
Human Resource Information System (HRIS) Post Implementation Review

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HRIS Post Implementation Review

Introduction

The Human Resources Information System (HRIS) was identified by management as an important project to review during the development of the OCA's 2003 annual work plan.

Background

The Human Resources Branch with support from Information Technology Branch and Business System Support has completed the implementation of the HRIS system, which has transformed the delivery of payroll, benefits, and transactional services using PeopleSoft.

The major milestones in implementing the HRIS system were as follows:

1. In 1997 the network based Employee Compensation and Information System (ECIS) replaced the legacy mainframe Manpower Payroll Information System.
2. In 1999 a major upgrade to ECIS was undertaken, introducing new technologies and methodologies for processing time entry for selected areas of the City with the corresponding name change to HRIS.
3. In 2002 a major upgrade was implemented moving HRIS from a network application (PeopleSoft 7.5) to a web-based application (PeopleSoft 8.3).

Since 1997 the OCA has issued the following reports related to Human Resource and payroll systems:

Date	Report Title and Objective
Nov 19, 1997	Review of the Employee Compensation and Information System (ECIS) – Status Report
Mar 1, 2001	Review of Payroll and Benefits-DATS Drivers
June 7, 2001	Data Analysis of the Human Resources Information Systems (HRIS)
June 7, 2001	Follow-up Review - Direct Deposit File Transfer Process
July 17, 2001	Review of Payroll and Benefit Processes - Edmonton Police Services (EPS)
Sept 25, 2001	Review of the City's Payroll and Benefit Processes
Mar 2002	Payroll and Benefit Review – Service Provision

Objective

The objective is to review the current delivery and support of the HRIS system and determine if corporate and user requirements are being met in an effective, efficient, and economic manner.

Scope and Methodology

The audit scope covered the HRIS process at a high level to determine the degree to which expected system functionality was delivered. In addition, the OCA examined processes and controls to ascertain whether or not user requirements are being met in an effective, efficient, and economic manner. The OCA did not duplicate audit work contained in the above mentioned reports.

The OCA used the “Control Objectives for Information and related Technology” (COBIT) framework as an audit tool to assess processes and controls within the HRIS system. The COBIT framework covers thirty-four processes, grouped into four domains: planning and organization, acquisition and implementation, delivery and support, and monitoring. The OCA focused on the “Delivery and Support” domain, which covers the following processes:

- Define and manage service levels
- Manage third-party services
- Manage performance and capacity
- Ensure continuous service
- Ensure systems security
- Educate and train users
- Assist and advise customers
- Manage the configuration
- Manage problems and incidents
- Manage data
- Manage facilities
- Manage operations

The OCA conducted surveys of key stakeholders to assess HRIS system processes and controls. This included interviews with management, system users, application developers, and the Business System Support team.

Observations and Analysis

Define and Manage Service Levels

The purpose of a Service Level Agreement (SLA) is to communicate and define the:

- Scope of services to be provided,
- Level of user group expectation for each service, and
- Service level reporting.

SLA's assist in providing management with the necessary framework to deliver and maintain IT services between the service provider and the applicable user group. Defining and managing service levels help to establish a common understanding of the level of service required by establishing formal performance criteria against which the quantity and quality of service will be measured. The reporting process assists management in measuring service levels for monitoring and budgeting purposes.

General SLA's were developed for use in the City 97 reorganization. No detailed operational SLA's are in place to assist with the monitoring of quantity and quality of service in connection with the HRIS system applications for the various user and support groups.

The OCA noted that management has routine meetings between the various user and support groups to ensure the HRIS system is adequately maintained and operating in a functional manner. These positive informal work processes help to ensure that adequate service levels are maintained. However, the effect of not having SLA's is that stakeholder groups do not necessarily have a clearly defined understanding of the scope of services and expectation levels. A well-drafted SLA provides all stakeholders with an excellent reference point for this purpose. The PeopleSoft Applications team is drafting a new SLA.

The OCA recommends formalising the roles and responsibilities between the user and service provider groups by developing detailed operational SLA agreement(s). The SLA would cover the following items in connection to the HRIS system: (Recommendation # 1)

1. Scope of services,
2. Level of expectation, and
3. Service level reporting.

Ensure Continuous Service

The concept of “continuous service” is used to ensure that:

- IT services are available on a routine basis, and
- There is minimum business impact in the event of a major disruption.

The OCA determined that a comprehensive continuity plan does not exist to address all identifiable adverse events that may impact “continuous service” of the HRIS system. The purpose of a continuity plan is to identify specific adverse events that would severally impact the ability of the HRIS system to remain functional. In addition, the business continuity plan includes the required operating procedures necessary to ensure the HRIS system remains functional under emergent conditions. Otherwise the HRIS system would not be able to provide adequate service levels in order to deliver the City’s payroll.

A comprehensive business continuity plan, along with adequate testing of the plan, would increase the likelihood of success in the event of a major disruption to the HRIS system.

The OCA recommends that a comprehensive continuity plan be developed and tested for the services now supported by the HRIS system. (Recommendation # 2)

Educate and Train Users

Educating and training are useful tools to help users make the most effective use of the HRIS system. An extensive training program was developed when the HRIS system was first rolled out. Also significant training occurs each time the software is upgraded. Some users indicated that the training program should be reviewed to determine if enhancements are possible. The OCA agreed with the users that the potential exists to explore new ways of enhancing the training process for new hires and part-time employees. However any modifications to the current training process need to be carefully studied to determine their cost/benefit effectiveness.

The OCA recommends that management review the current training regime with HRIS system users to determine if further improvements on a cost-effective basis are possible. (Recommendation # 3)

HRIS System Interface with Edmonton Transit

The HRIS system, and related hourly information systems operated exclusively by Edmonton Transit (ETS) are used to ensure that payroll is processed. The OCA noted the following conditions exist in connection during our review:

1. ETS has various stand-alone systems used to capture employee hourly information that is eventually sent to the HRIS system for payroll processing purposes.
2. The ETS time administrator does not have adequate read-only access to the HRIS system to respond to every type of ETS employee payroll query.
3. The HRIS system does not recognize travel time; as a result Employee Service Centre (ESC) customer service representatives are not able to adequately explain differences in hours between pay cheque stub and actual hours worked.
4. Reconciliation of employee hours worked between the HRIS system and the hourly stand-alone information systems operated exclusively by ETS is difficult to perform because the ETS time administrator does not have access to appropriate information on the HRIS system.
5. The rules for ETS employee pay calculations are complex and require an extensive knowledge of the collective agreements to ensure payroll is accurately processed.
6. The ETS time administrator and ESC customer service representative are not always able to access the appropriate data-fields contained in the HRIS system and the ETS stand-alone hourly information systems in order to resolve an employee query.

As a result of the above-mentioned conditions it is difficult for the ETS time administrator and ESC customer service representative to adequately respond to employee queries and post adjustments in a timely manner. Also some pay calculation errors have occurred due to the above mentioned conditions. The OCA's sample was not expanded to determine whether or not similar conditions existed in other business areas.

The OCA recommends that ETS and ESC work together to develop a solution (in accordance with the HRIS Steering Committee where necessary) to ensure that: the work processes are revised, and roles between ETS and ESC are clarified in order that: (Recommendation # 4)

- Resolve employee queries in a timely manner,
- Prepare appropriate payroll reconciliation on a routine basis,
- Ensure the most effective use of the data fields contained in the HRIS system and ETS stand-alone hourly information systems.

NB: The solution could be used as a standard in the event that similar conditions are found in other business areas.

Conclusion

Overall, the OCA found that the HRIS system is generally meeting corporate and user requirements. We believe that further work is required to ensure the HRIS system is utilized in a more effective and efficient manner. The OCA observed that management is continuously modifying the HRIS system and related work processes to add value for the City. Management has accepted the recommendations and provided action plans to implement the recommendations that are acceptable to the OCA.

The OCA would like to thank the management of Corporate Services for its co-operation and insight provided during the course of this review.

Recommendations and Action Plans

Opportunity for Improvement	Management Response
Define and Manage Service Levels	
<p>The OCA recommends formalising the roles and responsibilities between the user and service provider groups by developing detailed operational SLA agreement(s). The SLA would cover the following items in connection to the HRIS system:</p> <ol style="list-style-type: none"> 1. Scope of services, 2. Level of expectation, and 3. Service level reporting. 	<p>Accepted Target Date: Covered as part of Shared Service Review, December 31, 2004 Responsible Party: HR, BSS, IT Applications The Corporate Services Department accepts the recommendation with the following stipulation – the move to formal Service Level Agreements will be covered as part of the Shared Service Review. As such the target date will be dependent on the completion of the review. In the meantime the Department will document more clearly the roles and responsibilities of all parties.</p>
Ensure Continuous Service	
<p>The OCA recommends that a comprehensive continuity plan be developed and tested for the services now supported by the HRIS system.</p>	<p>Accepted Target Date: December 31, 2004 Responsible Party: HR, BSS & IT HR, BSS, and IT Applications to work together to develop appropriate comprehensive continuity plan.</p>
Educate and Train Users	
<p>The OCA recommends that management review the current training regime with HRIS system users to determine if further improvements on a cost-effective basis are possible.</p>	<p>Accepted Target Date: December 31, 2004 Responsible Party: HR, BSS BSS and HR to review current training regime to determine if further improvements on a cost-effective basis are possible.</p>
HRIS System interface with Edmonton Transit	
<p>The OCA recommends that ETS and ESC work together to develop a solution (in accordance with the HRIS Steering Committee where necessary) to ensure that: the work processes are revised, and roles between ETS and ESC are clarified in order that:</p> <ul style="list-style-type: none"> • Resolve employee queries in a timely manner, • Prepare appropriate payroll reconciliation on a routine basis, <p>Ensure the most effective use of the data fields contained in the HRIS system and ETS stand-alone hourly information systems.</p>	<p>Accepted Target Date: March 31, 2004 Responsible Party: HR, ETS HR and ETS to review and modify work processes as required and clarify roles and responsibilities.</p>