



## Report to the HRDC Audit and Evaluation Committee

**Title:** Review of Corporate Management System (CMS) – Human Resources (HR) Module Pay Enquiries

**Project N°:** 6521/00

### Background:

- Human Resources Development Canada (HRDC) built CMS to assist management and staff to deliver departmental FAS and HR services. The CMS design replaces LMSS and integrates the current corporate FAS and HR Systems. Due to an increase in pay related enquiries in Systems, the ADM of Systems requested that the IARMS complete a review of the CMS, HR modules.
- The main focus of the review was to determine whether enquires were resulting from problems in the CMS technology (see appendix A). The review is based largely on interviews with key personnel from CMS and HR.

- Calendars are required with daily hours for new pay transactions. A standard default would suffice.
- Pay input forms often have incorrect financial coding. Pay clerks use the override feature to issue payment, however rejects occur, (compounded by future inputs) that must be corrected.
- A significant number of manual workarounds exist which result in pay delays.
- To exacerbate problems, Compensation is resourced to service 3,000 employees when it serves approximately 7,000. Added to workload is the demand of Pay Equity, new collective agreements and strategically UCS.

## **Major Findings**

- One of the changes to CMS requires that calendars (daily hours must be manually entered) be added to all pay transactions. Absence of the calendar results in errors. This change was not well communicated resulting in a high rate of rejects. Although the pay community is now aware of this requirement, further time would be saved if a standard default calendar was added to the system.
- Pay input forms often have incorrect financial coding. To ensure that the employee is paid quickly, the pay clerks will override the financial code. While the employee is paid, an error is generated from the financial module of CMS (SAL/FTE). Corrective action by the pay clerk is required. Furthermore, as long as the initial error is outstanding, subsequent transactions (leave, overtime etc.) will be rejected. These errors delay processing of other pay-related transactions.
- A significant number of manual workarounds still exists in the HR module. These result in pay processing delays.
- To exacerbate these problems further, Compensation is resourced at 1996 levels that serviced 3,000 employees. It now serves approximately 7,000 clients. Added to this increased workload are the heavy demands brought about by Pay Equity, changes to collective agreements and strategically UCS.

## **Recommendations:**

- The creation of a default calendar for a standard workweek would satisfy most pay inputs and reduce the need for adjustments.
- The override feature in the HR module should be removed to eliminate coding errors. Prior to removing the override feature, an analysis of why errors occur, should be completed with appropriate action plans. Also, if historical coding is required and is not available, a standard financial coding for such cases should be implemented; for example, employment equity payments where the RC is no longer available.
- An impact study and a management action plan should be completed on the increase in client volume and additional workarounds.

## Management Responses

IARMS RECOMMENDATION	HRDC MANAGEMENT RESPONSE	CORRECTIVE ACTION	EXPECTED COMPLETION DATE	CONTACT PERSON OR BRANCH
<p>The creation of a default calendar for a standard workweek would satisfy most pay inputs and reduce the need for adjustments.</p>	<p>We agree with the recommendation to create for each employee a default calendar for standard workweeks. With anticipated Virtual HR (GOL/Web technology) all related calendars can be electronically controlled.</p>	<p>We have added the creation of default calendars on the HR Systems improvements list. The default calendar functionality should be in place for a fall 2001 release of the CMS software. The HR Systems group is already working at the release of specific improvements for the April 2001 release.</p>	<p>November 2001</p>	<p>Robert St-Jean and/or Denise Rooke, Human Resources Branch.</p>
<p>The override feature in the HR module should be removed to eliminate coding errors. Prior to removing the override feature, an analysis of why errors occur, should be completed with appropriate action plans. Also, if historical coding is required and is not available, a standard financial coding for such cases should be implemented; for example, employment equity payments where the RC is no longer available.</p>	<p>We agree with this recommendation.</p>	<p>Being progressively addressed, as each pay screen is being improved, the override feature on financial code will be removed. In the April 2001 release of the CMS software, this override functionality will be removed from the PB002. We will have to implement this corrective action to eleven (11) other Compensation and Benefits screens.</p>	<p>April 2001 for the PB002 screen. Plans will have to be made for the other screens. No date determined yet.</p>	<p>Denise Rooke, HR System, Human Resources Branch.</p>

<b>IARMS RECOMMENDATION</b>	<b>HRDC MANAGEMENT RESPONSE</b>	<b>CORRECTIVE ACTION</b>	<b>EXPECTED COMPLETION DATE</b>	<b>CONTACT PERSON OR BRANCH</b>
<p>An impact study and a management action plan should be completed on the increase in client volume and additional workarounds.</p>	<p>Agree with this recommendation.</p>	<p>The Human Resources Branch is working at the preparation of a Business Case outlining the current issues and challenges with respect to the Compensation Community at NHQ and recommending solutions. This presentation will be made at EMC. HRB will also want to develop an action plan to render CMS more optimal for the future. Before we undertake a migration process towards Virtual HR Services we need to ensure that basic functionality in CMS are operating to maximum efficiency. Human Resources Branch will need to obtain additional resources for this task and will seek Internal Audit and Risk Management Services support in this endeavour, as well as from our other CMS partners, Financial And Administrative Services Branch and Systems Branch.</p>	<p>February/March 2001</p>	<p>Joanne O'Byrne and Edith Dubois of NHQ Human Resources. This Business Case also involves Ron Kaden, Director Corporate Compensation and Benefits.</p>

## **RISK ASSESSMENT OF CMS 2B HR MODULES**

### **OBJECTIVE**

To explore and report on salary issues relating to CMS 2B.

- assessing the risk;
- reviewing and offering advice;

### **SCOPE**

Interview players, analyze documentation, review HR processes relating to pay, and will include a review of

- management support functions
- client involvement
- problem management
- internal control
- risk management
- change management, management of change
- communication strategy
- prioritization
- performance indicators- customer satisfaction, resourcing

### **METHODOLOGY**

The contents of this risk assessment will come from a review of documentation, processes and interviews with key stakeholders. This review will be carried out using a risk assessment methodology to assess exposures within the HR module of CMS 2B. Suggestions and recommendations will be made.

### **AUDIT REPORTING**

Our findings will be issued to senior management upon completion of this risk assessment in an appropriate format. Judgement by the audit team will be the key factor in deciding when to issue reports and what level of management will receive them.