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March 1, 2024

Senator Eric Wimberger
Co-Chair, Joint Legislative Audit Committee
Room 104 South, State Capitol
Madison, WI 53707

Representative Robert Wittke
Co-Chair, Joint Legislative Audit Committee
Room 18 West, State Capitol
Madison, WI 53708

RE: Follow-Up to LAB Report 23-23

Dear Senator Wimberger and Representative Wittke,

Thank you for the opportunity to update the Joint Legislative Audit Committee on progress made by the Universities of Wisconsin to address the recommendations in the Legislative Audit Bureau's (LAB) Report 23-23. Please see the Universities of Wisconsin's response attached.

We appreciate LAB's recommendations as we continue to improve the Universities of Wisconsin's significant effort to support our campuses in effectively, efficiently, and responsibly navigating the challenges and opportunities surrounding remote work. While the majority of our workforce remains on campus and in office to best meet the needs of our students, remote work has remained a necessary option to ensure we remain competitive in terms of recruitment and retention for certain job types. The Universities of Wisconsin are committed to providing the tools and resources to support employees and supervisors in effectively navigating remote work, while continuing to support our students and remaining judicious stewards of taxpayer dollars.

Thank you for LAB's efforts undertaken to complete this audit. The Universities of Wisconsin remain committed to partnering with LAB, the legislature, and our stakeholders to ensure transparency and accountability of taxpayer resources.

Sincerely,

Jay Rothman
President, Universities of Wisconsin

Telework Policies Recommendations

The LAB noted three (3) recommendations for telework policy improvements which are detailed below along with our current status toward adoption of these recommendations.

> *Recommendation: Modify UW System Administration's telework policies to require all University of Wisconsin institutions, except the University of Wisconsin – Madison, to consider an employee's work performance when determining eligibility to telework.*

> *Recommendation: Modify telework policies to require all University of Wisconsin institutions, except the University of Wisconsin – Madison, to consider an employee's job characteristics when determining eligibility to telework.*

> *Recommendation: Modify telework policies to specify whether University of Wisconsin employees, other than those at the University of Wisconsin – Madison, are permitted to telework outside of the U.S. and the circumstances, if any, in which such telework is permitted.*

In Progress: UW System Administrative Policy 1228, Telecommuting and University of Wisconsin-Madison Policy UW-5087, Remote Work, provide policy direction to all business units within the Universities of Wisconsin. Policy 1228 is presently undergoing revision to incorporate the LAB recommendations and both policies are being revised to improve direction surrounding designation of headquarter locations and telework. This direction will address both full-time telework agreements and hybrid agreements in which the employee teleworks fewer than five days each week. These policies and all subordinate university level policies or procedures will be implemented no later than June 30, 2024.

Telework in UW System Recommendations

The LAB provided the Universities of Wisconsin with several recommendations in this section of the audit report related to policy compliance and information gathering. These recommendations are restated below along with our current status.

> *Recommendation: Ensure University of Wisconsin supervisors document in writing their reviews of all telework agreements at least annually.*

> *Recommendation: Work with the University of Wisconsin institutions to ensure that all University of Wisconsin employees who regularly telework have agreements that permit them to do so.*

> *Recommendation: Comply with UW System Administration (UWSA) policy by ensuring all UWSA employees who telework at least one day per month have agreements.*

> *Recommendation: Ensure UWSA employees do not regularly telework more frequently than permitted by their telework agreements.*

> ***Recommendation:*** *Require University of Wisconsin institutions, including the University of Wisconsin – Madison, to maintain accurate and up-to-date headquarters information in its human resources system.*

In progress: The Universities of Wisconsin's human resources (HR) teams are developing a practice for all universities to ensure telework agreements are properly completed, reviewed on at least an annual basis, and otherwise compliant with our policies. This practice will be partially implemented by July 1, 2024, but will not be deemed complete until it is similarly established within our new HR information system scheduled for implementation in July of 2025.

While we agree all employees should comply with their established conditions of employment, including established work location(s) and work hours, the report offered no data or information which could be treated as comprehensive or conclusive to establish a broad issue of non-compliance. Just as before the expansion of telework, supervisors and managers are responsible for knowing the whereabouts of their assigned employees, regardless of assigned work location, and for ensuring accountability if there are issues. This includes adherence to the policy requirement for completion of telework agreements.

As demonstrated by the universities' responses, we expect most employees to be on campus in support of our students. Universities within larger employment markets have additional pressure to permit telework, thereby creating some of the variation across our locations. Although we provided a list of nearly 9,000 approved telework agreements, we agree there is further opportunity to gain improved compliance with the policy requirement for completion of telework agreements. The planned improvements to policy language and human resources oversight will help to mitigate these concerns.

Travel Reimbursements
The LAB identified 68 travel reimbursements in which an employee may have received an unallowable travel reimbursement and provided the following recommendations:

> ***Recommendation:*** *Require University of Wisconsin institutions, including the University of Wisconsin – Madison, either to provide written documentation to justify the travel reimbursements we question or require the employees to repay the unallowable travel reimbursements, and for UWSA employees.*

> ***Recommendation:*** *Review expenditure data to determine whether additional employees may have been reimbursed for unallowable travel costs, and then require the repayment of any unallowable reimbursements that are identified.*

Completed: The Universities of Wisconsin have completed a review of the travel reimbursements questioned by LAB. Our review determined each reimbursement was allowable under the travel policy. In addition, our review identified the need for improvement in the identification of headquarter locations for all employees, particularly teleworking employees. Improvement is also needed in the documentation of any agreed-upon reimbursement when the employee travels to the work location which would serve as the primary place of business if not for the telework agreement, including hybrid telework situations. As noted previously, improvements to policy, process, and documentation are underway and will be implemented throughout the next year.

The Universities of Wisconsin take our fiscal responsibility very seriously and have long supported additional efforts to review expenditure data, particularly travel expenses.

<u>Headquarter Information</u>
The LAB identified the following recommendation related to headquarter information:

> **Recommendation:** *Require University of Wisconsin institutions, including the University of Wisconsin – Madison, to maintain accurate and up-to-date headquarters information in its human resources system.*

In progress: The policy revisions currently underway will ensure a more consistent understanding, application, and documentation of headquarter location among various work scenarios (fully remote, hybrid remote, etc.) and between HR and finance communities at all universities. Our cross-functional team is also working to establish the strategy we will use to update current work locations and headquarter locations within our HR system and to maintain this information and practice into the future including during annual review of telework agreements and within our new HR system scheduled for implementation in July of 2025.

Space Management Recommendations

The LAB identified two (2) recommendations related to space management:

> **Recommendation:** *Work with the Board of Regents to develop an office space consolidation plan.*

> **Recommendation:** *Work with the Board of Regents to require University of Wisconsin institutions, including the University of Wisconsin – Madison, to collect accurate information on the extent to which employees work in the office.*

In progress: The Universities of Wisconsin will include identification of space impacted by telework, particularly opportunities for consolidation, as part of the analysis and discussion throughout the development of the biennial capital budget process. As previously stated in our response to the audit report, the Universities of Wisconsin do not anticipate use of telework such that whole buildings could be sold, or leases ended, except in limited circumstances. The Universities of Wisconsin demonstrated this commitment early with nearly $1 million in annual savings from lease consolidations for Universities of Wisconsin administrative offices. While the majority of our workforce will remain in the office and on campus in service to our students, there may be continued opportunity for consolidation and/or reallocation of office space to other purposes, as our work pattern continues to evolve.

IT Risk Management Recommendations

The LAB identified three (3) areas of concerns, some of which were identified at more than one university, for a total of eight instances.

> **Recommendation:** *Develop and execute plans to address the eight specific concerns identified related to security awareness, identification and authentication, and audit logging.*

In progress: The Universities of Wisconsin are committed to sustained improvement related to security awareness and compliance with related policies. To this end, security awareness has also been audited by the Universities of Wisconsin Office of Internal Audit (OIA) with results provided to the Board of Regents in April of 2022. *(Note: A copy of the audit report issued by OIA was also filed with LAB.)* We note this recommendation as in progress as while we continue to make gains in compliance, there is opportunity for further improvement. The two remaining recommendations are also in progress with completion expected by December of 2024.