

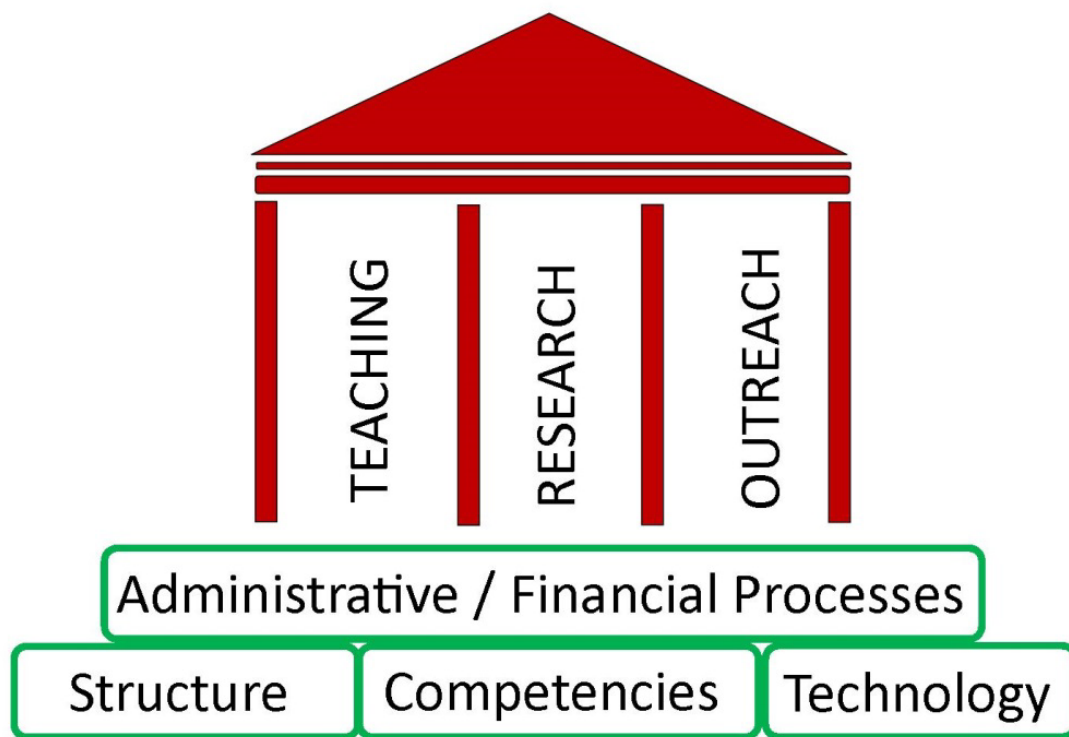
APR Capital Equipment Asset Tracking Project Update

FP&M Building Manager's Meeting – April 30, 2015



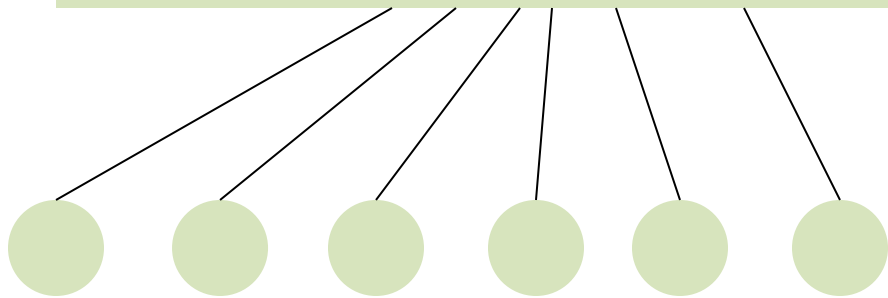
Campus Financial Internal Controls Initiative

- Support risk reduction in relation to campus financials
- Ensure the integrity of our financial data
- Help maintain compliance with financial laws and regulations
- Protect reputation and resources



Capital Equipment Project Context

Internal Financial Controls Initiative



Multiple Projects

**Capital
Equipment Asset
Tracking**

**Phase 1
Recommendations**

**Phase 2
Implementation**

APR Capital Equipment Team Charter

Why...

Errors in physical inventory or asset values require potentially significant adjustments and result in adverse effects to UW-Madison's financial position and reputation.

What...

Primary objectives were not time savings, but eliminating errors that have direct and indirect costs for subsequent corrections and enhancing internal controls.

Key Findings

1. The Capital Equipment process has never been clearly defined, documented, trained or prioritized. As a result there is added complexity, confusion, inconsistency and neglect.
2. A hybrid model of Central Property Control with decentralized Departmental Administrators (DPAs) is preferred as DPAs can be closest to asset life-cycle activities and the personnel involved.

Key Findings (continued)

3. Capital equipment tracking issues are intertwined with severe problems / pain points in campus' disposal process through SWAP. An overall disposal improvement is necessary. A separate improvement team should be formed.
4. As a result of historical underinvestment in technology, there is an antiquated, paper-based routing of forms, etc. Interim and long-term technology investment will be key to sustain near and long-term improvements.

Capital Equipment Project – Current Status

- **Phase 1: Recommendations Complete and Approved**
 - ✓ Set-Up DPAs and Overall Process For Success
 - ❑ Reduce unnecessary complexity and tracking volume
 - ❑ Schedule rolling campus inventories
 - ❑ Improve and document clear policies, processes and procedures
 - ❑ Clarify roles/responsibilities and train
 - ❑ Enhance technology tools (barcodes/scanners, electronic workflow, asset management software)
- **Phase 2: Implementation Starting**
 - ✓ Implementation Charter Approved For Team Recruitment
 - ✓ Implementation Team Kick-off Target: May 2015

Thank You!

Questions or Thoughts?

For More Information on the Capital Equipment Project, Visit:

<http://www.apr.wisc.edu/capequip.htm>

For More Information on the Financial Internal Controls Initiative, Visit:

<http://www.bussvc.wisc.edu/intcntrls/intcntrls.html>

