

State Should Heed Lessons from UW Computer Problems

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This week Senator Vinehout writes about the problems uncovered by a recent audit of the UW System's Human Resources computer system. Planning could have avoided the mistakes auditors found with the system. As the state begins work on new computer systems it is important to heed the lessons and for the Legislature to take an active role in oversight.

MADISON - "Give me six hours to chop down a tree and I will spend four sharpening the axe," said Abe Lincoln. He knew the importance of planning.

Recent audits detail troubles with a University of Wisconsin payroll computer system. More time should have been spent in planning.

Problems with payroll systems stretch back more than a decade. In 2001, the UW System contracted with a company to change its computer system. The project was to cost under \$20 million and be finished in 2005. By July 2006, the UW cancelled the project after the estimated cost had more than tripled. The state was out over \$28 million and no new system was in place.

The UW approved another new human resource system (HRS) in 2009. This system went "live" in April 2011. Mistakes happened.

By January 2013 the Legislative Audit Bureau (LAB) reported the UW overpaid more than \$15 million in health insurance benefits for employees over a 16 month period. The UW System also overpaid more than \$17 million in retirement benefits over the same period. These mistakes happened even though the UW received warnings from consultants nearly a year and a half

earlier that HRS was at risk for these errors.

My colleagues and I on the Audit Committee wanted to know what went wrong and why.

At the conclusion of its nearly yearlong study, auditors questioned whether the UW System was adequately prepared for the roll-out of the new system. Auditors found two weeks before the computer system was to go “live” at least 12 “highly critical” objectives were not met during the planning of the system. Several of these objectives had to do with whether computer staff had enough preparation to help support people around the UW System using the new computer system.

The UW Service Center had exceeded its budget in all of the past three fiscal years. In part because workers had significant overtime and consultant costs – dealing with problems that might have been anticipated with better planning. Staff reported inadequate training. The UW’s own analysis showed staff was unprepared to complete adequate training.

Over half of the 1600 staff surveyed by LAB, reported being “dissatisfied” or “very dissatisfied” with the amount of training. Auditors cited ongoing problems with training as a third of employees continued to be dissatisfied with both the amount and quality of training.

In the weeks that followed the roll-out of the new system, computer consultants warned the system was not fully tested.

Consultants also warned of problems reconciling payments for retirement and health insurance long before auditors found millions had been overpaid.

The LAB documented security problems with payroll systems going back to the 1990s. Despite longstanding warnings, officials failed to adequately address the problems. Significant security issues still remain largely unresolved. Auditors continued to list computer security concerns in its most recent UW financial audit.

All who share responsibility for the oversight of large, expensive, state computer systems should heed the lessons learned from the experiences of the UW System. First and foremost, officials should pay attention to the results of audits and internal planning and progress reports.

Auditors' work provides a list of cautions for future large state computer projects. Now two additional agencies have begun to tackle a large IT projects. The Department of Employee Trust Fund plans a new system to administer employee benefits.

The Department of Administration plans a complete overhaul of the computer systems used for buying and paying for nearly every part of state government including all accounting, budgeting, and human resource functions. This massive undertaking will cost over a hundred million dollars and take several years.

Despite all this activity, the Legislature's IT watchdog has not met in four full years.

This is why I call upon my Legislative colleagues to convene the Joint Committee on Information Policy and Technology. This committee's role is to provide legislative oversight of large information technology projects to assure taxpayer's money is wisely spent.

After the scrutiny of the LAB began in early 2013, UW Service Center officials developed a planned improvement process. Oversight and public scrutiny works – it's as effective as Abe Lincoln's sharp axe!

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