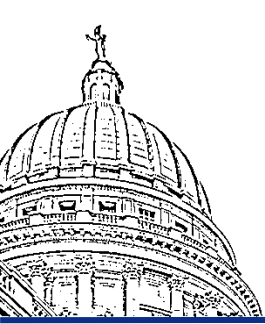
We also found 23 concerns with IT security at the state agencies we reviewed.



DOA: Improving Oversight

To improve oversight, DOA should:

- consistently comply with statutory requirements pertaining to its oversight of IT projects, including large, high-risk IT projects; and
- help state agencies develop appropriate policies for contracting with firms that provide cloud computing services.



Legislative Considerations

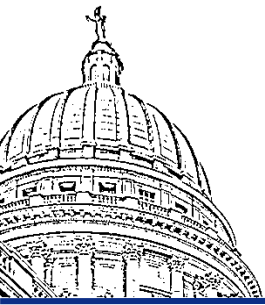
In report 20-11, we note the Legislature could consider modifying statutes to:

- allow governmental bodies to convene in closed session in order to discuss IT security issues;
- focus DOA's IT oversight duties; and
- increase the dollar threshold of a large, high-risk IT project.



Master Lease Program

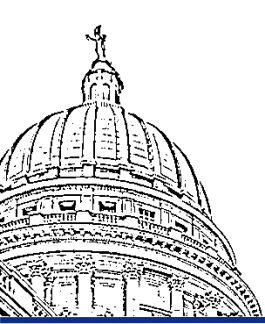
Department of Administration (report 20-12)



Master Lease Program

From FY 2014-15 through the first half of FY 2019-20:

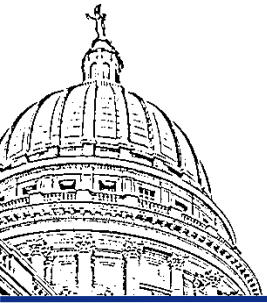
- state agencies received DOA's approval to obtain \$142.1 million in master lease funding for 28 IT projects;
- DOA approved \$118.3 million for IT projects it managed; and
- state agencies made \$154.4 million in master lease payments, including repayment of principal, interest, and administrative fees.



Master Lease Program

We found that DOA:

- did not document the reasons for approving any of the 28 applications for master lease funding for IT projects; and
- permitted state agencies, including itself, to obtain \$4.4 million more in master lease funding than the amounts it had approved for eight projects.



Legislative Considerations

In report 20-12, we note the Legislature could consider modifying statutes to require DOA to:

- obtain its approval before approving certain applications for master lease funding; and
- report to the Joint Legislative Audit Committee annually on the use of master lease funding.

December 1, 2020

University of Wisconsin System

(report 20-7)

IT Needs Assessment, Procurement, and Security:

UW System (report 20-10)

Department of Administration (report 20-11)

Master Lease Program

Department of Administration (report 20-12)