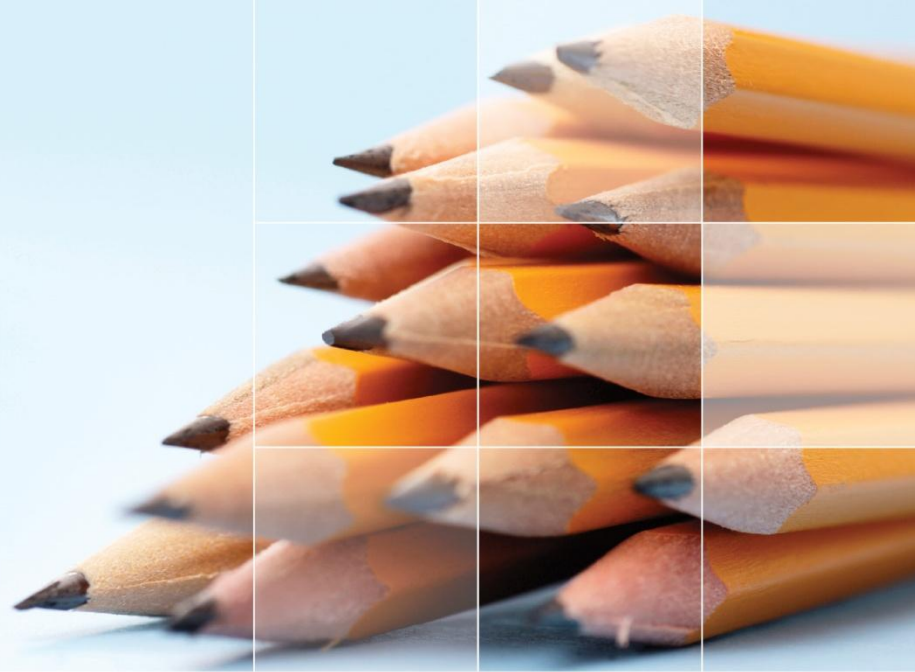


The Unique Alternative to the Big Four®



Fort Worth Independent School District Payroll, Benefits and HCM Analysis Project

Executive Summary

September 14, 2010





Contents

- Project objectives and scope
- Procedures performed
- Documentation structure and examples
- Issues and recommendations



Project Objectives

- Identify and prioritize the key risks and controls around the Payroll, Benefits and Human Capital Management processes
- Review existing processes and identify opportunities for process improvements
- Identify ways to maximize the use of existing technology to increase efficiency

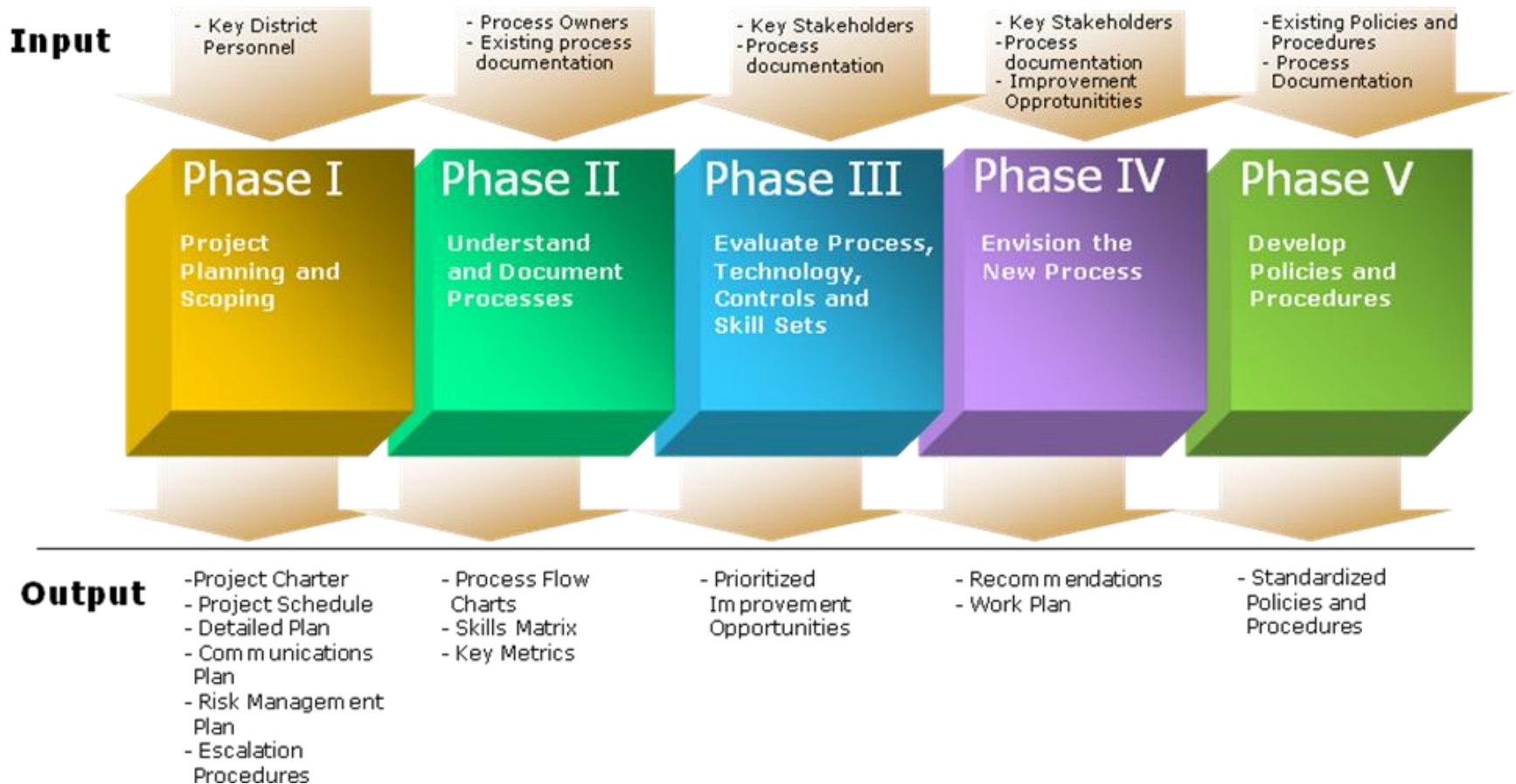


Project Scope – Processes

Key processes	Sub-processes / transactions	Functional Area
• Employee records management	• New Hires, Salary Maintenance, Separations	• Human Capital Management
• Timekeeping	• Recording, Exception Resolution, Approval	• Finance
• Payroll processing	• Time Administration, Pre-Calculation, Exception Resolution, Pension, Final Calculation / Pay Confirmation, Absence	• Finance
• Benefits	• Medical & Dental, Other Insurance, Pension	• Finance
• Accounting	• General ledger closing, Accruals, Reconciliations	• Finance



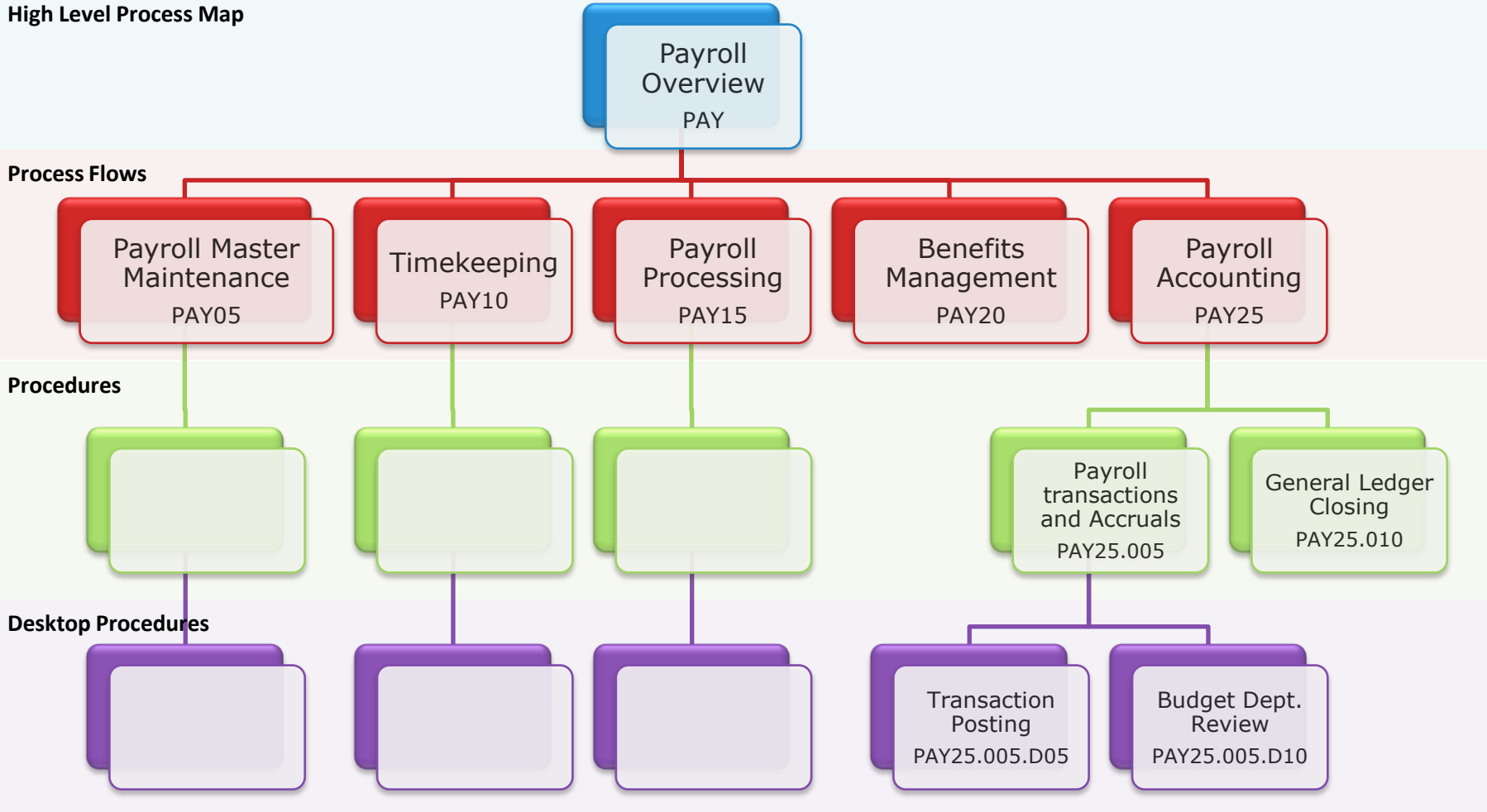
Procedures Performed





Documentation Hierarchy

High Level Process Map



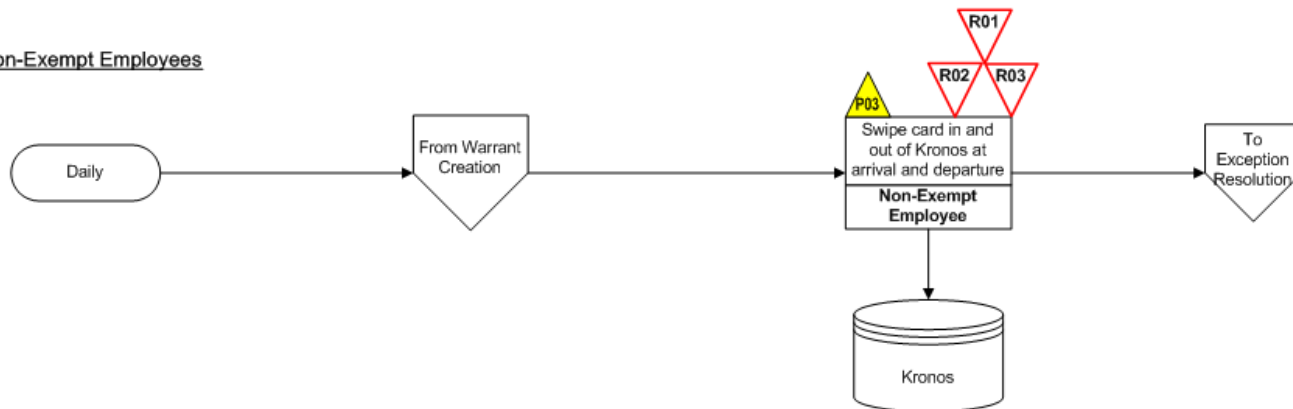


Process Flow Example

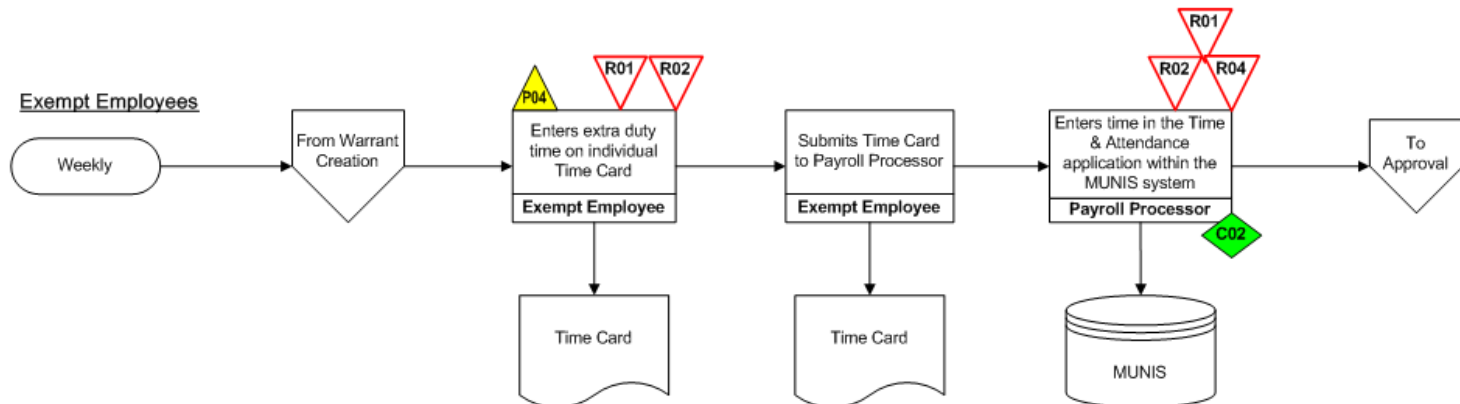
Fort Worth Independent School District	
Year: 2010	
Location: Fort Worth, TX	
Process: Timekeeping	

Timekeeping – Recording Time

Non-Exempt Employees



Exempt Employees





High Level Procedure Example

Process	<i>Timekeeping</i>	Sub Process	<i>Warrant Creation</i>
Procedure No.	PAY10.001	Issue Date	8/12/2010

Semi-Monthly/Monthly Procedures

This process is performed three times during the month:

- Exempt and non-exempt employees monthly payroll (1)
- Nutrition Services and Transportation, non-exempt employees semi-monthly payroll (2)

The Payroll Manager creates the payroll warrant in the Payroll Processing application within the MUNIS system and notifies the Payroll Assistants via email of the payroll warrant. **The Payroll Manager uses a consistent naming convention to name the warrant.** The Payroll Manager sets up the warrant by pay period and indicates whether the warrant is semi-monthly or monthly. A warrant is required to be created in MUNIS before time can be entered in MUNIS.

The Payroll Assistants notify their assigned campuses and departments via email of the payroll warrant. The Payroll Assistants are assigned campuses and departments within the Fort Worth Independent School District (FWISD). Payroll assistants are responsible for notifying their assigned campuses and departments of the creation of payroll warrants and handling the proofing and adjustment of their payroll data.

Reports

None

References

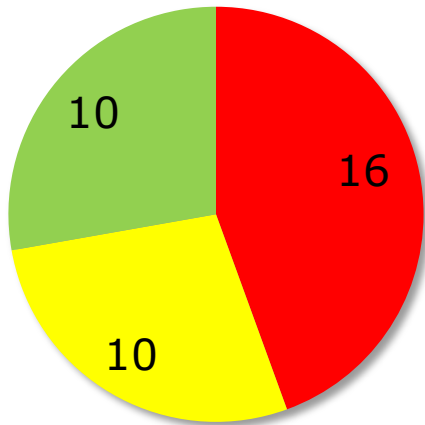
1. PAY10 – Timekeeping – Process Flow
2. **PAY10 – Timekeeping – Desktop Procedures**



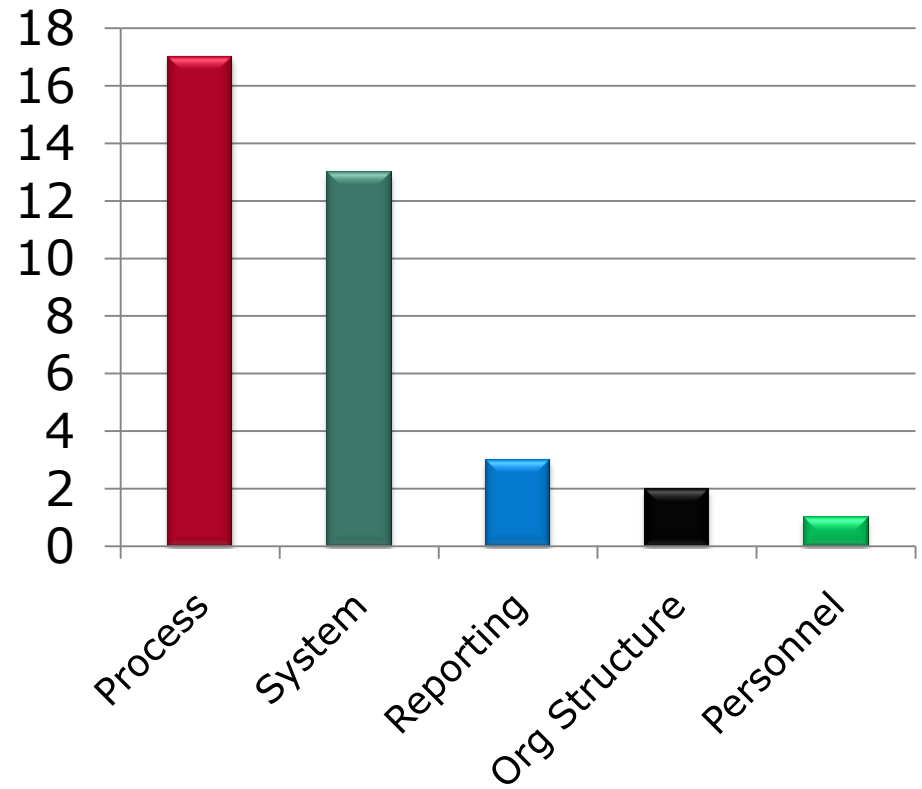
Summary of issues

By Priority

■ High ■ Moderate ■ Low



By Category





High Priority Issues

#	Issue	Recommendation	Management Response
1	Additional coordination required between Finance and Department of Technology	Establish Financial Systems Analyst/Coordinator role within the Finance Department to coordinate the resolution of issues related MUNIS, KRONOS and SmartFind	The District is the process of developing a job description and timeline for implementation. Responsibility: CFO, CTO and Chief of Administration Expected: November 2010
2	Strengthen the process in place to prioritize and track issues	Establish steering committee composed of Director level personnel from Finance and IT	The District has completed an organization chart and charter for a steering committee to address the issues that are related to MUNIS, SmartFind and KRONOS. Responsibility: CFO, CTO and Chief of Administration Expected: Meetings to begin September, 2010



High Priority Issues

#	Issue	Recommendation	Management Response
3	Continue to improve expertise on MUNIS functionality within the user community	<ul style="list-style-type: none">• Engage a third party vendor to provide training• Attend vendor conferences and user groups• Conduct periodic skills assessment and realign resources as necessary	Targeted training is ongoing in HCM and Finance. Responsibility: CFO, CTO and Chief of Administration Expected: Ongoing through June 30, 2011
4	Improve existing capability for end user reporting	<ul style="list-style-type: none">• Utilize third party vendor for critical reports• Train key users on ad hoc reporting tools• Track and prioritize reporting needs centrally	The District will continue to provide Crystal reports training for ad hoc reporting and developing user friendly interfaces to data for other reports. Responsibility: CFO, CTO and Chief of Administration Expected: Ongoing through June 30, 2011



High Priority Issues

#	Issue	Recommendation	Management Response
5	Formalize continuous improvement process	<ul style="list-style-type: none">• Implement metrics to track performance• Establish cross functional team to evaluate performance and take corrective action	<p>The District recognizes that continuous improvement is vital to the effectiveness and efficiency of our operations. Changes are being made that will move us to be more automated. Many current processes are manual but will become more efficient as the processes become semi-automated and/or automated.</p> <p>Responsibility: CFO, CTO and Chief of Administration Expected: June 2011</p>
6	Realign process for hiring to ensure all necessary steps are completed	<ul style="list-style-type: none">• Staffing department to act as central point of contact• Establish metrics to reduce bottlenecks• Communicate and enforce hiring policies	<p>HCM is in the process of realigning procedures to ensure all steps for hiring are complete in a timely manner.</p> <p>Responsibility: CFO, CTO and Chief of Administration Expected: Mid to late January 2011</p>



High Priority Issues

#	Issue	Recommendation	Management Response
7	Automate process for position approval	Utilize an electronic workflow for approval and creation of positions	HCM is in the process of automating steps in position approval. Responsibility: CFO, CTO and Chief of Administration Expected: Mid to late January 2011
8	Completely automate process for hiring of new personnel	Utilize an end-to-end electronic workflow for the hiring process and eliminate the PPA form	HCM is in the process of implementing the use of personnel actions within the MUNIS system to automate the process. Responsibility: CFO, CTO and Chief of Administration Expected: Mid to late January 2011
9	Strengthen integration between SmartFind central calling system and MUNIS	Replace SmartFind with an alternative solution that provides for stronger real time integration or develop strong interface internally	The District will review the options of replacing the SmartFind system or enhance the current interface for the optimal use of the system. Responsibility: CFO, CTO and Chief of Administration Expected: June 30, 2011



High Priority Issues

#	Issue	Recommendation	Management Response
10	Manual resolution of errors affecting timeliness of the month end close process	Classify and document the resolution of issues and conduct follow up to ensure that the issues do not repeat	The District will review the interface for effectiveness. Responsibility: CFO, CTO and Chief of Administration Expected: Mid to late January 2011
11	Create interface between MUNIS and benefit provider systems	Resolution is in process to select an external benefit enrollment system that provides electronic interface capability	The District is currently reviewing a third-party product for this service which should be in place for piloting in the spring of 2011. Responsibility: CFO, CTO and Chief of Administration Expected: Available for August 2011 open enrollment



High Priority Issues

#	Issue	Recommendation	Management Response
12	Manual reconciliation between MUNIS and benefit provider's records	Develop a system utility to extract and compare MUNIS records with benefit providers automatically	The District is currently reviewing a third-party product for this service which should be in place for piloting in the spring of 2011. Responsibility: CFO, CTO and Chief of Administration Expected: Available for August 2011 open enrollment.
13	Lack of Employee Self Service (ESS) system	Implement the MUNIS ESS system for all changes except for benefits enrollment	The District is piloting MUNIS Employee Self Service (ESS) in the Department of Technology and beginning in October it will be available to the Finance and HCM departments. Responsibility: CFO, CTO and Chief of Administration Expected: Full implementation June 2011.



High Priority Issues

#	Issue	Recommendation	Management Response
14	Location payroll clerks have access to make pay rate changes	Utilize MUNIS functionality to set up multiple job codes for an employee and revoke access to make pay rate changes from the location payroll clerks	The District is currently reviewing the pay types in MUNIS to determine which pay types can be managed with a constant rate of pay. Once rates are set the Division of Technology can restrict access. Responsibility: CFO, CTO and Chief of Administration Expected: October 2010
15	No process to periodically identify inactive employees in MUNIS who should be dropped from the system	Establish a standard process to review employees who have not been paid in the last 12 months and drop from the system as necessary	The District is developing changes for this process. Personnel are being trained on the process. Responsibility: CFO, CTO and Chief of Administration Expected: October 2010



High Priority Issues

#	Issue	Recommendation	Management Response
16	Personnel Action and Workflow functionality in MUNIS underutilized	Utilize Personnel Actions in MUNIS for all changes that require tracking of history	Personnel Actions are now being used. Current use of Personnel Actions improves workflows for new hires and transfers and strongly enhances the process. Personnel Actions for separations and other changes will be developed by June 2011. Responsibility: CFO, CTO and Chief of Administration Expected: June 2011



Other selected issues

#	Issue	Recommendation	Management Response
17	High volume of errors due to lack of proper review of KRONOS/SmartFind time records and absences at the schools	<ul style="list-style-type: none">• Reinforce the review process with the location payroll processors• Establish a process to track and communicate the volume of issues to the locations• Take corrective action to reduce errors	<p>The District will ascertain that personnel be trained on their roles and responsibilities in regard to payroll documents. Administrative regulations require supervisory review and signature.</p> <p>Responsibility: CFO, CTO and Chief of Administration</p> <p>Expected: November 2010</p>
24	Desktop procedures needed for all department functions that are related to Payroll and HCM	Develop desktop procedures for Payroll and HCM related areas identified and a process established for review and update	<p>Desktop procedures will be developed for each area discussed in the report.</p> <p>Responsibility: CFO, CTO and Chief of Administration</p> <p>Expected: May 2011</p>



Other selected issues (Contd.)

#	Issue	Recommendation	Management Response
25	Lack of ability to track educational qualifications in the MUNIS system	<ul style="list-style-type: none">• Utilize the existing MUNIS institution codes and map them to the FICE codes to track educational qualifications• Consider upgrade to later versions of MUNIS to take advantage of the extended functionality	<p>The District is working with MUNIS for options to track this information.</p> <p>Responsibility: CFO, CTO and Chief of Administration</p> <p>Expected: May 2011</p>

Questions?