Bill White called the meeting to order and the minutes of the December 7, 2002 meeting were approved. He asked Eugene Sunshine, Senior Vice President for Business and Finance, and Ingrid Stafford Associate Vice President and Controller, to begin their presentation on the Financial System status.

Financial System Status Report

Eugene Sunshine and Ingrid Stafford reviewed the approach to replacing the Financial System for the committee. Mr. Sunshine said that it is important that users of this system be part of the process to determine priorities and the areas to be changed. He also indicated that timing is also an important component as are compliance issues in research and in other areas. He said this approach would provide a sound basis of assessment of new systems. The steps involved with this approach are to perform a needs analysis and then identify the business requirements. There will also be an evaluation of products on the market and visits with other schools including other private research universities to learn about their experience with different vendors.

He indicated that there are universities that are coming together in a consortium arrangement to develop a financial system. However, he stated that they believe ultimately the product chosen for Northwestern University will be an off-the-shelf product.

Ingrid Stafford advised that they have a budget request of $470,000 to support project leaders and to cover expenses during the analysis stage. She also said that they have completed the server
upgrade for the data warehouse access system, the planning update and the web front end, and that a budget has been committed to the Effort Reporting system.

Mr. Sunshine closed by saying that there are many issues that must be considered as this Financial System is selected, including such concerns as providing the integration of space and people. He indicated that this is not just a software issue, but also involves policy issues.

Tim Krauskopf said that the review of needs should focus on where change is needed. For instance, best practices in information delivery/self service should be considered. He suggested that changing current processes be considered to conform to the new software package versus an approach of customizing a system to preserve current practices.

Jerry Pearlman said that Northwestern University might not find all the functionality needed in one financial product, but rather in a variety of off-the-shelf products that integrate with the Enterprise systems.

Ingrid Stafford shared that Indiana University is interested in having others join them in upgrading their current “feature rich” system and that Michigan State has committed some money. She said that the system is based on a newer eight-year-old CUFS platform.

Tim Krauskopf and Ben Slivka expressed their concern about being able to maintain a “home built” system. Ben Slivka reiterated that he would be skeptical of a consortium or an in-house solution.

Ingrid Stafford noted that CUFS is currently handled by a staff of ten, consisting of three technical staff and the rest from the controller’s office. She believes that support requirements will double with an Enterprise solution. Moreover, Tim Krauskopf said that if you put this solution on even a 100-year time frame and cost out a “home built” system approach, you may find that the cost is far more for the home built system.

Jerry Pearlman suggested that the Controller’s office start the review of other peer universities that may have similar issues to Northwestern. Ben Slivka agreed and requested to see a list of universities and the financial systems they are using. Ingrid Stafford said that she would provide a preliminary list.

Ben Slivka and Tim Krauskopf suggested that version upgrades in an Enterprise System environment would ultimately add value.

Mort Rahimi, Vice President and Chief Technology Officer, added that there are two types of upgrades, one that fixes bugs and another that adds value to the existing product. He said that the recent upgrade of the Peoplesoft Human Resource system to Version 8 provides web-based functionality, which allows extensive web-based self-service.

Bill White concluded that there is a need to consider an “off-the-shelf” solution versus the consortium or “home built” approach and suggested talking to vendors as early as now to allow everyone to learn more about what is possible as a needs analysis and what business requirements are being developed. He also said that visiting with other universities earlier would allow examination of the functionality that exists in their environments that may match ours.

Gary Thompson asked how a new Financial System would enable other areas of Northwestern University to utilize the system for data to address space management, provide cost information
for budgetary management, and to develop cost allocation models. In response, Ingrid Stafford said that an “off-the-shelf” product would probably address the cost allocation management functions and agreed that Northwestern University needs more sophistication in these areas.

Bill White reiterated that the trustees are very interested in the replacement of the financial system and want to make sure we move forward in a deliberate and methodical way. He said there is a definite need for change in the current processes.

Ben Slivka asked for an explanation of the three people requested in the $470,000 budget request. Ingrid Stafford explained that they are current staff, which are expert managers, and that funding would back fill their roles.

On the other hand, Tim Krauskopf suggested that another option is to use an outside consultant. Mort Rahimi indicated that we have good people to lead this effort and that the Department’s practice has been to minimize the use of outside consultants. Trustees agreed that it would be a mistake to turn over implementation of a new system to consultants.

However, Ingrid Stafford pointed out the focused use of consultants like Gartner for specific areas may be productive.

Information Security

Bill White asked that the next topic, Information Security be addressed.

Mort Rahimi began discussing information security at Northwestern by reviewing current approaches. He indicated that our residence halls are partitioned on the network separately from faculty and staff because the students’ use of the network is very different from the faculty and staff. He said virus protection software to improve desktop security and resources to educate the end users on the importance of installation of the latest virus protection on their desktops was handled centrally. Dr. Rahimi advised that the Northwestern University community is also faced with compromised hosts and copyright violations. The number of incidents during the winter quarter was 463, down from 639 for the fall quarter. The winter quarter incidents, however, were up 374 from last winter quarter.

Mort Rahimi reviewed how security incidents are discovered. He indicated that activity levels on the network are monitored, limited intrusion/detection tools are used and external reports are received and acted upon. In addition, Northwestern staff are in collaboration with a variety of security related organizations such as FIRST, FBI InfraGard, CERT and other professional organizations such as EDUCAUSE that have security focused committees.

He continued by discussing several new challenges which have made security issues even more visible. The first is the need for sophisticated security monitoring tools such as intrusion/detection software. He advised that these new software products are currently being reviewed by NUIT. The second challenge is national security concerns and the acceleration of e-government at the federal and local levels. This combined with numerous new compliance regulations such as SEVIS that directs us to track foreign students and scholars is being addressed at the University level. He said that these regulations are still in flux and will continue to demand our attention and resources to comply. Dr. Rahimi further indicated that the third challenge is the proposed reclassification of research in new categories: classified, unclassified, unclassified but sensitive.
He advised that the University’s reputation would be harmed if we do not address these challenges, comply with them and stay up to date as these policies, procedures and directives are refined and modified. He continued that what is needed is a University Information Security Office that has the resources to develop direction, stay abreast of new and changing directives and lead appropriate actions.

Mr. Thompson noted a wide range of security issues beyond virus management: identity management, privacy, compliance. All agreed we need to use a broad definition in directing our efforts. The trustees noted the risks associated with the multitude of platforms and operating systems in use at Northwestern. All agreed that security has to be an elevated concern.

Progress Report: Distributed Education

Mort Rahimi advised that the technology to distribute learning is available to both faculty and schools, which has become a core system with ongoing NUIT support. Bill White asked if the pace of use was appropriate. Provost Larry Dumas responded that the increase in usage of technology in combination with an ongoing process to deploy and upgrade Smart Classrooms have met the University’s needs. He further stated that there was probably no longer a need for a standing committee on distributed education. However, Provost Dumas suggested that there is a need for an Information Technology committee to address the complex technology issues and business related needs of the University.

Program Review Status

Patricia Todus, Associate Vice President and Deputy Chief Information Officer, advised that both the internal and external reviewers have completed their review of the Information Technology organization and that their respective reports are expected in May. She indicated that as part of the review process a survey focusing on the perception of the Information Technology division was sent electronically to faculty, students and staff. She said that the survey results, as with other surveys NUIT deploys throughout the year, would be discussed with the NUIT directors and actions to rectify or improve those areas rated adequate or below will be developed as appropriate. Ms. Todus cited some examples where improvement will be focused: faculty-communication regarding existing services, staff-billing problems for NUIT services, wireless access, and more self-service applications for students.

She also stated that another element of the Program Review process was to provide benchmarking information. She said Northwestern University Information Technology engaged the Gartner Group to benchmark three areas of information technology: Central Server Management/Data Center, the Implementation and Ongoing Support of the Peoplesoft Human Resources System and the Voice and Data Network Infrastructure. She indicated that these areas were selected because benchmarking and industry best practices could be done with educational institutions as well as on corporations with similar environments. She noted that in all three benchmark areas NUIT was rated in the “High” category for both peer and industry best practices overall. Areas that were rated “Partial” were explained as indicative of the university environment or were being addressed. Their report concurred that security must be viewed as critical and their recommendation was to establish focused resources to address security issues and planning.

She also mentioned that the Committee was provided the results of the first quarter operations measurements. These were not reviewed in detail because of meeting time constraints.
The next meeting of the Committee will be scheduled on October 13, 2003 in conjunction with the Trustee meeting.

Chair Bill White, Vice Presidents Marilyn McCoy and Mort Rahimi will discuss the agenda items for the next meeting in the fall.