



# Lambton County

## Final Report

Payroll and HR Review

December 23, 2021

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This report has been prepared by KPMG LLP (“KPMG”) for the internal use of Lambton County (“the County” or “Lambton”) pursuant to the terms of our engagement agreement with Lambton dated August 16, 2021 (the “Engagement Agreement”). This report is being provided to Lambton on a confidential basis and may not be disclosed to any other person or entity without the express written consent of KPMG and Lambton. KPMG neither warrants nor represents that the information contained in this report is accurate, complete, sufficient or appropriate for use by any person or entity other than Lambton for any purpose other than set out in the Engagement Agreement. This report may not be relied upon by any person or entity other than Lambton, and KPMG hereby expressly disclaims any and all responsibility or liability to any person or entity other than Lambton in connection with their use of this report.

We had access to information up to November 23, 2021 in order to arrive at our observations but, should additional documentation or other information become available which impacts upon the observations reached in our report, we will reserve the right, if we consider it necessary, to amend our report accordingly. This report and the observations and recommendations expressed herein are valid only in the context of the whole report. Selected observations and recommendations should not be examined outside of the context of the report in its entirety.

Our observations and full report are confidential and are intended for the use of Lambton. Our review was limited to, and our recommendations are based on, the procedures conducted. The scope of our engagement was, by design, limited and therefore the observations and recommendations should be considered in the context of the procedures performed. In this capacity, we are not acting as external auditors nor value for money auditors and, accordingly, our work does not constitute an audit, examination, value for money, attestation, or specified procedures engagement in the nature of that conducted by external auditors on financial statements or other information and does not result in the expression of an opinion.

Pursuant to the terms of our engagement, it is understood and agreed that all decisions in connection with the implementation of advice and recommendations as provided by KPMG during the course of this engagement shall be the responsibility of, and made by, Lambton. KPMG has not and will not perform management functions or make management decisions for Lambton.

# Executive Summary

## Objectives and Scope

In accordance with the approved engagement letter dated August 16, 2021, a review of the payroll and HR processes was conducted for Lambton County.

The overall objectives of this engagement were to:

- Enhance the operating efficiency and effectiveness of the County’s HR and payroll processes
- Conduct a comprehensive needs assessment that would provide input into the County’s RFP development process to support a future procurement of a centralized scheduling, time capture, payroll and HR system(s).

This included identifying opportunities for improvement and formulating recommendations with respect to:

- Timeliness of payroll processing
- Training requirements, particularly where staff turnover is high
- Reporting gaps and concerns over data integrity
- Inefficiencies arising from integrating different modes and systems of payroll data
- System deficiencies that require manual work arounds
- Insufficient vendor support, resulting in issues remaining unresolved.

The responsibility for establishing and maintaining Internal Control Over Financial Reporting (“ICOFR”) and directing activities related to the assessment of business processes and controls rests with management of the County.

KPMG carried out the review using our Internal Audit Services methodology consisting of the following:

Phase	Approach
<b>1. Project initiation</b>	<ul style="list-style-type: none"> <li>— <b>Project Sponsor / Project Manager Meeting</b> <ul style="list-style-type: none"> <li>— Introduced team members, confirmed the scope, established expectations, and validated our approach</li> </ul> </li> <li>— <b>Kick-off Meeting</b> <ul style="list-style-type: none"> <li>— Oriented the Committee to key project elements, including approach, milestones, timeline, project structure, communication plan and consultation/engagement plan. Feedback was gathered and any necessary changes to the elements of the charter were made.</li> </ul> </li> </ul>
<b>2. Current State Analysis</b>	<ul style="list-style-type: none"> <li>— <b>Documentation review</b> <ul style="list-style-type: none"> <li>— KPMG collated and analyzed key documentation provided by the County</li> </ul> </li> <li>— <b>Identification of processes to be mapped</b> <ul style="list-style-type: none"> <li>— KPMG proposed a progressive mapping plan via an iterative approach that included the following sub-processes including:               <ul style="list-style-type: none"> <li>— Talent Acquisition</li> <li>— Employee Records Set-up &amp; Maintenance</li> <li>— Onboarding</li> <li>— Learning</li> <li>— Total Rewards</li> </ul> </li> </ul> </li> </ul>

Phase	Approach
	<ul style="list-style-type: none"> <li>— Workforce Management</li> <li>— Scheduling</li> <li>— Health &amp; Safety</li> <li>— Disability Management</li> <li>— Management and Regulatory Reporting</li> <li>— Recording Time and Attendance</li> <li>— Payroll Processing and Distribution</li> </ul> <p>— <b>Current state process mapping</b></p> <ul style="list-style-type: none"> <li>— KPMG developed an understanding of the current state through 16 process mapping workshops in line with the sub-processes above. These process mapping exercises included a specific focus on key information systems.</li> </ul> <p>— <b>Key stakeholder consultations</b></p> <ul style="list-style-type: none"> <li>— KPMG engaged key stakeholders during the facilitated workshops to provide input on high level visioning and design criteria for a future state. Key individuals were also engaged on a “one on one” basis outside of these sessions as needed.</li> </ul> <p>— <b>Broader stakeholder consultations</b></p> <ul style="list-style-type: none"> <li>— KPMG prepared an optional on-line survey targeting municipal employees on their perception of the County’s payroll process.</li> </ul> <p>— <b>Validation of process maps</b></p> <ul style="list-style-type: none"> <li>— KPMG worked with the County to validate that the process mapping information are accurate.</li> </ul>
3. Desired State & Gap Analysis	<p>— <b>Human Resources services benchmarking</b></p> <ul style="list-style-type: none"> <li>— KPMG undertook an analysis of the systems used by other municipalities (scheduling, payroll processing, HRIS) to identify leading trends, systems and practices.</li> <li>— KPMG assessed the organizational structure and staffing levels to provide the County perspective on potential changes to its payroll and HR function.</li> </ul> <p>— <b>Policy Review</b></p> <ul style="list-style-type: none"> <li>— KPMG reviewed select HR/payroll policies for the County and identified areas for enhancement through (1) improved operating efficiencies, (2) potential gaps in policy areas, (3) recommendations to align policies with best practices. See Appendix 2.</li> </ul> <p>— <b>Gap Analysis</b></p> <ul style="list-style-type: none"> <li>— KPMG undertook a detailed gap analysis that assessed current processes against the County’s goals, needs/opportunities, future demand/service expectation and other better practices and delivery models.</li> </ul> <p>— <b>Future state design workshop (preliminary closing meeting)</b></p> <ul style="list-style-type: none"> <li>— KPMG facilitated a future state design workshop in which we presented the various options to discuss and refine the best option(s) for the County.</li> </ul>

Phase	Approach
4. Final Report & Presentation	<ul style="list-style-type: none"> <li>— <b>Draft report</b> <ul style="list-style-type: none"> <li>— KPMG provided a final report to be reviewed with the County’s Project Team.</li> </ul> </li> <li>— <b>Final report</b> <ul style="list-style-type: none"> <li>— KPMG issued this final report reflecting the feedback received during the iterative draft report review process.</li> </ul> </li> <li>— <b>Assistance with drafting of RFP for centralized scheduling, time capture, payroll, and HR systems</b> <ul style="list-style-type: none"> <li>— KPMG provided assistance to the County with developing the RFP scope of work requirements (i.e. business requirements), which will serve as an input into the County’s standard procurement/RFP process.</li> </ul> </li> </ul>

<b># of Observations<sup>1</sup></b>	<b>High</b>	-	<b>Low</b>	3
	<b>Medium</b>	1	<b>Improvement Opportunity</b>	1

### Overall Summary of Results

The HR and Payroll processes have been assessed in line with the scope described above. We have worked with the various stakeholders of the County to gain an understanding of the current process challenges and requirements and have collaboratively developed a work plan to address these current-state challenges.

Personnel responsible for the HR and Payroll processes at the County have demonstrated a strong understanding of the tasks required to effectively complete their goals using aging and non-optimal systems, including implementation of manual controls to accommodate system limitations. Staffing levels within HR and Payroll are consistent with comparative municipalities, however personnel are overburdened with manual processes and efficiencies can be realized to enable redeployment of personnel to more value-added activities. As the volume, frequency and complexity of the HR and Payroll environment increases, a capable HRIS and Payroll system is required to ensure that the County continues to meet its workforce management and regulatory responsibilities.

Based on the results of our process understanding and analysis, we identified several weaknesses in the information systems in place to support the payroll and HR processes:

- **Existing systems do not meet the County’s needs.** The County uses a variety of systems to manage employee data, scheduling, time and attendance and payroll processing. The family of systems and tools being used are decentralized, and often are not interfaced to share data leading to problems surrounding data integration, mapping, and additional reconciliation and review steps. The systems are also lacking many benefits that a modern, centralized software solution provides such as employee self-service, manager self-service, automated workflows, standard reporting, and other features that could work to reduce or eliminate the manual activities performed by County personnel.
- **Lack of employee and manager self-service functionality** within existing HRIS and Payroll systems has led to inefficient processes. The users are also unable to query information without requesting customized reporting from payroll or HR (e.g. vacation banks).
- **Manual, labour-intensive processes** have been identified within many of the Payroll and HR processes. These processes can be optimized with minor process redesign or via the implementation of a new software solution.
- **Duplication of effort and excessive paper-based records** is prevalent within a variety of processes. Paper-based analysis and archiving have resulted in duplication of effort and unnecessary storage requirements. The HR and Payroll quarterly reporting also requires a large amount of custom reporting

<sup>1</sup> Please refer to Appendix 6 for definitions of observation rating criteria.

generated from multiple sources. The necessity of this data for management review should be reconsidered.

- **Weaknesses in segregation of duties and internal controls** have been identified. Access to the activities of processing/recording, authorizing, and record-keeping should not be granted to the same individuals. The current duties assumed by Payroll personnel are extensive and include conflicting responsibilities. The segregation of duties weakness is compounded by a lack of system controls (i.e. automated exception reporting), and the inability to “lock” prior pay periods in iCity. However, we note that segregation of personnel within the departments, in addition to the existence of manual controls, have reduced the risk of error or fraud resulting from these system weaknesses.

Summary of Observations			
#	Rating	Observation	Page
1	Low	Lack of employee and manager self-service functionality	5
2	Low	Manual, labour-intensive processes	9
3	Low	Duplication of effort and excessive paper-based records	19
4	Medium	Weaknesses in segregation of duties and internal controls	24
5	Improvement Opportunity	Existing systems do not meet County’s needs	28

# Observations & Recommendations

## 1. Lack of employee and manager self-service functionality

**Observation Rating:**  
Low

**Root Cause Category** — System weaknesses; ineffective systems in place to meet user's needs.

### Findings and Impact

#### Criteria:

Many Payroll and HRIS systems, including most modern solutions, leverage employee self-service and manager self-service modules. This allows employees and managers to review and enter information using their own unique log-in via the entity's intranet portal (or, in some cases, directly logging into a cloud platform). These "self-service" actions allow individuals to access and modify information as needed, without excess processing by other payroll/HR personnel (although changes are usually reviewed/approved). Example features may include:

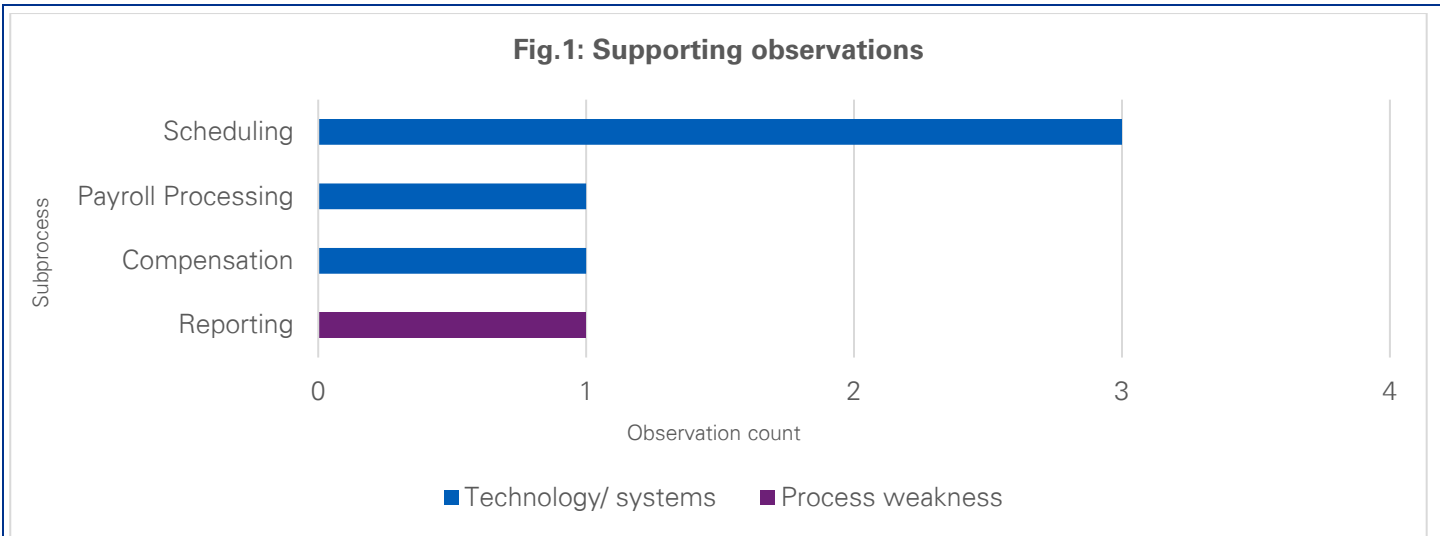
- Employee self-serve:
  - Electronic timesheet submission and/or revisions
  - Update employee personal information (e.g. address, banking information, beneficiaries, etc.)
  - Online viewing of absence bank balances and other entitlement data
  - Standard reporting of pay stubs, T4s, employment verification letter.
- Manager self-serve:
  - Electronic timesheet submission and/or revisions
  - Electronic supervisor timesheet approvals
  - Online reviewing and reporting of vacation and other absence bank balances
  - Submission of employee status change requests (e.g. leave of absence, position changes, temporary duties)
  - Standard reporting of workforce related data.
- Workflows:
  - Routing of approvals in line with delegated authority and assigned supervisory reviews
  - Automated task notifications.

#### Condition:

Currently, Lambton does not utilize employee/manager self-service within the HR and Payroll processes. This appears to be primarily a system limitation. The lack of these features within existing systems has led to the following inefficient processes:

- Timesheet submissions performed either manually (and collated by supervisors and/or admin personnel) or in separate time capture systems that require manual interfacing to iCity
- Physical collation of timesheets and paper-based (or email) approvals
- Non-timely submission of timesheet data to allow adequate processing time (i.e. bi-weekly payroll submitted mid-cycle, with week 2 consisting of estimated time)
- Employees and Supervisors are unable to query information without requesting customized reporting from HR or Payroll (i.e. vacation banks)
- Use of EDF templates in-lieu of self-service or electronic workflows for employee data changes and access requests.

During our analysis of the current-state payroll and HR sub-processes, we identified the following 6 supporting detailed observations. In addition to the summary recommendations below, detailed supporting recommendations can be found on page 6. References can be traced to the corresponding process flowchart in Appendix 4.



**Potential risk(s) and consequence:**

Manual, personnel-centric processes introduce the following risks:

- Increased likelihood of errors (human error) and inconsistencies in data
- Burdensome on County personnel, with recurring/repetitive tasks – effort that could be redeployed to more value-added activities
- General slowdown in processing times.

**Recommendation(s)**

1.1. As part of the Payroll/HRIS system selection and implementation, the County should consider the above features “core” or “mandatory” when soliciting vendor responses. See Appendix 5 for an example to serve as an input into the County’s RFP process.

We have been informed by County personnel that infoHR, the current HR information system, appears to have the ability to provide manager self-service features; however, this feature has not been implemented. While this would greatly improve access to information for supervisors when querying employee information, it does not appear to enable large-scale efficiency gains that would be realized with entity-wide employee self-service and related automated workflows.

1.2. Consider the detailed supporting recommendations as provided in the following table.

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
1	SCH3	Scheduling	<b>Timesheets are manual and time-intensive for preparation and review</b> Scheduler collects manual time sheets which are then provided to the Supervisor for review and approval. This is a manual process which creates inefficiencies and increased risk of human errors.	Technology/ systems	Timesheets should be submitted directly by the employee and, ideally, workflowed to supervisors for approval. As a new Payroll and HRIS is being sought in 2022, these features should be prioritized.
2	SCH5	Scheduling	<b>SNAP Schedule does not have a built-in approval workflow requiring additional manual steps</b>	Technology/ systems	We were informed that this process is due to Cultural Services staff not always clocking in/out, hence changing to scheduled shifts. For



Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
			Supervisor receives employee email confirmation of timesheet accuracy, prints out and manually signs off to approve timesheets. It is noted that Cultural Services use scheduled hours to pay employees as they do not "clock in" or "clock out".		standardized schedules, this is acceptable; however, variations to standard schedules requires labour-intensive time approvals. Employee self-serve features should be prioritized for the new Payroll and HRIS system.
3	SCH6 - SNAP	Scheduling	<p><b>SNAP Schedule time submission process is not timely (inefficient)</b></p> <p>With the lack of a SNAP built-in approval workflow, the timesheet approval process starts the week before the end of the pay period, and approved timesheets must be submitted to Payroll by Wednesday of the non-pay week. Hence, Cultural Services are submitting and approving timesheets with a combination of estimated and worked hours (e.g., one week of actual time and one week of estimated time). Any timesheet adjustments result in additional manual steps for Supervisors to re-review and re-approve timesheets. Adjustments are accounted for in the following pay period, if required. The current explanation for this limitation is Payroll processing times. Cultural Services needs to complete their employee time entry modifications 2-3 days prior to the end of the pay period.</p>	Technology/ systems	Timeliness of timesheet submissions is affected by payroll processing hours required to receive, validate, process, and pay in line with County payroll cycle. The complexity of these differing timesheet submission processes puts additional strain on the payroll processing team. Employee self-serve features should be prioritized for the new Payroll and HRIS system.
4	PPT1	Payroll Processing	<p><b>Manual / paper-based timesheets should be eliminated</b></p> <p>Manual timesheets create inefficiencies where Payroll manually collates timesheet data, verify approval, reconcile and review data, input data into iCity, and file the paper documents for record keeping. The current reasoning behind paper time sheets not being moved to online time entry is the short Payroll timelines.</p>	Technology/ systems	Manual timesheets and differing time capture systems puts additional strain on the payroll processing team. Employee and manager self-serve features should be prioritized for the new Payroll and HRIS system.
5	COM1	Comp.	<p><b>Use of manual Employee Data Forms (EDFs) instead of system-generated workflow to request employee information changes</b></p> <p>infoHR does not have self-service functions enabled; hence, all changes to employee profile information are raised by supervisors and completed by Payroll. The County relies heavily on EDFs to request and process employee</p>	Technology/ systems	Many of these features are available standard in modern software solutions. While the County has found effective short-term solutions to manage the significant amount of employee data processed on a daily basis, as a new Payroll and HRIS is being sought in 2022, these features should be

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
			<p>information changes. Templates include:</p> <ul style="list-style-type: none"> <li>— New Hire and Rehire Form</li> <li>— Supervisor Change Form</li> <li>— Position &amp; Status Change Form</li> <li>— Personal Information Change Form</li> <li>— Termination &amp; Resign Form</li> <li>— Leave Form</li> <li>— Reactivate from Leave Form</li> <li>— Miscellaneous Change Form</li> <li>— Additional Position Form</li> <li>— New Unpaid Position Form</li> </ul>		prioritized. EDFs should then be retired.
6	PRR1	Payroll Reporting	<p><b>Payroll produces customized reports requested by specific departments or employees</b></p> <p>Every pay period, Payroll produces customized reports requested by specific departments or employees for specific payroll information.</p>	Process	<p>For recurring management reporting packages, reporting requirements should be revisited and reduced to only what is necessary / reviewed by management.</p> <p>Manager self-serve features should be prioritized for the new Payroll and HRIS system.</p>

## 2. Manual, labour-intensive processes

**Observation Rating:**  
Low

**Root Cause Category** — System weaknesses; lack of standardized processes; ineffective systems in place to meet user’s needs

### Findings and Impact

#### Criteria:

Recurring processes benefit from being supported by two key concepts: (1) standardization; and (2) automation. Where automation cannot occur to reduce the overall resource burden and related processing times, standardization of processes is prioritized. Policies, procedures, and related guidance notes support and provide direction for these processes.

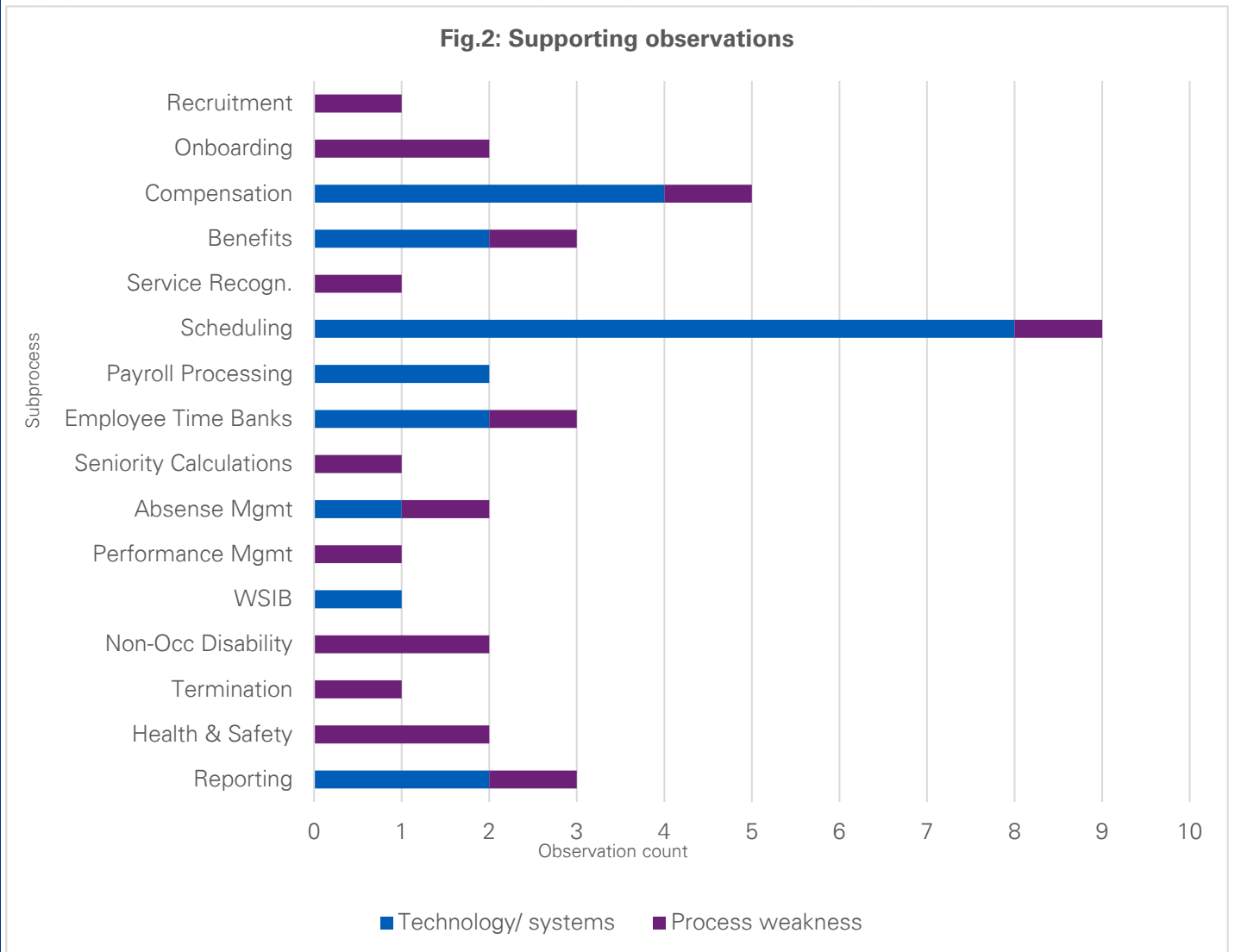
#### Condition:

Our review of Payroll and HR sub-processes revealed many manual, labour intensive tasks that can be optimized with minor process redesign or via the implementation of a more modern software solution. Examples of these manual/inefficient processes include (but are not limited to):

- Approvals are often given via email or with “wet ink” signatures on printed forms
- Paper-based submission of CBA-related expense allowance claims are submitted via mail and processed manually
- Onboarding is manually tracked, and corporate orientation training requires significant manual data-entry by HR
- Performance management does not follow a consistent annual cycle (rather, done on employee anniversary dates)
- Seniority calculations and tracking is an extremely manual paper-based process
- Absence and/or vacation requests are done via email or spreadsheet with customized reporting and adjustments
- Various excel-based trackers are used to monitor key data outside of HRIS and Payroll systems, whether due to system weaknesses or employee preference, including:
  - Position and salary grids
  - Benefits changes
  - Disability waiver dates
  - Employee status changes for OMERS Reporting
  - Health & safety incident tracking and reporting
  - Leave of Absence (LOA) tracking
  - Non-Union temporary duties tracking
  - Benefit changes, pay adjustments and premium billings
  - Absence bank balances and vacation and sick pay calculations
  - WSIB claims
  - Non-occupational disability cases
  - T4 balances.
- Extensive effort performed by Payroll to review, reconcile, and correct timesheet data prior to running payroll calculations. The County has assigned Payroll the accountability of ensuring timesheet data is complete and accurate; therefore, Payroll is performing “timesheet cleansing” activities each pay period:
  - Use of balancing spreadsheets to review and reconcile the entire workforce’s timesheet data
  - Reconciliation of timesheet data transmitted via “flat files” between scheduling systems and iCity
  - Adjusting timesheet data (Supervisor approvals are obtained via email)
  - Use of exception reports to verify that iCity has captured timesheet data completely and accurately.
- The County has 11 CBAs and 24 different pay groups adding additional complexities in managing HR and Payroll sub-processes. Examples include:
  - Scheduling and recording shift hours, processing absence requests, and administrating shift callouts
  - LTC and EMS are using different sets of Staff Schedule Care time codes, which requires additional tracking and mapping to iCity time codes
  - Monitoring absence bank balances and processing associated payouts

- Expense allowances claims are submitted to Finance, Payroll, or handled by individual CBAs
- Remittance reports customized to individual CBA requirements.

During our analysis of the current-state payroll and HR sub-processes, we identified the following 39 supporting detailed observations. In addition to the summary recommendations below, detailed supporting recommendations can be found on page 11. References can be traced to the corresponding process flowchart in Appendix 4.



**Potential risk(s) and consequence:**

Manual and labour-intensive processes introduce the following risks:

- Increased likelihood of errors (human error) and inconsistencies in data
- Burdensome on County personnel, with recurring/repetitive tasks – effort that could be redeployed to more value-added activities (in addition to employee burnout).
- General slowdown in processing times.
- Loss of process knowledge due to absence or turnover of key individuals in HR and Payroll functions
- Microsoft Excel, while a common and often powerful tool, is not suitable for end-user computing within HR and Payroll processes. Wide and uncontrolled use of Excel in this environment results in:
  - Disaggregated control over employee personal information – with employee names, schedules, vacation banks, and other information saved on a variety of user terminals
  - Lack of end-user computing controls.

## Recommendation(s)

2.1. While some individual processes can be redesigned to reduce manual effort, the most significant process improvements will come in the form of a “rules engine” embedded within HRIS and Payroll systems. A rules engine is a system, or component of a system (i.e. “app”) that allows the business to customize payroll and HR “rules” that are then automatically processed without human intervention (or with limited intervention). Example use cases for rules engines include:

- a. Calculation of entitlements in line with pre-entered CBA terms, including entitlements for employees with positions across more than one union.
- b. Automatic updating of banks and entitlements based on timesheet coding and CBA terms
- c. Pre-determined “step ups” and seniority calculations based on employee contracts and CBA tables
- d. Specific parameters of time codes that employees can use

Furthermore, the County should consider system-enabled solutions to the various observations noted via an “optional” or “mandatory” feature when soliciting vendor responses for a Payroll/HRIS solution. See Appendix 5 for an example to serve as an input into the County’s RFP process.

2.2. Consider the detailed supporting recommendations as provided in the following table.

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
1	SCH1	Scheduling	<p><b>Manual Outlook scheduling process for Social Services is inefficient</b></p> <p>Currently, employee schedules are maintained manually. This manual exercise creates operational inefficiencies as well as an increased risk of human errors.</p>	Technology/ systems	Explore a centralized scheduling solution as part of the 2022 Payroll and HR software implementation.
2	SCH4	Scheduling	<p><b>Entity-wide absence and/or vacation request and approval process is inconsistent and inefficient</b></p> <p>All employees submit vacation request forms to Scheduler who then must manually enter each request into a spreadsheet. This manual entry process creates inefficiencies and has an increased risk of human error.</p>	Process	Employee and manager self-serve features should be prioritized for the new Payroll and HRIS system.
3	SCH7	Scheduling	<p><b>Timing of flat file submission versus timesheet approval results in inconsistent time entry data</b></p> <p>Timesheet entries are not locked upon approval and employees can continue to adjust hours while the time entry data is transmitted to Payroll for processing. In addition, the scheduling systems do not flag adjustments made after timesheet approval or flat file transmission.</p>	Technology/ systems	Adjustments to time submitted should be processed on a future pay period; retrospective time changes should be captured via a purpose-built report.

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
4	SCH8	Scheduling	<p><b>Effort spent by Payroll in correcting timesheet discrepancies is inefficient</b></p> <p>Currently, timesheet discrepancies are investigated and managed by Payroll with the assistance of Supervisors. The errors are primarily coding errors or hourly discrepancies between when timesheets are approved and when system data is transferred.</p>	Technology/ systems	Employee and manager self-serve features should be prioritized for the new Payroll and HRIS system. Timesheet discrepancies should be rejected by payroll processors (redirected via workflow back to supervisor).
5	SCH10	Scheduling	<p><b>Mapping of SSC time codes to iCity results in frequent errors</b></p> <p>SSC uses a different set of time codes that are mapped to iCity time codes. The mapping of timesheet codes needs to be accurate to ensure accurate data transmission between SSC and iCity.</p>	Technology/ systems	Consolidation of time capture software solutions (and interfacing where this is not possible) will help to reduce these errors and adjustments.
6	SCH12	Scheduling	<p><b>SSC timeclock is not configured to capture shifts that proceed past midnight (overnight shifts).</b></p> <p>Currently, SSC system timeclock resets at midnight and limits the ability to correctly record overnight shifts; requiring Supervisors or Ward Clerks to manually adjust timesheets to accurately reflect the overnight shifts.</p>	Technology/ systems	Software limitation or configuration; consider consolidated solution via 2022 Payroll and HR software implementation; alternatively, explore configuration correction or separate automation (e.g. "stitching" of shifts via a custom "bolt-on" solution).
7	SCH13	Scheduling	<p><b>Supervisors manually notifies Payroll that timesheets are approved.</b></p> <p>Payroll currently does not receive system notification of completion of timesheet approval.</p>	Technology/ systems	Employee and manager self-serve features should be prioritized for the new Payroll and HRIS system.
8	SCH14	Scheduling	<p><b>SSC can only handle one set of union rules for LTC shift call-outs.</b></p> <p>Currently, SSC data configuration cannot accommodate more than one set of CBA rules regarding shift call-outs resulting in the use of three workstreams of SSC Mass Messaging, Wizard Call and manual call-outs for nurses.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
9	SCH15	Scheduling	<p><b>SSC system limitations for setting call-out rules for EMS.</b></p> <p>Currently, SSC has system limitations in setting CBA required shift call-out rules. Therefore, EMS implemented Everbridge to assist with their call-outs.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
10	PPT2	Payroll Processing	<p><b>Timesheet submissions can trigger negative time bank hours leading to processing errors</b></p> <p>Employee submitted timesheets may not always consider the availability of sufficient absence bank hours. In addition, scheduling systems may not always reflect accurate bank hours requiring Payroll to perform additional reviews to track and maintain the accuracy of absence bank hours. iCity cannot process negative bank hours and requires manual adjustments to resolve this.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
11	PPT5	Payroll Processing	<p><b>Payroll must update all employee master file changes and set up timesheet templates in iCity before running payroll calculations.</b></p> <p>Prior to running payroll calculations, Payroll needs to complete all employee master file changes that were requested through EDFs. Once master files are updated, Payroll needs to set up timesheet templates in iCity for employees using paper timesheets or exception reports to pull timesheet hours for payroll calculation.</p>	Technology/ systems	<p>Segregation concern; consider migrating duties to HR personnel.</p> <p>Additionally, employee and manager self-serve features should be prioritized for the new Payroll and HRIS system.</p>
12	SEN1	Seniority Calc.	<p><b>Labour intensive process to manually calculate and track seniority</b></p> <p>Seniority calculations and tracking relies heavily on excel-compiled worksheets due to lack of system-enabled rules engine to analyze, calculate and track seniority.</p>	Process	Prioritize <i>rules engine</i> automation of the process (key use case) as part of the new Payroll and HRIS system.
13	ETB1	Employee Time Bank	<p><b>Manual data entries to update absence bank entitlements are inefficient</b></p> <p>Payroll needs to manually update the following absence bank entitlements in iCity:</p> <ul style="list-style-type: none"> <li>— intermittent and floater time (annually at start of calendar year)</li> <li>— sick time entitlements when there are CBA changes</li> <li>— vacation entitlements (run monthly for anniversary dates or when there are CBA changes)</li> <li>— Payroll also updates absence bank entitlements data in SSC.</li> </ul>	Process	Prioritize <i>rules engine</i> automation of the process (key use case) as part of the new Payroll and HRIS system.

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
			(Note: Absence bank data does not interface with SNAP)		
14	ETB3	Employee Time Bank	<p><b>iCity is unable to calculate payment in lieu of vacation and sick time for PT employees</b></p> <p>All vacation and sick pay are manually calculated for part-time employees of ONA 19, CUPE 1291, and UNIFOR 444. The calculated accrual hours are manually entered into iCity.</p>	Technology/ systems	Software limitation: this is a more common feature in modern payroll solutions. Where standard features cannot accommodate more complex union calculations (unlikely), prioritize <i>rules engine</i> automation.
15	ETB4	Employee Time Bank	<p><b>Vendor no longer supporting assistance of SSC absence bank rollover</b></p> <p>Starting in 2022, Payroll will perform additional duties in processing the SSC absence bank rollover. The SSC vendor is discontinuing this support service. These rules are established to ease process for employers, not necessarily required. SSC will still provide support if errors occur.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
16	PFM1	Perform. Mgmt.	<p><b>Performance reviews are performed throughout the year based on employee start/anniversary dates</b></p> <p>Performance evaluations are conducted throughout the year based on employee start/anniversary dates. This requires additional HR and Supervisors effort to track and manage the goal setting and performance evaluation process throughout the year.</p>	Process	Performance review calendar should be standardized to align all entity-wide performance reviews to the same cycle, consistent with better-practice performance management programs.
17	WSIB1	WSIB	<p><b>WSIB cases are tracked manually via an excel spreadsheet.</b></p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
18	COM2	Comp.	<p><b>Position and salary grids are tracked in excel</b></p> <p>Position and salary grids are tracked and maintained in excel as source file for infoHR records.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
19	COM3	Comp.	<p><b>infoHR overrides historical data creating limitations on generating reports for data analysis</b></p> <p>infoHR can only record current wage rates. Cannot pre-set future changes. Historical salary grids are automatically erased by system; hence, the need to generate crystal reports to retain records of before and after changes.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.



Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
20	COM5	Comp.	<p><b>Retro Pay Statements are manually generated</b></p> <p>The Payroll Supervisor creates individual employee statements of retro pay from the Retro Pay Calculation Spreadsheet and emails or mails to all employees receiving retro pay.</p>	Process	Modern system reporting functionality may be able to supplement this process; however, depending on the level of detail required, custom reporting may still be required. Explore as part of 2022 Payroll and HR software implementation.
21	COM6	Comp.	<p><b>CBA-related expense allowance claims are submitted to Payroll by mail</b></p> <p>Approved expense allowance claims and associated receipts are mailed to Payroll for processing. It is noted that these CBA related expense claims processed through payroll are minimal in volume each year. Generally, most use the employee expense claim process. Both methods required Supervisor / Manager approval.</p>	Process	Employee expenses should be submitted either via payroll (standardized) or via AP expense claims in electronic format. Approval of these expense CBA-related expense claims should be routed to payroll electronically.
22	COM7	Comp.	<p><b>Manual tracking list of non-union employees with temporary duties</b></p> <p>Manual tracking of non-union employees with temporary duties to process temporary duties allowance each pay period (inefficient).</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
23	BEN1	Benefits Enrollment	<p><b>Manual tracking of benefit changes</b></p> <p>Employee benefit change are tracked via an excel spreadsheet for monthly benefit updates in infoHR.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
24	SER1	Service Recogn.	<p><b>Service Recognition List is manually compiled</b></p> <p>Employee information reports are generated from infoHR, and HR manually compiles a Service Recognition List for management and Labour Relations review and approval.</p>	Process	Prioritize <i>rules engine</i> automation of the process (key use case) as part of the new Payroll and HRIS system.
25	BEU2	Benefits Updates	<p><b>Manual tracking of benefit pay adjustments</b></p> <p>Benefit pay adjustments are tracked manually via spreadsheet.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
26	BEU3	Benefits Updates	<p><b>Manual tracking of employee premium billings</b></p> <p>Benefit premium billings are tracked manually for employee invoicing.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
27	TER1	Terminate	<p><b>infoHR does not sync termination status with SNAP</b></p> <p>Cultural Services Supervisors update employee termination status in SNAP manually. This was a decision made at the time of implementation but could be automatically completed through system interfaces.</p>	Process	While there is an opportunity to enable via system interfacing, consider exploring a consolidated solution via 2022 Payroll and HR software implementation. This feature can be revisited if needed at a later date (i.e. if not resolved by the chosen software solution).
28	ATM1	Absence Mgmt.	<p><b>LOA is tracked in excel. LOA EDF is printed for each pay period for Payroll to calculate LOA pay</b></p> <p>For example, if an employee is using sick time to fund the leave, Payroll will keep track of the available sick time until leave becomes unpaid.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
29	ATM2	Absence Mgmt.	<p><b>Disability waiver dates are tracked manually in excel</b></p> <p>Disability waiver dates are tracked in excel. Disability waiver comes into play on the first day of the 5th month after the LOA incident.</p>	Process	Prioritize <i>rules engine</i> automation of the process (key use case) as part of the new Payroll and HRIS system.
30	NOD1	Non-Occ. Disability	<p><b>Non-occupational disability cases are initiated and tracked manually</b></p> <p>Non-occupational disability cases are initiated by Supervisor emails or phone calls. Cases are tracked manually by HR.</p>	Process	Modern system reporting functionality may be able to supplement this process; however, depending on the level of detail required, custom reporting may still be required. Explore as part of 2022 Payroll and HR software implementation.
31	NOD2	Non-Occ. Disability	<p><b>Employee absence bank balance is monitored and tracked manually by HR</b></p> <p>Employee absence bank balance is monitored and tracked manually by HR to determine whether employee has sufficient hours to cover short-term disability where employee has no weekly indemnity entitlement.</p>	Process	Modern system reporting functionality may be able to supplement this process; however, depending on the level of detail required, custom reporting may still be required. Explore as part of 2022 Payroll and HR software implementation.
32	PRR2	Payroll Reporting	<p><b>T4 balancing is performed manually due to iCity limitations</b></p> <p>Payroll maintains a reconciliation workbook of GL, earnings, deductions, remittances, and CRA payment by employee by T4 boxes. Spreadsheet is updated each pay period. iCity is not date sensitive to employee status changes; hence, the need for manual</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
			reconciliation to ensure accuracy of T4 data.		
33	PRR3	Payroll Reporting	<p><b>Employee status changes are tracked manually for OMERS reporting</b></p> <p>Employee status changes (e.g. new hires, terminations, broken service, etc.) are tracked manually for year-end OMERS reporting.</p>	Process	Modern system reporting functionality may be able to supplement this process; however, depending on the level of detail required, custom reporting may still be required. Explore as part of 2022 Payroll and HR software implementation.
34	PRR4	Payroll Reporting	<p><b>T4s can only be run once in iCity and iCity cannot issue amended T4s electronically</b></p> <p>T4s can only be run once in iCity. Therefore, Payroll runs draft T4s in iCity test area each quarter to ensure data accuracy. If there is a need to amend a T4, iCity will overwrite the original T4 and Payroll will need to manually mail the amended T4 to CRA and the employee. A replacement T4 flat file can be generated to upload electronically on the CRA website, but a T4 marked "amended" cannot be printed.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
35	HSP1	Health and Safety	<p><b>Incident reporting is tracked manually</b></p> <p>Incidents are reported manually via phone calls or email submission of incident forms. Investigations of incidents are manually administered.</p>	Process	Health and safety compliance tools are common and often affordable for basic features. If not captured as part of the 2022 Payroll and HR software implementation, consider "light" health & safety applications.
36	HSP2	Health and Safety	<p><b>Manual reporting Health and Safety matters</b></p> <p>Investigation and inspection reports are manually created. Health and Safety reports have limited visibility into statistics and trends to implement proactive prevention measures.</p>	Process	
37	GER3	General Recruit.	<p><b>Manual Offer Letters created outside of Njoyn</b></p> <p>Manual Offer Letters are created outside of Njoyn due to the following scenarios:</p> <ul style="list-style-type: none"> <li>— Hiring a senior position and the County wishes to send the candidate a robust Offer Package. Additional documents cannot be attached to Njoyn generated Offer Letters.</li> </ul>	Process	We have been informed by County personnel that talent attraction modules will form an important part of the 2022 Payroll and HR software implementation. Considering this, a comprehensive offer management suite of tools should be prioritized when evaluating vendor responses.

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
			— There was no job posting created in Njoyn, and the candidate does not have a Njoyn applicant profile account. This is mostly due to a sudden need for temporary coverage of a specific position.		However, these manual offers are infrequent and do not represent a significant burden to the County.
38	REO1	Regular Onboard	<p><b>Employee Active Onboarding spreadsheet is manually tracked</b></p> <p>Employee Active Onboarding spreadsheet is manually tracked by the ESC. The spreadsheet tracker is used to assign employee IDs and the file is saved on the ESC desktop.</p>	Process	<p>Key spreadsheets should be stored on, and protected by, County shared folders and related permissions.</p> <p>Consider onboarding/training management applications as part of the 2022 Payroll and HR software implementation.</p>
39	LTO1	LTC Onboard	<p><b>Manual tracking and follow-up of completion of LTC onboarding checklist.</b></p>	Process	

**3. Duplication of effort and excessive paper-based records****Observation Rating:**  
**Low****Root Cause** — Ineffective systems in place to meet user needs; lack of modernized archival/approval policies.**Findings and Impact****Criteria:**

Record management policies should outline key record retention and business continuity practices. Key institutional knowledge should reside with the organization via the use of system records and not with individual personnel. Where practical, electronic calculations and forms should be used to increase efficiency and reduce the risk of lost records.

**Condition:**

Various paper-based processes have resulted in duplication of effort and unnecessary archival requirements, including:

- Paper-based pay stubs in certain circumstances
- Hard-copy or printed registers and cheque reports for processing and reviewing payroll calculations and payroll data
- Printing and approval of timesheets, or detailed confirmation of electronic timesheet accuracy in lieu of exception reporting
- Printing and filing of various HR records that exist electronically in their original form (this practice spans from recruiting, onboarding, compensation administration, benefits enrolment and benefits updates to management of health and safety, labour relations, non-occupational disability, WSIB claims and termination of employment).

Data integration challenges between the various scheduling systems to infoHR and iCity requires data entry into multiple systems to maintain data integrity. This has led to an organizational culture that heavily relies on paper-based records and other manual calculations due to a lack of confidence in the current suite of system capabilities. Personnel are falling back to paper records and Excel as the “trusted” systems. Examples observed include:

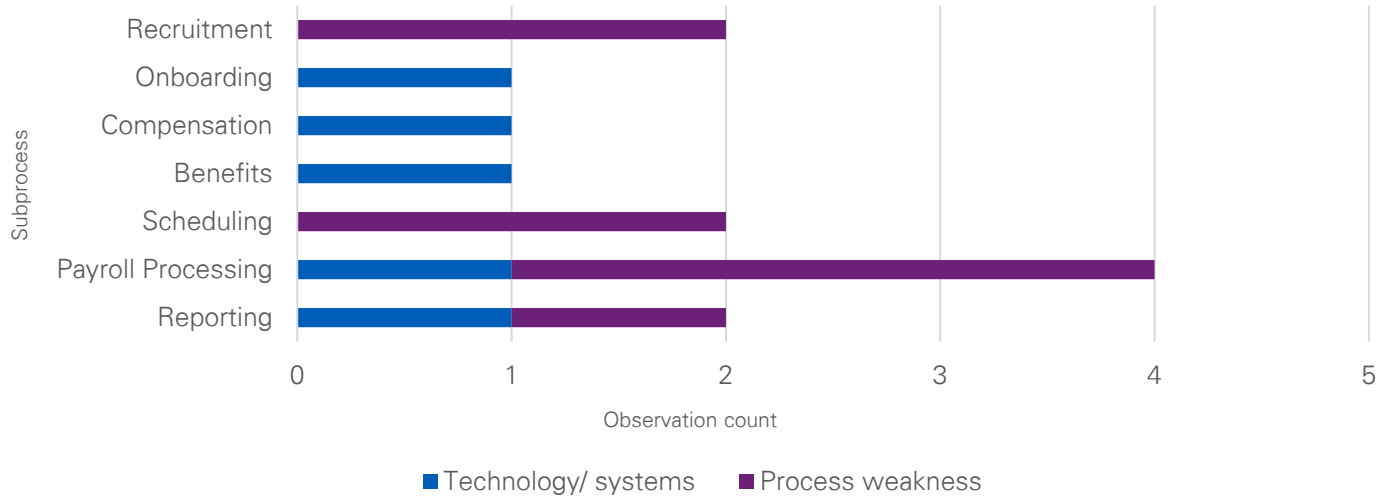
- Updating absence bank balances in iCity: Payroll needs to update the same applicable information in Staff Schedule Care; iCity absence bank data does not interface with SNAP Schedule and requires manual monitoring.
- Collation of timesheet hours from each scheduling system requires Payroll to perform at least two reconciliations per system to migrate timesheet data into iCity before running payroll calculations.
- Payroll performs additional reconciliations to ensure data transfer between infoHR and iCity are complete and accurate.

Additionally, HR and Payroll reporting requires a large amount of custom reporting generated from multiple sources. The necessity of this data for management review should be considered.

- The quarterly HR reporting package requires HR to compile custom reports from manual records, data sourced from IT, and run Report Manager and Crystal reporting tools. The reporting content, which has not changed for several years, cannot be directly generated from infoHR and iCity.
- Each pay period, Payroll provides customized reports to individual user groups requested by employees, departments, and union representatives.
- iCity overwrites historical data; therefore, HR and Payroll must rely on Crystal Reports or Excel spreadsheets to maintain audit trails and data needed for analysis and reporting purposes.

During our analysis of the current-state payroll and HR sub-processes, we identified the following 13 supporting detailed observations. In addition to the summary recommendations below, detailed supporting recommendations can be found on page 21. References can be traced to the corresponding process flowchart in Appendix 4.

Fig.3: Supporting observations

**Potential risk(s) and consequence:**

- Paper-based records, while they may feel safer and more accessible, are not suitable for the majority of HR and Payroll processes. Wide use of paper-based records results in:
  - Lack of control surrounding security of personal information with employee personnel information printed on paper and kept in manual cabinets in the office (although locked in a “vault”)
  - Increased effort and time required for printing, scanning and hand-off of paper files.
- Loss of staffing capacity with focus on non-value-added activities
- Poor return on investment of current systems.

**Recommendation(s)**

Some short-term solutions can partially alleviate these inefficiencies, specifically:

- 3.1. Require all employees to receive pay stubs electronically, unless specifically prevented by a CBA. For personnel without County email addresses, consider using a third-party provider (e.g. ePost).
- 3.2. Eliminate “print and sign” requirements; move to on-screen reviews and digital archiving. System approval “workflows” will greatly enable this.
- 3.3. Cease the printing and archiving of all records that exist electronically in their original form; digital archiving should become the default action.
- 3.4. For recurring management reporting packages, reporting requirements should be revisited to ensure only what is necessary and being reviewed is created.

These short-term solutions will be assisted by the implementation of a modern HRIS/Payroll system. This system will help to reduce duplicative efforts via the effective use of manager self-service features for most ad-hoc reporting requests.

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
1	SCH2	Scheduling	<p><b>Printing of records that exist electronically in their original form</b></p> <p>Scheduler manually prints a spreadsheet with collated vacation requests and hands to supervisor for approval. This is an additional manual step in the process.</p>	Process	Eliminate printing and transferring of paper records for review and approval. Use system tools where practical or use email approvals and communication where necessary. Standardized forms and communications (i.e. "templates") should be prioritized for recurring emails.
2	SCH9	Scheduling	<p><b>Supervisors are confirming accuracy of all timesheets</b></p> <p>Each pay period, Supervisors are required to confirm timesheet hours, approving and submitting timesheets, and emailing payroll to capture variances, errors or system data discrepancies (rather than exceptions only).</p>	Process	For standardized timesheets (e.g. employees working a consistent schedule), consider requiring timesheets for non-standard adjustments only, thus greatly reducing timesheet submissions. Require supervisors to approve non-standard timesheet submissions only.
3	PPT3	Payroll Processing	<p><b>Lack of confidence with scheduling system data leading to additional manual reconciliations and review steps</b></p> <p>Payroll is using excel balancing spreadsheets to capture each pay group's timesheet hours and timesheet codes for accuracy review and validation of data transmittal from scheduling systems to iCity.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
4	PPT6	Payroll Processing	<p><b>Overreliance on hard copy documentation to process and review payroll</b></p> <p>Payroll relies on maintaining hard copy support documents and printing key reports to review the accuracy and completeness of calculated payroll amounts. The County has 24 pay groups and reports are run by each pay group. This includes running summary of gross and net pay, transaction registers, payroll registers, employee cheque reports, and summarizing the payroll registers and employee cheque reports into a county-wide payroll summary spreadsheet. In addition, remittance reports are printed to verify GL accuracy for AP processing. It is noted that hard copy documentation proves instrumental when systems outages occur, as does electronic</p>	Process	<p>Implement digital archiving; eliminate printing and archiving records</p> <p>Refresh business continuity procedures to mitigate risk of system outages (Minimum Recovery Time Objectives should be clarified; Business Impact Analysis should be updated).</p> <p>Consider consolidated solution via 2022 Payroll and HR software implementation.</p>

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
			documentation when paper files are inaccessible. These emergency response policy and audit procedures need to be considered.		
5	PPT7	Payroll Processing	<p><b>Physical approval signatures are inefficient</b></p> <p>Management physically signs transaction registers and CIBC confirmation report for record keeping.</p>	Process	Eliminate “print and sign” requirements.
6	PPT9	Payroll Processing	<p><b>Eliminate mailing paper pay stubs</b></p> <p>Payroll mails paper pay stubs to employees that do not have a County email address.</p> <p>Paper pay stubs are only used for unique situations (e.g. termination or leave of absence) and not for routine practices. Only occurs during email outages. The only paper pay stubs mailed are those receiving a final pay, leave top-ups, or if the employee is not provided access to email (particularly students).</p>	Process	Eliminate mailing paper pay stubs – consider using ePost for personnel that do not have a County email address.
7	COM4	Comp.	<p><b>Complaints that Crystal Reports are not user-friendly</b></p> <p>Users of Crystal Reports noted challenges in generating and exporting the reports for data analysis. Most report users use excel to perform data analysis.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
8	BEU1	Benefits Updates	<p><b>Reconciliation between infoHR and iCity are manual and repetitive</b></p> <p>Reconciliations are performed to ensure data transfer between infoHR and iCity are complete and accurate. This is a manual and repetitive process in lieu of system/automated controls.</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
9	HRR1	HR Reporting	<p><b>The HR Quarterly Reporting Package comprises large amounts of data for management to review</b></p> <p>The HR Quarterly Reporting Package comprises multiple detailed reports of various workforce matters. The reporting package structure and content has not changed in several years. HR is uncertain what type of reports and the level of detail information is valuable for management to review.</p>	Process	For recurring management reporting packages, reporting requirements should be revisited to ensure only what is necessary and being reviewed is created.



Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
10	HRR2	HR Reporting	<p><b>The HR Quarterly Reporting Package requires HR to generate report content from multiple sources</b></p> <p>In order to prepare the HR Quarterly Reporting Package, HR has to generate report content from multiple sources using various methods, such as consolidation of manual reports from spreadsheets, position reports, reports provided by IT, crystal reports, and Report Manager reports, which HR has to rely on IT to update reporting parameters each quarter.</p>	Technology/ systems	<p>Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.</p> <p>Changes to HR quarterly reporting requirements may alleviate the need for data imports from multiple sources.</p>
11	GER1	General Recruit.	<p><b>Print and file approved job requests</b></p> <p>Approved job requests are printed for HR paper records.</p>	Process	Eliminate printing and archiving
12	GER2	General Recruit.	<p><b>Setting outlook reminders of job post closing dates</b></p> <p>In addition to receiving job boards notification, recruiting sets outlook reminders that job posts are closed.</p>	Process	This is minor but not necessary; system mistrust.
13	REO2	Regular Onboard	<p><b>Completion of corporate orientation training requires HR to perform several data entry steps.</b></p> <ul style="list-style-type: none"> <li>— Supervisors mail the completed Worksite Orientation Checklist to HR Assistant</li> <li>— HR enters the checklist data entry into infoHR</li> <li>— HR updates infoHR with Quizmaster's Workplace Harassment test results</li> <li>— Completion of corporate orientation is recorded as ORIE via data entry in infoHR.</li> </ul>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.

#### 4. Weakness in segregation of duties and internal controls

**Observation Rating:**  
**Medium**

**Root Cause** — Weakness in control design of segregation of duties; ineffective systems that led to current allocation of roles and responsibilities.

#### Findings and Impact

##### Criteria:

Segregation of duties, i.e. having more than a single individual complete a task, is an internal control concept designed to reduce the risk of error and/or fraud by preventing any single individual from having too much authority/access. In the HR and payroll environment, the following key duties should not be performed by the same individual:

- Employee Masterfile changes / editing
- Timekeeping
- Processing of payroll
- Approval of pay runs
- Disbursement of funds (including authorization of any physical cheques)
- Posting of journal entries.

##### Condition:

We observed the following conflicting duties:

- The Payroll Clerk and Data Processors have end-to-end payroll access; these individuals can edit employee information, record/modify hours reported, process and edit payroll, and physically pay employees via EFT and cheques. These individuals also post payroll and benefits journal entries to the GL.

The Payroll Supervisor performs the following key reviews as compensating controls to mitigate the risk of limited segregation of duties within the Payroll function.

- Review and approve payroll transaction registers of payroll calculations
- Review CIBC confirmation reports of bank disbursement amounts after payment. However, the Data Processor 1 has banking authority to authorize CIBC payment release; payroll disbursements are not reviewed prior to payment.
- Review and approve remittance journal entries; however, payroll and benefits journal entries are not reviewed in detail prior to posting.

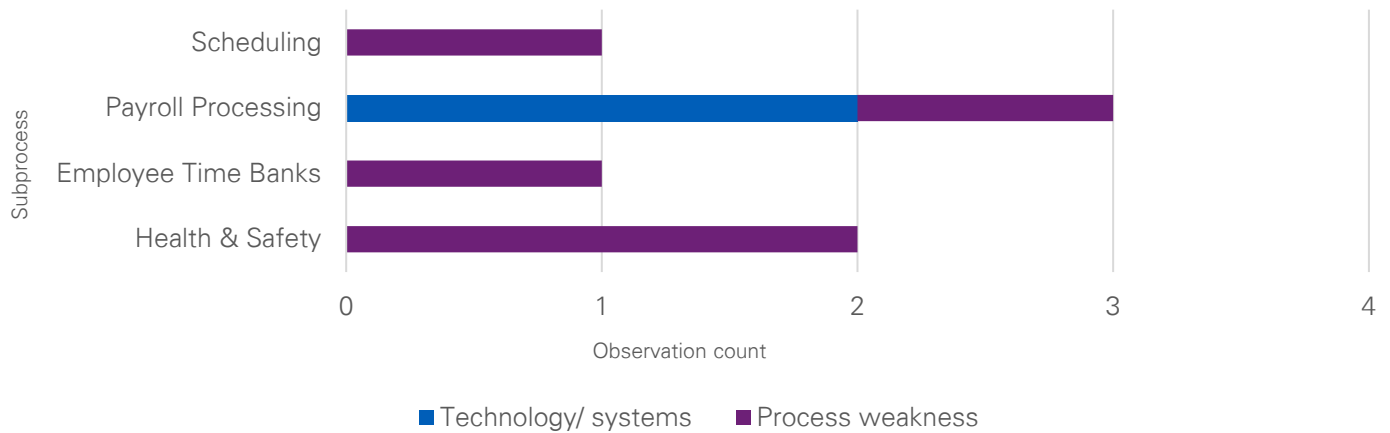
These segregation of duties weaknesses are compounded by a lack of iCity system controls, for example:

- iCity does not lock down the transaction register data once the Payroll Supervisor approves the data
- Lack of automated exception reporting to assist with management review of payroll data
- Lack of “park and post” functions to prepare and post journal entries.

Finally, and most importantly, there is no formal management sign-off of changes to the employee master file, including changes to salary/rates, banking information, new hires, terminations, temporary leaves, etc. While the County reviews submitted EDFs for appropriateness, the subsequent changes to employee master files are not similarly validated.

During our analysis of the current-state payroll and HR sub-processes, we identified the following 7 supporting detailed observations. In addition to the summary recommendations below, detailed supporting recommendations can be found on page 26. References can be traced to the corresponding process flowchart in Appendix 4.

Fig.4: Supporting observations

**Potential risk(s) and consequence:**

Without adequate segregation of duties, including system controls and management oversight, there is an increased risk of:

- Fictitious employees, leading to unauthorized payroll expense, or inaccurate employee information leading to inaccurate payroll expense
- Unauthorized changes to payroll system resulting in duplicate or fictitious payments or use of incorrect pay rates
- Incorrect disbursement of funds, including disbursements which do not align to authorized pay run
- Fraud and financial loss.

**Recommendation(s)**

Personnel responsible for the HR and Payroll processes at the County have demonstrated a strong understanding of the tasks required to effectively complete their goals using aging and non-optimal systems, including implementation of manual controls to accommodate system limitations. To reduce the risk of error or fraud, duties should be further segregated such that no single individual performs any two of the duties described above. However, due to the reality of personnel and resource restrictions, the following key duties should be reallocated as a priority:

- 4.1. Payment of funds should not be performed by Payroll. Consider "release" of funds or at least post-payment review by Finance. Consider CIBC commercial banking controls to limit payments to a single individual (or group of individuals) over a certain amount.
- 4.2. The responsibility of recording complete and accurate timesheet hours should be reassigned back to employees and Supervisors. Payroll should only be importing hours to run payroll. Individuals with the ability to process payroll should not have access to enter/modify hours.
- 4.3. Payroll should only be making changes to employee master file data that are related to pay. Payroll should not have access to edit both iCity payroll data and infoHR employee master file data. Considering having HR either process all employee master file data changes or review such changes on a regular basis (i.e. review system log of changes to employee records to identify errors or irregularities in employee master file changes, including testing specific changes by tracing back to source documentation).
- 4.4. Rate changes (CPP, EI, benefits, pension, etc) should be reviewed prior to going live. If possible, configure system approval workflow to route all rate table changes to the Payroll Supervisor (if request submitted by HR) or Treasurer.
- 4.5. System access should be reviewed for appropriateness on a regular basis (e.g. quarterly or annually).

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
1	SCH11	Scheduling	<p><b>Employees occasionally forget to "punch in" or "punch out"</b></p> <p>SSC requires employees to "punch in" and "punch out" and each employee's time is recorded based on when they do so. Employees often forget to "punch in or "punch out"; hence, Supervisors must proactively monitor and adjust timesheets every few days to stay on top of timesheet processing.</p>	Process	<p>Forgetting to clock in is a common occurrence. Common solutions include relocating the time clock to a more conspicuous location or migrating the clock to a mobile application and prompting employees based on their schedules.</p> <p>The adjusting of time to reflect missed hours can be facilitated via more user-friendly manager/supervisor tools (e.g. more modern time capture software).</p> <p>The complete elimination of these adjustments for missed hours is not practical due to human error and labour law requirements.</p>
2	PPT4	Payroll Processing	<p><b>Manual review controls (monitoring controls) could be partially automated</b></p> <p>Payroll is currently performing a variety of manual reviews, such as completeness and reasonableness review of the pay register, variance analysis, accuracy check of system calculations and payroll adjustments. Currently, iCity is not programmed to automatically detect anomalies.</p>	Technology/ systems	Software limitation; consider audit features of system solution via 2022 Payroll and HR software implementation.
3	PPT8	Payroll Processing	<p><b>Segregation of duties weaknesses within payroll increases risk of error and/or fraud</b></p> <p>The Payroll team has end-to-end payroll authority; team members can edit employee information, modify hours, process and edit payroll, authorize bank payment release, and issue employee pay stubs. These individuals also post benefits and payroll journal entries into GL. Although each Payroll team member has specific duties within the end-to-end payroll process, segregation of duties can be further improved.</p>	Process	See recommendations 4.1 through 4.6, above.

Supporting detailed observations and recommendations					
#	Ref.	Process	Observation	Category	Recommendation
4	PPT10	Payroll Processing	<p><b>Approved iCity payroll data is not locked</b></p> <p>iCity does not lock down payroll data once the Payroll Supervisor approves the transaction register to process electronic funds transfers to employees. An additional reconciliation to the bank file is performed each pay due to this lack of "lock down".</p>	Technology/ systems	Software limitation; consider consolidated solution via 2022 Payroll and HR software implementation.
5	ETB2	Employee Time Bank	<p><b>The timing of vacation accrual adjustments leads to overpayment of vacation hours</b></p> <p>When Payroll updates iCity vacation accrual rates, the entitlement is updated for the entire pay period rather than beginning on a specific day (i.e. anniversary date). The days preceding the anniversary date, but within the same pay period, accrue vacation at a higher rate than what the employee is entitled to resulting in minor financial overpayment.</p>	Process	<p>To ensure accuracy, these partial periods should be manually adjusted for relevant employees, considering current system limitations.</p> <p>Prioritize <i>rules engine</i> automation of the process (key use case) as part of the new Payroll and HRIS system.</p>
6	HSP3	Health and Safety	<p><b>No formal tracking and follow-up of corrective actions</b></p> <p>There is no formal tracking and follow-up of corrective actions to ensure safety measures are implemented.</p>	Process	Actions resulting from health & safety investigations should be logged, assigned, and tracked for successful implementation.
7	HSP4	Health and Safety	<p><b>Investigative process is incomplete</b></p> <p>The general investigation process ends if Health and Safety cannot find the root cause of an incident.</p>	Process	The results of all investigations should include a conclusion and actions (or resolution) prior to closing the investigation.

## 5. Existing systems do not meet County's needs

**Observation Rating:**  
**Improvement Opportunity**

**Root Cause** — Ineffective systems in place to meet business requirements.

### Findings and Impact

#### Criteria:

The County's operating requirements need to be supported by appropriate systems and software. Without this modern solution, the workload within HR and Payroll will only continue to increase as the operational needs within the environments become more complex.

The effective use of modern HR, payroll, scheduling, time and attendance software is particularly important for reasons including, but not limited to:

- Workforce needs and resource planning is accurate and complete
- Time and attendance are completed in an accurate and timely manner
- Regulatory and collective agreement requirements are met
- Personal information is protected and PIPEDA-compliant
- Interfaces are user-friendly and easy to navigate, enabling more efficient processing and fewer errors
- County-specific rules and rate tables are automated as much as possible to reduce errors and increase efficiency
- Interfaces between systems, where required, are consistent and current.

#### Condition:

The current HR, payroll scheduling, time and attendance systems do not meet the needs of the County. These systems primarily consist of the following differing software solutions:

Supporting system	Functions	Version
infoHR	Employee Masterfile data, position and salary grids	8.2.37, dated June 2, 2021
iCity	Setting time codes, maintaining absence bank balances, payroll processing	iCity RIM 9.19 iCity Desktop 2.5.45.0
iCity Online	Employee timesheets (Corporate Services, Public Health)	Timekeeping module 2021.06.18.1227
SNAP Schedule	Schedules and timesheet data (Cultural Services)	Web-based application; routinely updated by County without assigning version numbers
Staff Schedule Care	Schedules and timesheet data (LTC and EMS)	26.34.7909, dated August 7, 2021, Revision 5
Maximo	Schedules and timesheet data (Public Works)	IBM WebSphere Application Server 8.5.5.3
Njoyn	Recruiting and Onboarding	Web-based application
EDF Templates	Used in-lieu of self-service or electronic workflows for employee data changes and access requests	Internally developed templates
Employee Information Portal	Performance Management and training, including health and safety	Internally developed portal

The implementation and use of the above systems evolved over time with a fragmented IT approach where departments procured solutions for specific needs without fully considering the upstream and downstream process impacts. The most notable example was the procurement of SNAP Schedule. The solution served Cultural Services' scheduling and resource planning needs; however, the solution lacked electronic timesheet approval functions. Hence, a manual timesheet approval process was created to work around this system limitation.

The current family of systems and tools are decentralized, and often present data integration and reporting challenges leading to significant manual data integration and reconciliations to ensure data integrity.

Furthermore, the systems above are lacking many of the benefits of a modern, centralized HRIS and Payroll software solution that includes self-service functions, automated workflows, data analysis and reporting features that could reduce or eliminate the manual activities performed by County personnel. Examples of process weaknesses due to system limitations were highlighted in Observations 1 to 4.

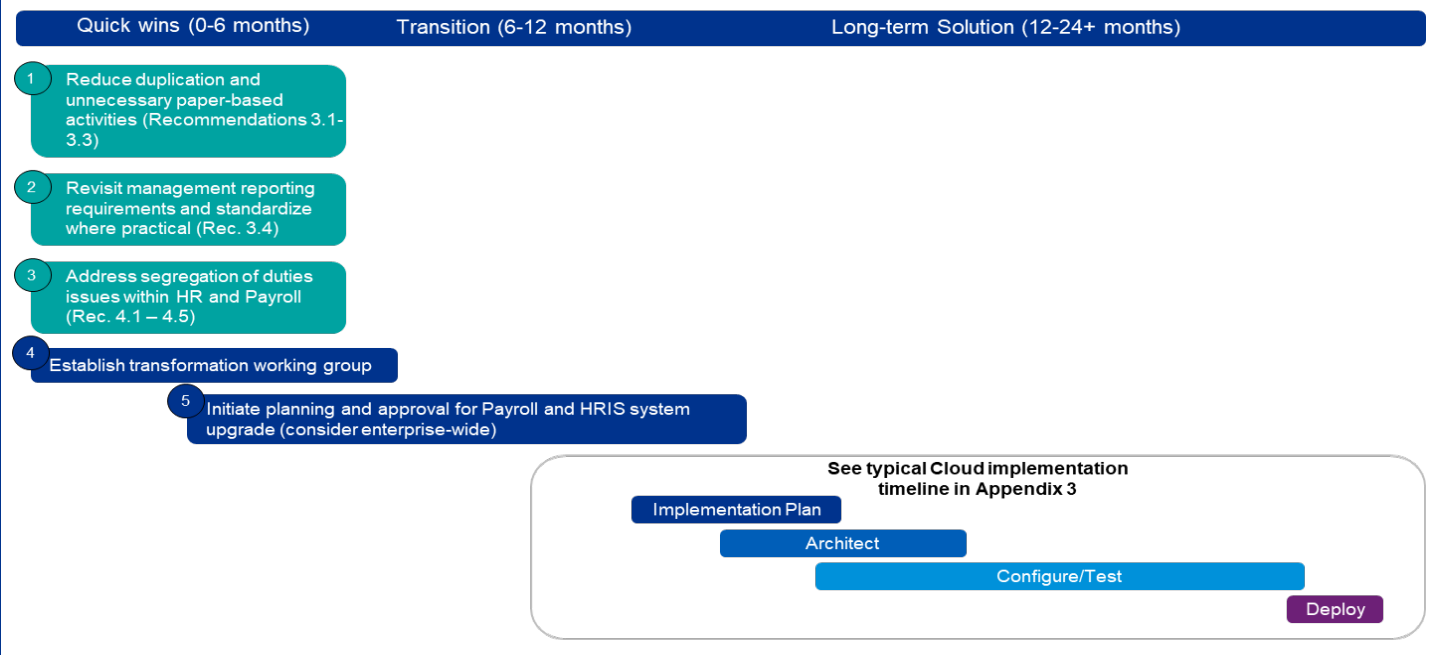
**Potential risk(s) and consequence:**

- A variety of day-to-day frustrations and inefficiencies have been collated and included in this report. Additionally:
- Manual work arounds, originally implemented as short-term solutions, have become onerous and time consuming
  - Vendor support for current suite of systems are either unsatisfactory or less versatile to meet user needs. For example, SSC cannot accommodate multiple set of CBA requirements for call outs
  - Use of multiple scheduling systems for similar business objectives will continue to create integration issues without some level of consolidation
  - Cost savings from delay of system migration will likely be overshadowed by internal inefficiencies and additional personnel costs.

**Recommendation(s)**

The County is aware of many of these system limitations and is actively seeking a more modern HRIS and Payroll system solution.

- 5.1. As part of the deliverables of this project, we have assisted County personnel with defining the business requirements to be considered in the County’s Request for Proposal (RFP) process. See Appendix 5 for an example to serve as an input into the County’s RFP process. We have also provided the County with a customized response form to facilitate proposal response scoring.
- 5.2. In advance of this system implementation lifecycle, the County should consider whether other enterprise systems or software tools may benefit from consolidation as part of this RFP effort (i.e. within Finance, Public Works, etc.).
- 5.3. Consider the roadmap below for an example journey for improvement that considers both implementation of short-term solutions and the future system upgrade:



## Appendix 1 – Summary of Feedback from Comparator Municipalities

Subject Area	City of Kingston	Wellington County	Essex County	Huron County
<b>Organization</b>				
<b>T4s in 2020</b>	2,960	1,100	1,100	900
<b>Pay Period</b>	Bi-weekly	Bi-weekly	Bi-weekly	Bi-weekly
<b>Pay Stubs per period</b>	2600	900	940	590
<b>Payroll staff</b>	7	3	5	2
<b>HR staff</b>	21	11	8	6
<b>External Consultants?</b>	Yes – legal and recruiting	Yes – legal, job evaluation, labour relations	Yes – legal and job evaluations. ADP outsourcing for payroll processing, direct deposits, remittances.	Yes – legal, job evaluation, e-learning.
<b>Structure</b>	HR and payroll centrally managed. Scheduling and timesheets are decentralized with challenge of silos.	HR and payroll function centrally managed with 3 staff at the Wellington North Office to support LTC.	Centrally managed; Payroll reports to Finance with separate HR team.	Centrally managed; Payroll reports to Finance with separate HR team.
<b>Current Systems</b>				
<b>HRIS</b>	Peoplesoft (HRMS) as current HRIS and payroll	infoHR	infoHR	DLGL VIP system (implementation in process)



Subject Area	City of Kingston	Wellington County	Essex County	Huron County
<b>Payroll</b>	system with employee self-service functions of updating personal information, view pay stubs and absence bank balances, receive electronic T4s.	JDE	ADP (outsourced)	Great Plains
<b>Time Capture</b>	In-house system, Hastus, Goldcare, Firehouse, Microsoft Dynamics.	Kronos (LTC, Facility, Library), KAM for Public Works, in-house developed system for all other departments.	Time Manager for LTC/EMS and infoHR for the rest of the County.	WorkTech for public works; JBS Time Manager for rest of County.
<b>Scheduling</b>	Scheduling done in excel, shared calendars, and in some cases on paper.	n/a	n/a	n/a
<b>Other</b>	<ul style="list-style-type: none"> <li>— Njoyn for recruiting</li> <li>— E-performance for non-union staff performance management</li> <li>— Docebo for learning management</li> <li>— TRIM for record management of employee files</li> <li>— Parklane for health and safety</li> </ul>	<ul style="list-style-type: none"> <li>— Use ePost to distribute pay stubs and tax forms</li> <li>— Using other solutions for recruiting, performance management, learning management and health and safety</li> </ul>	<ul style="list-style-type: none"> <li>— Laserfiche for records management</li> <li>— ADP offers online pay stubs and T4s. InfoHR for time-off request. Time Manager offers employee self-service for time-off request, scheduling and view of banked time balances</li> <li>— Using other solutions for recruiting, performance management, learning management and health and safety.</li> </ul>	n/a

Subject Area	City of Kingston	Wellington County	Essex County	Huron County
<b>Operational Challenges</b>				
<b>Key Challenges</b>	<ul style="list-style-type: none"> <li>— Importing, reviewing, and cleaning time entry data and dealing with adjustments due to time entry coding errors.</li> <li>— Limited capacity to address process improvement activities</li> <li>— System limitations leading to workarounds and “shadow” IT systems.</li> </ul>	<ul style="list-style-type: none"> <li>— infoHR and JDE are not integrated and requires dual entry of data.</li> <li>— Both systems have limitations to do data analysis or reporting.</li> <li>— JDE is a finance-driven system and cannot handle specific HR needs, such as WSIB claims, performance management, health and safety.</li> </ul>	<ul style="list-style-type: none"> <li>— Most time spent on running payroll and reviewing timesheet data. At least 2 full days to prepare data and transmit to ADP; another 1-2 days to balance, process journal entries, and prepare reporting.</li> <li>— Currently using disjointed, outdated systems that do not communicate with GL.</li> </ul>	<ul style="list-style-type: none"> <li>— Most time spent on running payroll. Extensive use of manual spreadsheets. Challenge with gathering real-time data, processing consistent and accurate data, and reporting capabilities.</li> <li>— LTC is looking for dedicated HR staff.</li> </ul>
<b>HRIS Procurement Experience</b>				
<b>HRIS Procurement Experience</b>	<ul style="list-style-type: none"> <li>— Early stages of developing RFP for procurement of a new HRIS.</li> <li>— Objective is to retire legacy systems, improve integration of timesheet data, and strengthen use of reporting and self-service functions.</li> <li>— Would like to create more capacity for HR and Payroll staff to focus on value-added activities.</li> </ul>	<ul style="list-style-type: none"> <li>— Issued RFP and County is in final stages of evaluating 2 solutions.</li> <li>— The County is looking to implement a full end-to-end HRIS solution that will integrate with JDE and Kronos.</li> <li>— Awarded provincial funding to fund a portion of the implementation cost.</li> </ul>	<ul style="list-style-type: none"> <li>— Awarded contract to TELUS VIP solution for new HRIS. 11 plan takers and 8 bids.</li> <li>— Key stakeholder departments (LTC, EMS, Library) were engaged in developing the RFP core functional requirements and proposal evaluation.</li> <li>— Currently implementing Phase 1 of VIP (core HR and payroll functions, including self-service functions). Phase 2 will implement advanced scheduling and timekeeping functions.</li> </ul>	<ul style="list-style-type: none"> <li>— Implementing the entire suite of DLGL’s VIP system.</li> <li>— County will be retiring JBS Time Manager and WorkTech.</li> <li>— County will be utilizing more self-service functions.</li> <li>— DLGL VIP is a cloud-based solution. County believes will have better on-going support from vendor.</li> <li>— New system goal is to eliminate manual processes; strengthen</li> </ul>

Subject Area	City of Kingston	Wellington County	Essex County	Huron County
	<ul style="list-style-type: none"> <li>— Assigned resources dedicated to HRIS implementation and on-going data analysis and maintenance support.</li> <li>— Looking for mobile capabilities for front-line workers.</li> <li>— The City will also be looking to replace Njoyn.</li> </ul>	<ul style="list-style-type: none"> <li>— County is conducting a separate records management review.</li> <li>— Extensive effort to build the RFP requirements. Engaged IT and key stakeholder departments early on to support RFP development and proposal evaluation.</li> </ul>	<ul style="list-style-type: none"> <li>— Target completion by Spring of 2023 and retire infoHR, ADP, and Time Manager.</li> <li>— Performance management, learning management and health and safety are not included in project scope.</li> <li>— County is conducting a separate records management review.</li> <li>— Goal is to further automate processes, have stronger data analysis and reporting capabilities.</li> <li>— The County hired a dedicated HRIS resource to manage implementation and provide post-implementation support.</li> <li>— System customization requires more vendor hours.</li> <li>— Ensure vendor has sufficient project implementation resources dedicated to the County.</li> </ul>	<ul style="list-style-type: none"> <li>data integration, data analysis, and reporting; improve user experience and self-service capabilities.</li> <li>— Obtaining LTC and EMS buy-in was important in developing the RFP and evaluating proponents.</li> <li>— A dedicated HRIS resource was added to manage implementation and provide post-implementation support.</li> </ul>

## Appendix 2 – Results of Policy Review

KPMG inspected select HR/payroll policies for the County and identified areas for enhancement through (1) improved operating efficiencies, (2) potential gaps in policy areas, (3) recommendations to align policies with best practices. Policy-specific opportunities not captured in the detailed findings above have been described here.

### Overall Observations

The County's policies are well-organized and centrally collated for ease of reference and identification. It is also clear that the County has made an effort to ensure policies are kept current, and that they reflect the current operating environment.

Although policies are reasonably current, we noted that the formality of policy updates is not clear. In addition to updates due to significant process changes, it is better practice to ensure that all active/approved policies are reviewed for validity on a recurring schedule (e.g. bi-annually).

Additionally, we note that the Working for Workers Act, 2021 was introduced on November 30, 2021. This act brings changes to the Employment Standards Act including requirements that employers with over 25 employees, such as Lambton County, will be required to potentially update contracts, policies, and rules around employee protections. One of these changes requires employers to have a written policy regarding employees disconnecting from their work outside of agreed-upon hours. This means that Lambton will need to develop or revise policies to ensure compliance with this new Act.

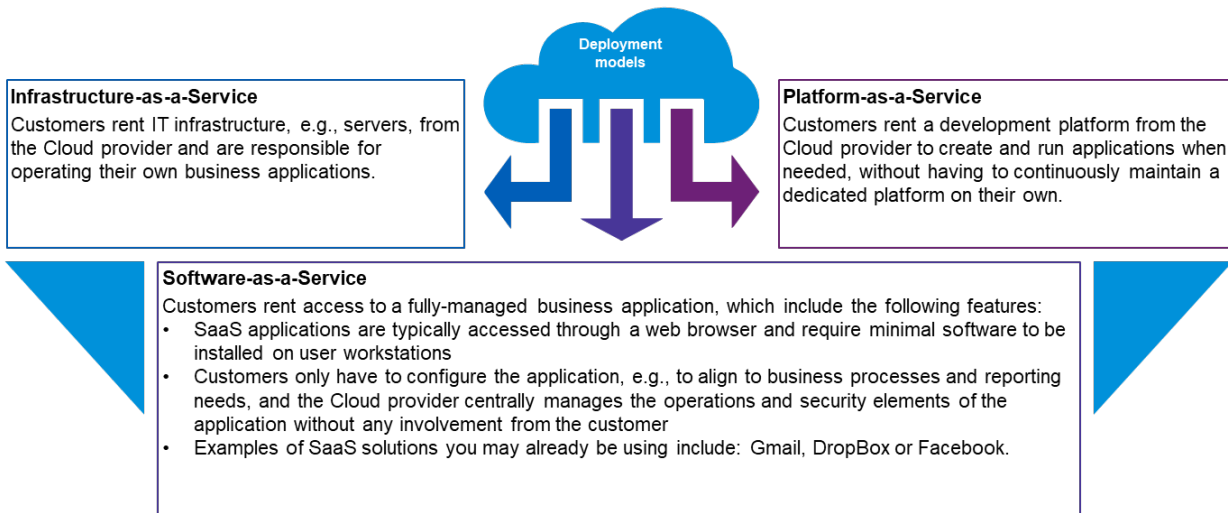
Sampled Policies			
Policy Name	Dated	Purpose	Key Observations
F16.01 Payroll Time Sheet Attendance Record	January, 2017	Provides policy on record of attendance for payroll purposes.	<ul style="list-style-type: none"> <li>– Overtime accumulation should be defined within the policy; this can include references to collective agreements and a definition for non-union employees</li> <li>– Overtime pay escalator should also be defined within the policy, as a reference to collective agreements and for non-union employees</li> <li>– Last revised 4 years ago, no set review period identified.</li> </ul>
H00.01 Employment Law	January, 2017	Establish Lambton County's policy to abide by all applicable employment legislation.	<ul style="list-style-type: none"> <li>– No specific policy gaps identified.</li> </ul>
H01.01 Attendance	January, 2017	This policies purpose is to ensure the regular and active attendance from all employees to scheduled hours of work.	<ul style="list-style-type: none"> <li>– No specific policy gaps identified.</li> </ul>

Sampled Policies			
Policy Name	Dated	Purpose	Key Observations
H08.01 Code of Conduct for Staff	March 14, 2017	Sets out the County's core values that staff should apply to the daily work experience. Outlines the minimum standards of general application to all Divisions within the County.	<ul style="list-style-type: none"> <li>– No specific policy gaps identified.</li> </ul>
H08.01.001 Code of Conduct Acknowledgment Form	January, 2017	The purpose of this form is to act as an acknowledgement of the Code of Conduct for new employees.	<ul style="list-style-type: none"> <li>– Form is a requirement for all new employees to complete</li> <li>– Form outlines all applicable knowledge from Code of Conduct</li> </ul>
H08.01.002 Statement Respecting Confidentiality Form	January, 2017	The purpose of this form is to act as an acknowledgment of the required confidentiality of some work at the County.	<ul style="list-style-type: none"> <li>– Form is a requirement for all new employees who may handle confidential information</li> <li>– Contents of form are repeated in Code of Conduct Acknowledgement form; duplicative.</li> </ul>

# Appendix 3 – Software as a Service Primer

## What is Cloud and SaaS?

Cloud computing refers to the delivery of IT solutions over the internet or a dedicated connection where multiple customers share resources that are logically separated in the Cloud provider's datacenter. It provides customers with more optimized use of computing resources, and additional benefits such as fast provisioning of additional computing resources, faster implementation, pay-as-you-go based billing, and improved disaster recovery capabilities. However, end-users typically have very little visibility into the delivery model, whether it is Cloud-based or traditionally hosted (on-premise), beyond changes in the user-interface.



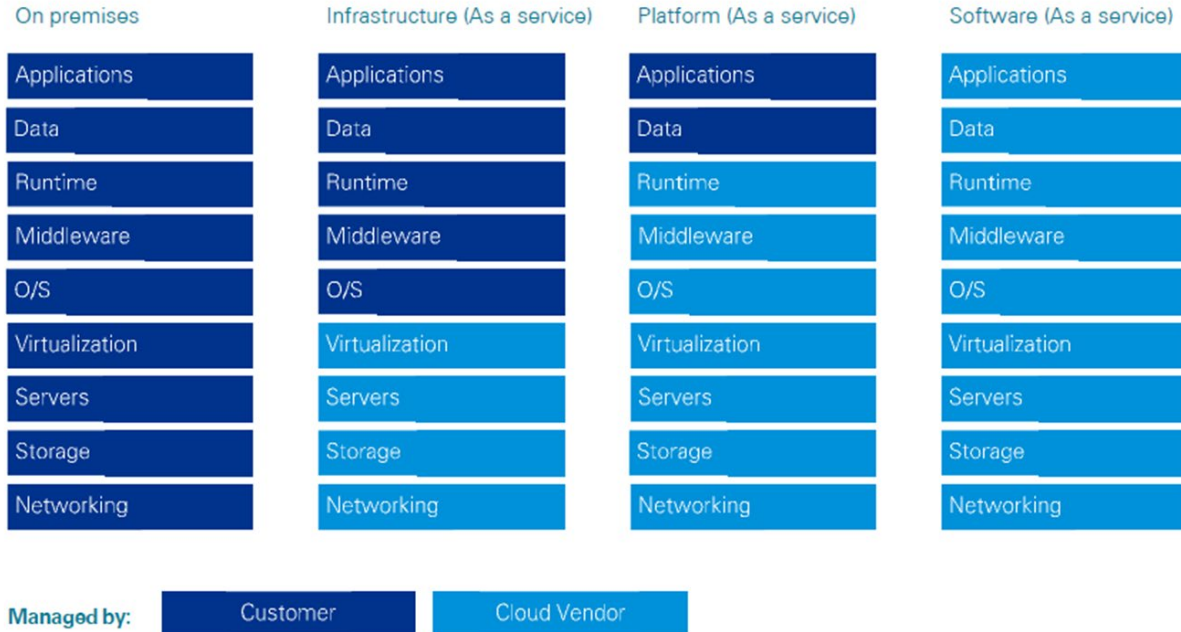
## What is Cloud?

Cloud computing is the use of a network of remote servers hosted on the internet to store, process, and manage data. Cloud replaces the need for local data storage and computing. The distant server hardware and software that supports such activities are owned by an external provider, who rents out services outlined in a contract on a pay-per-use basis.

Deployment Models	Service Models
<p><b>Public</b></p> <p>A Cloud service provider hosts the servers and rents space on the Cloud to clients (tenants) for a recurring fee</p>	<p><b>SaaS</b></p> <p>Firms subscribe to a third-party software and receive a service that is delivered online</p>
<p><b>Private</b></p> <p>Only one tenant, who can control and customize the Cloud to fit specific needs</p>	<p><b>PaaS</b></p> <p>Cloud providers offer services that include the hardware, operating system, tools, and hosting (i.e., the platform) that customers use to build their own applications on the provider's infrastructure</p>
<p><b>Hybrid</b></p> <p>Benefits of public and private Cloud. Apps deployed on private Cloud can extend to public during demand spikes</p>	<p><b>IaaS</b></p> <p>Cloud providers offer services which include running remote hardware and operating systems, as well as related networking, but client firms determine application software</p>

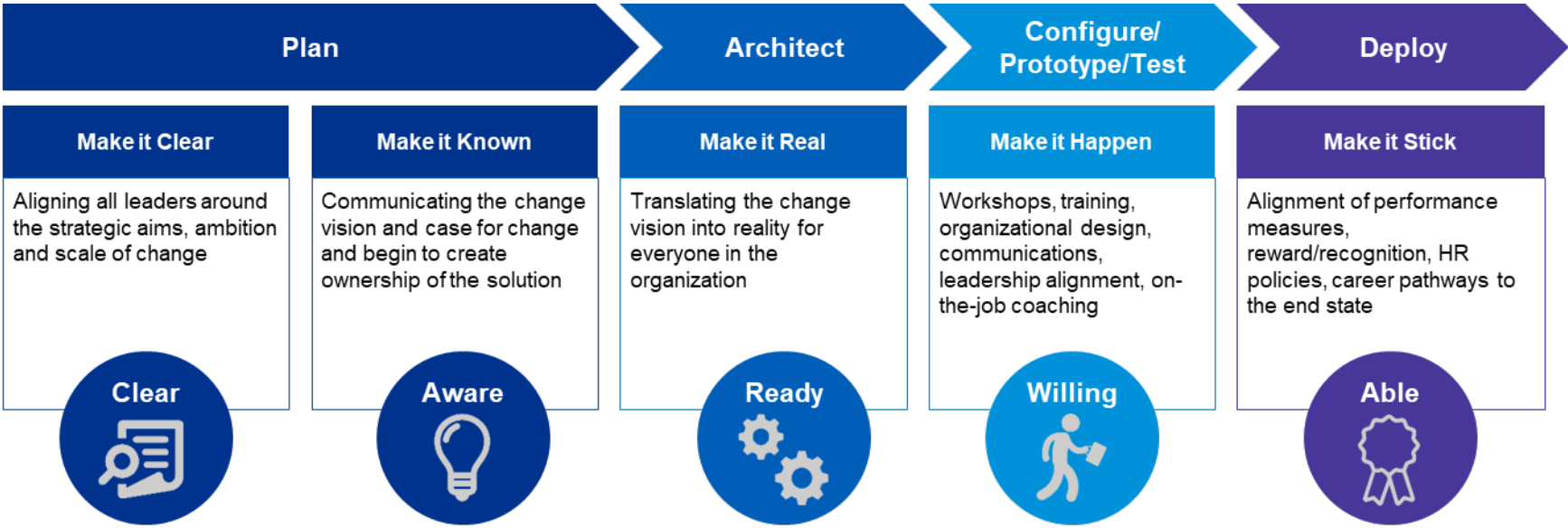
<i>Characteristics</i>	<i>Business Benefits Enabled by Cloud</i>	
<ul style="list-style-type: none"> <li>• <b>On-demand self-service</b></li> <li>• <b>Broad network access</b></li> <li>• <b>Resource pooling</b></li> <li>• <b>Rapid elasticity</b></li> <li>• <b>Measured service</b></li> <li>• <b>Increased trust and security</b></li> <li>• <b>Leading industry practices</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Speed, agility</b></li> <li>• Drive <b>new cost efficiency</b> and reduce CAPEX</li> <li>• Rapidly <b>deploy innovative technologies</b> at a lower entry cost</li> <li>• <b>Improve</b> user experience and collaboration</li> <li>• Deliver <b>highly-scalable and transparent IT</b></li> <li>• Enable <b>next-gen Business &amp; IT delivery models</b> (agile, DevOps, continuous integration / delivery)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Dynamically scale on demand</b> – no longer guessing capacity demand</li> <li>• Ability to <b>innovate</b>, experiment, enable new revenue / services</li> <li>• Easily expand globally and in <b>new services at a lower entry cost</b></li> <li>• Broader <b>choice</b> of external solutions, new types of providers and services</li> </ul>

### Cloud Service Model Comparison



Source: Microsoft Corp

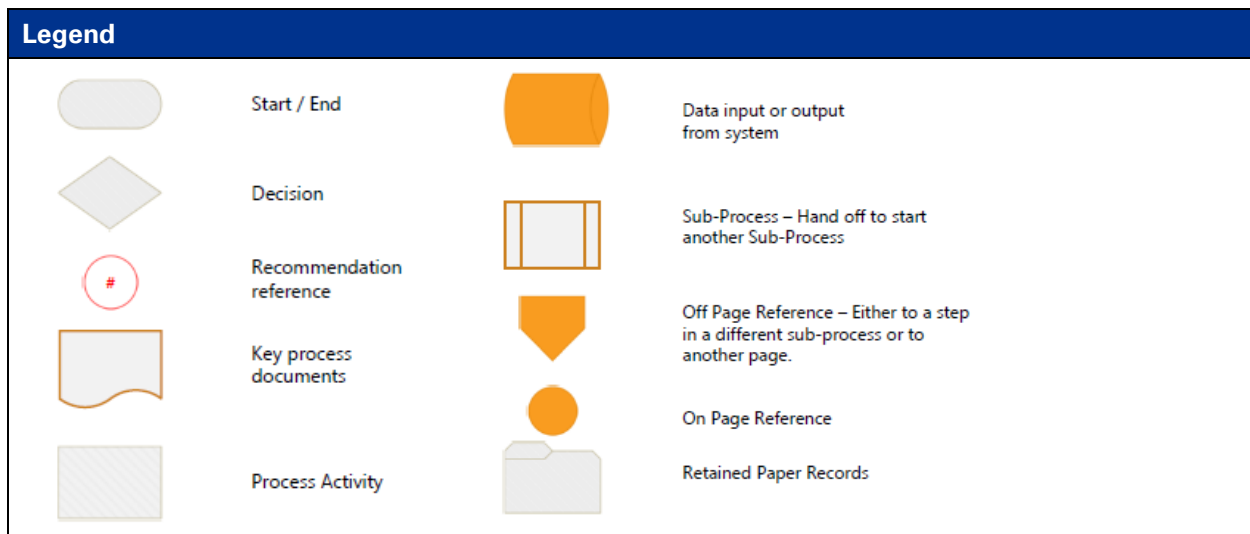
Typical Cloud Implementation





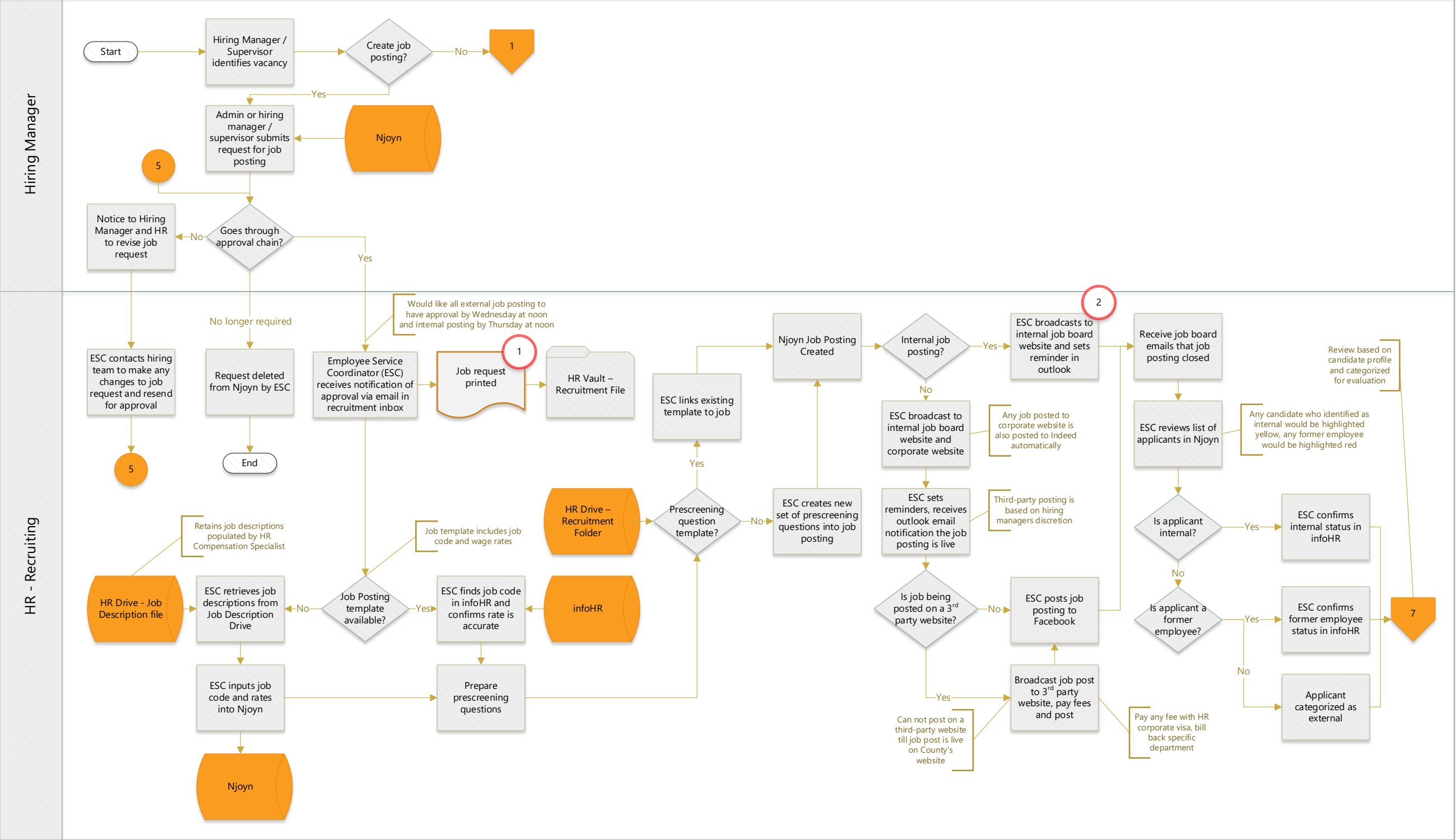
# Appendix 4 – Current State Process Flowcharts

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# General Recruitment (GER) - HR - Lambton

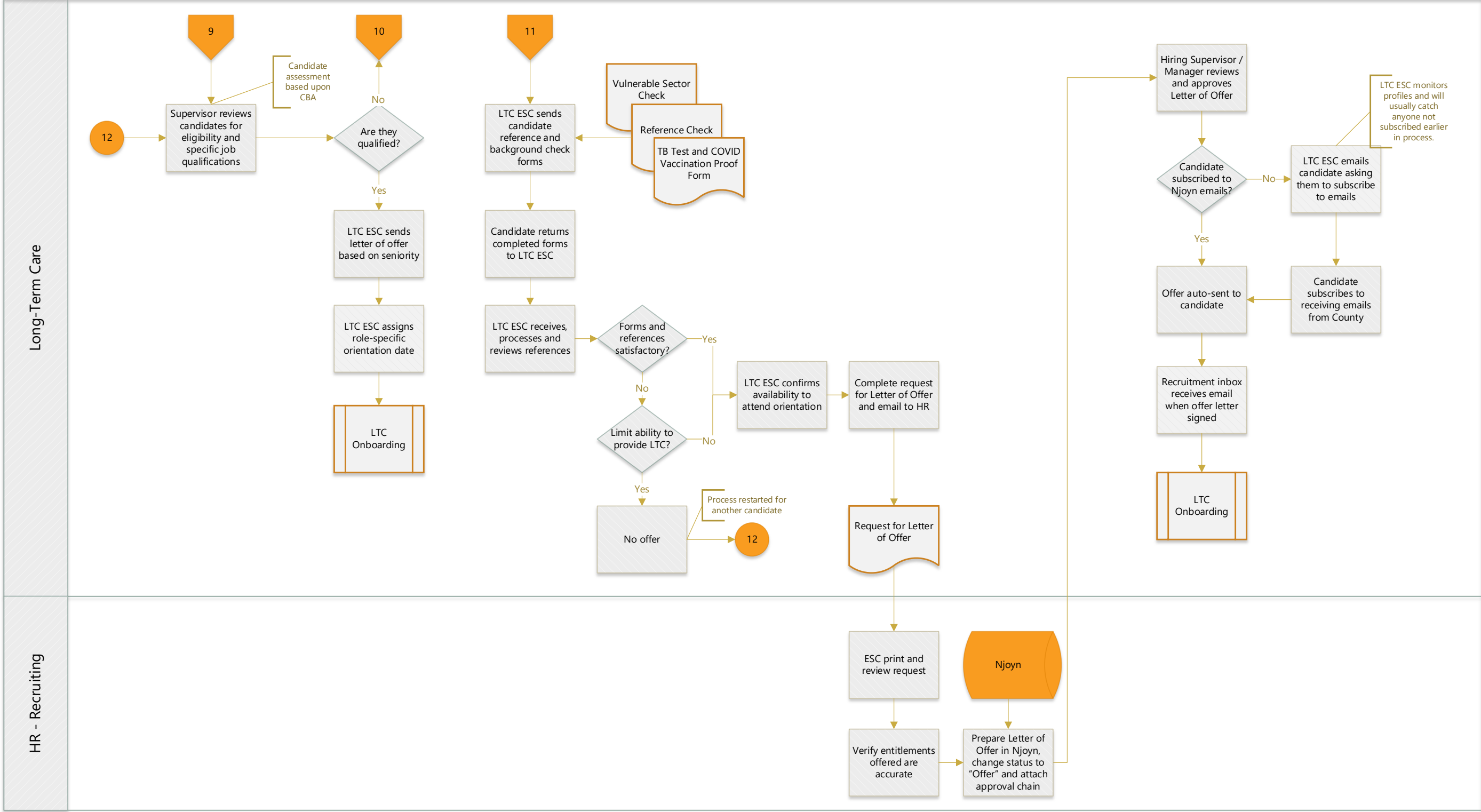
## Recruitment





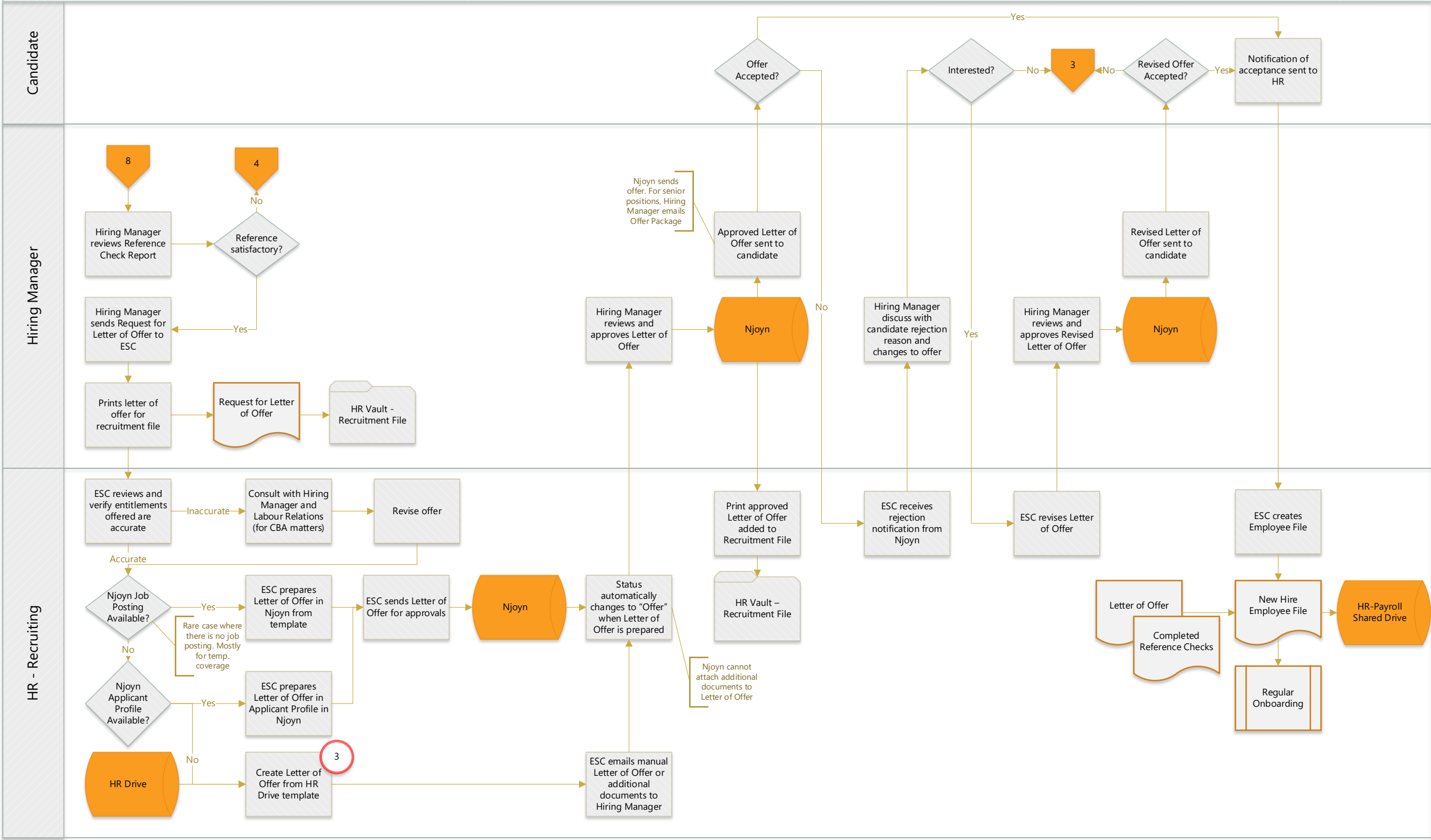
# General Recruitment (GER) - HR - Lambton

## LTC Evaluation and Offer Management for Internal Job Postings



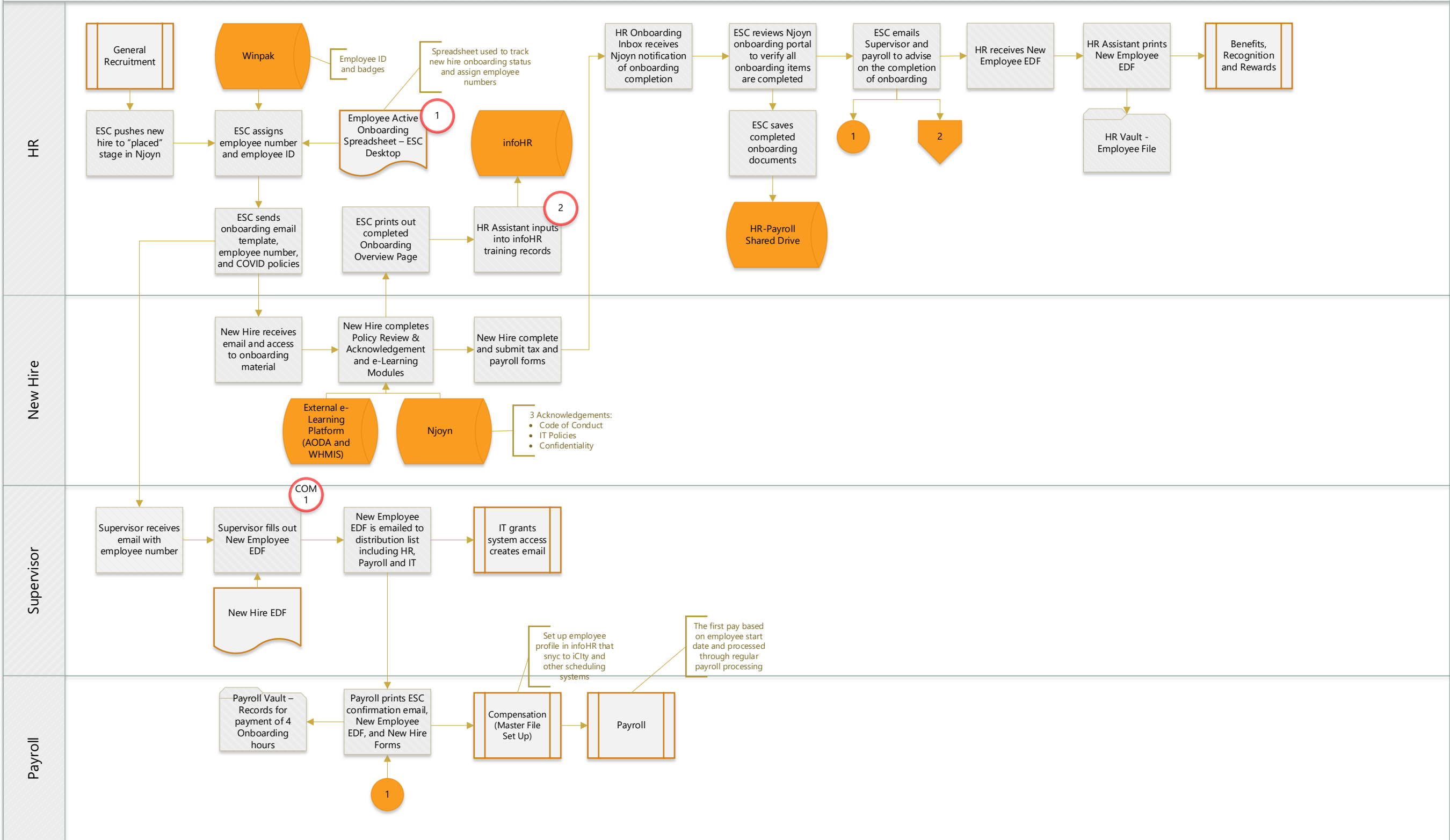
# General Recruitment (GER) - HR - Lambton

## Offer Management



# Regular Onboarding (REO) - HR - Lambton County

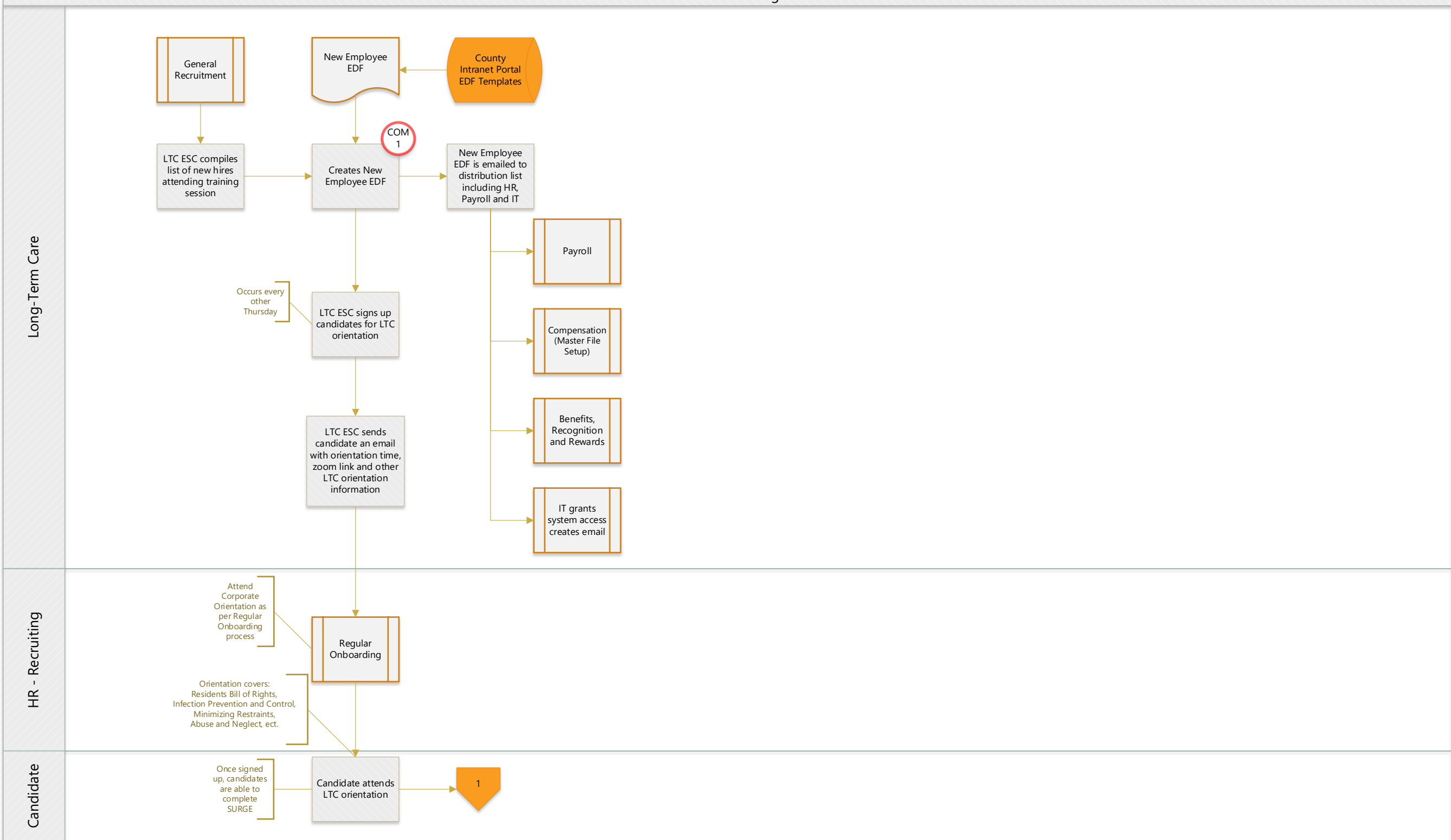
## Onboarding Administration





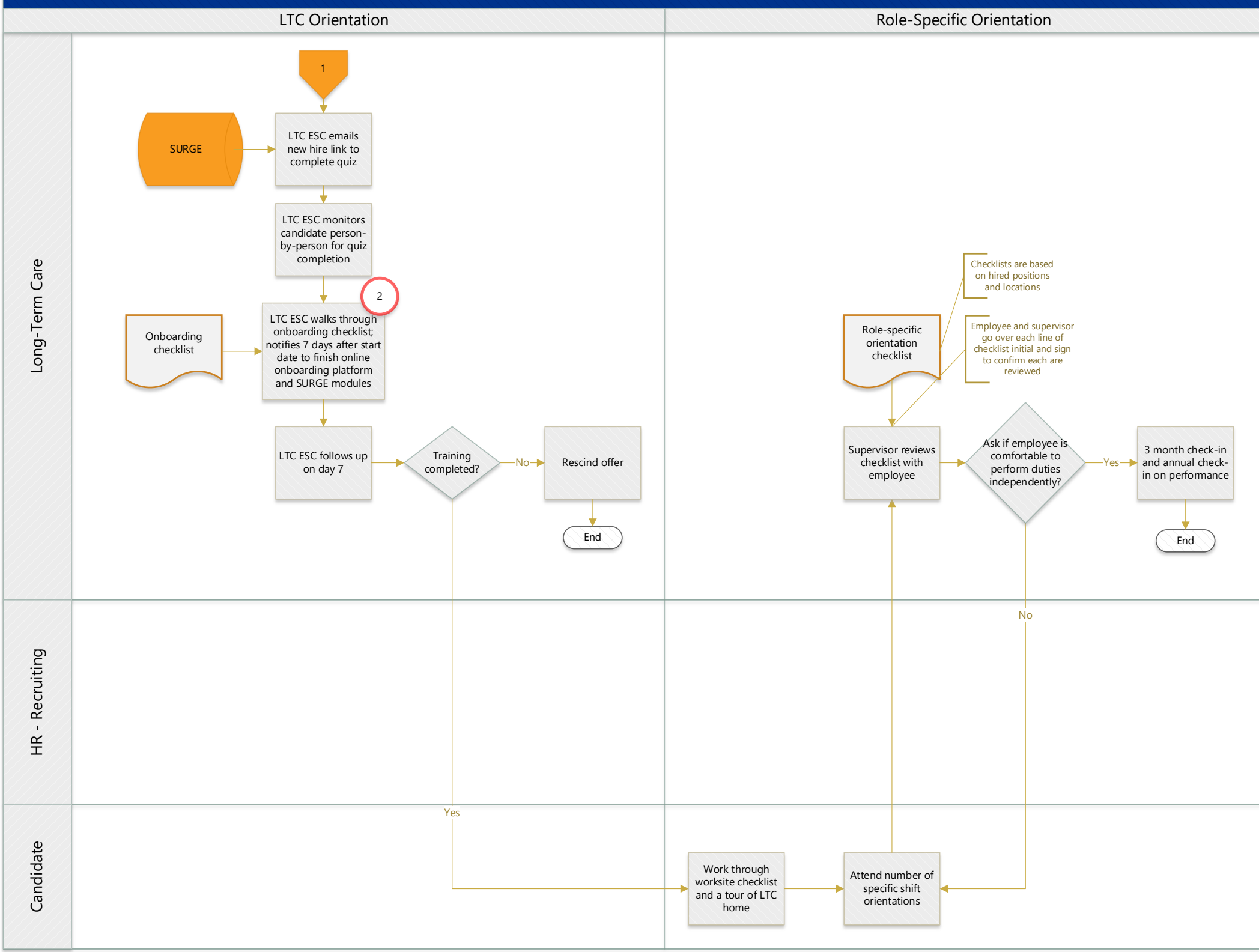
# LTC Onboarding (LTO) - LTC - Lambton

## LTC Onboarding



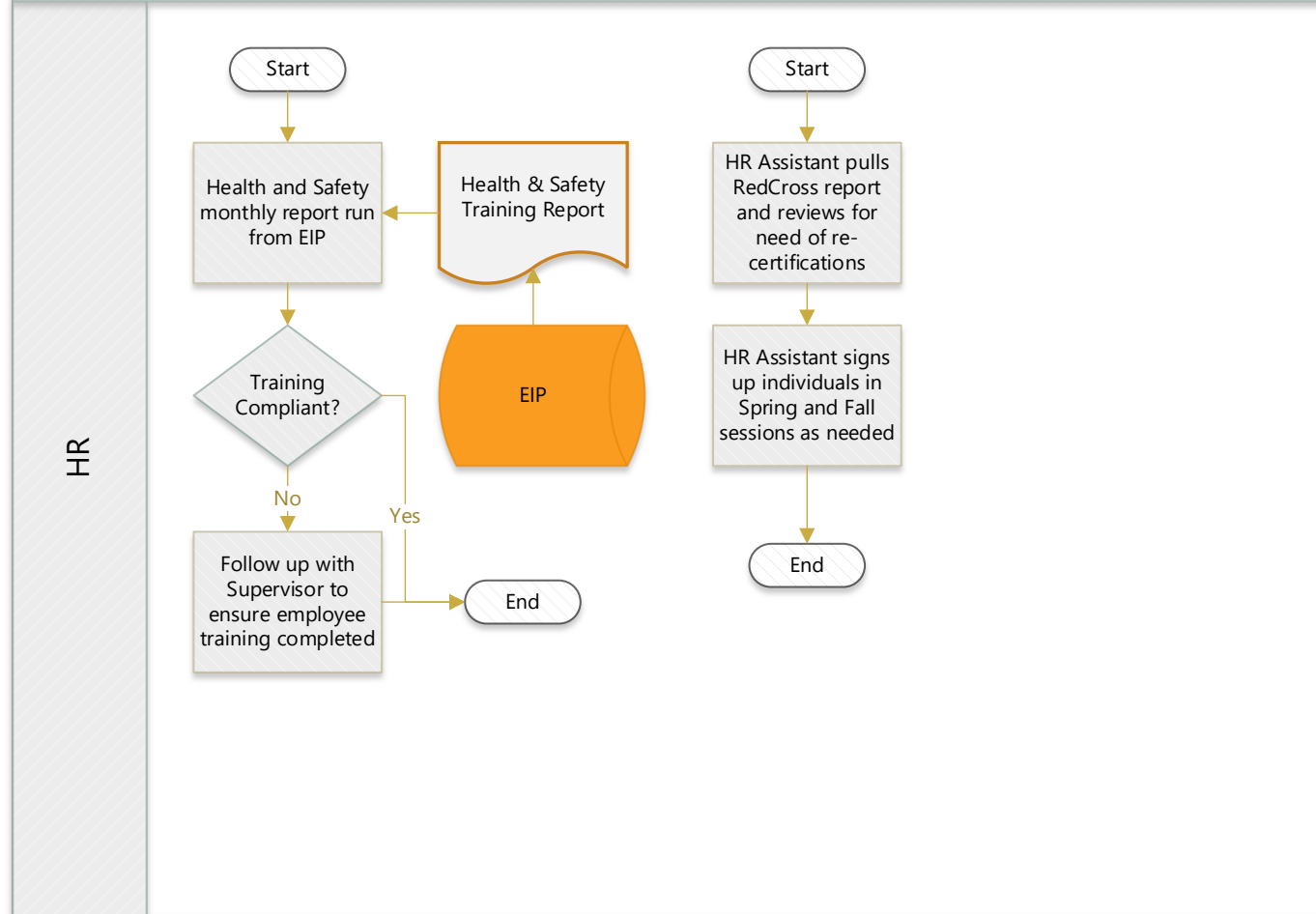


# LTC Onboarding (LTO) - LTC - Lambton



# Learning Management (LEM) - HR - Lambton County

## Learning Management / First-Aid Training

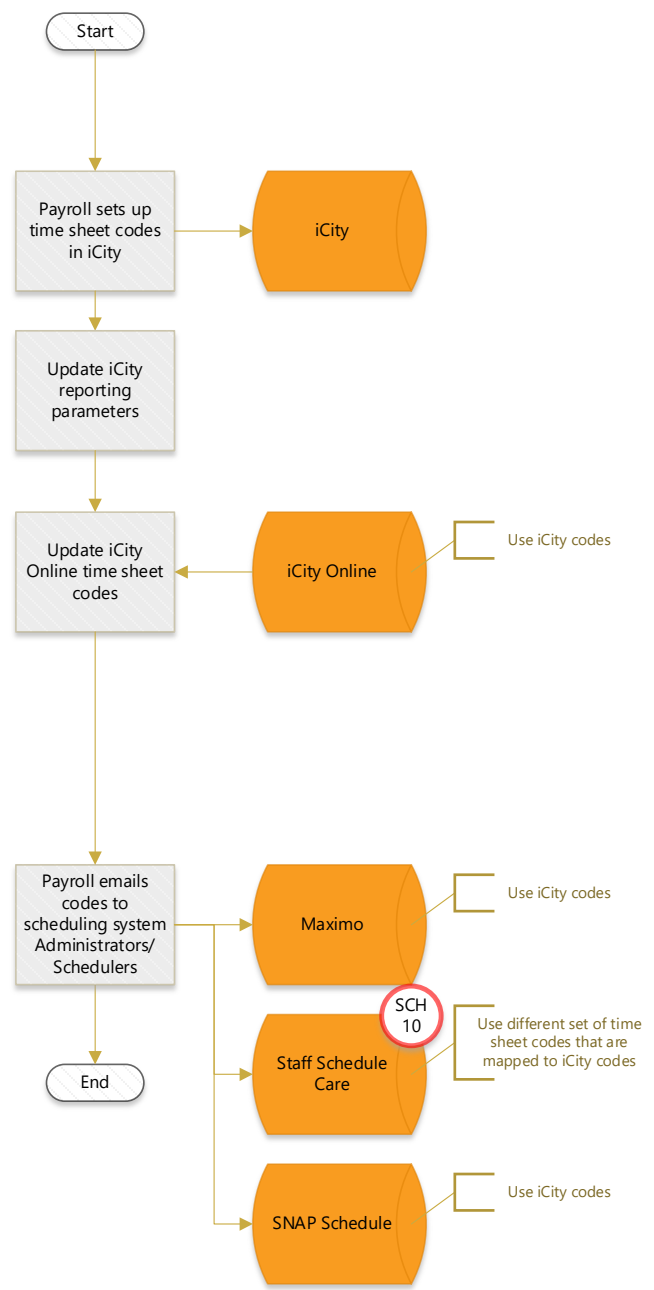
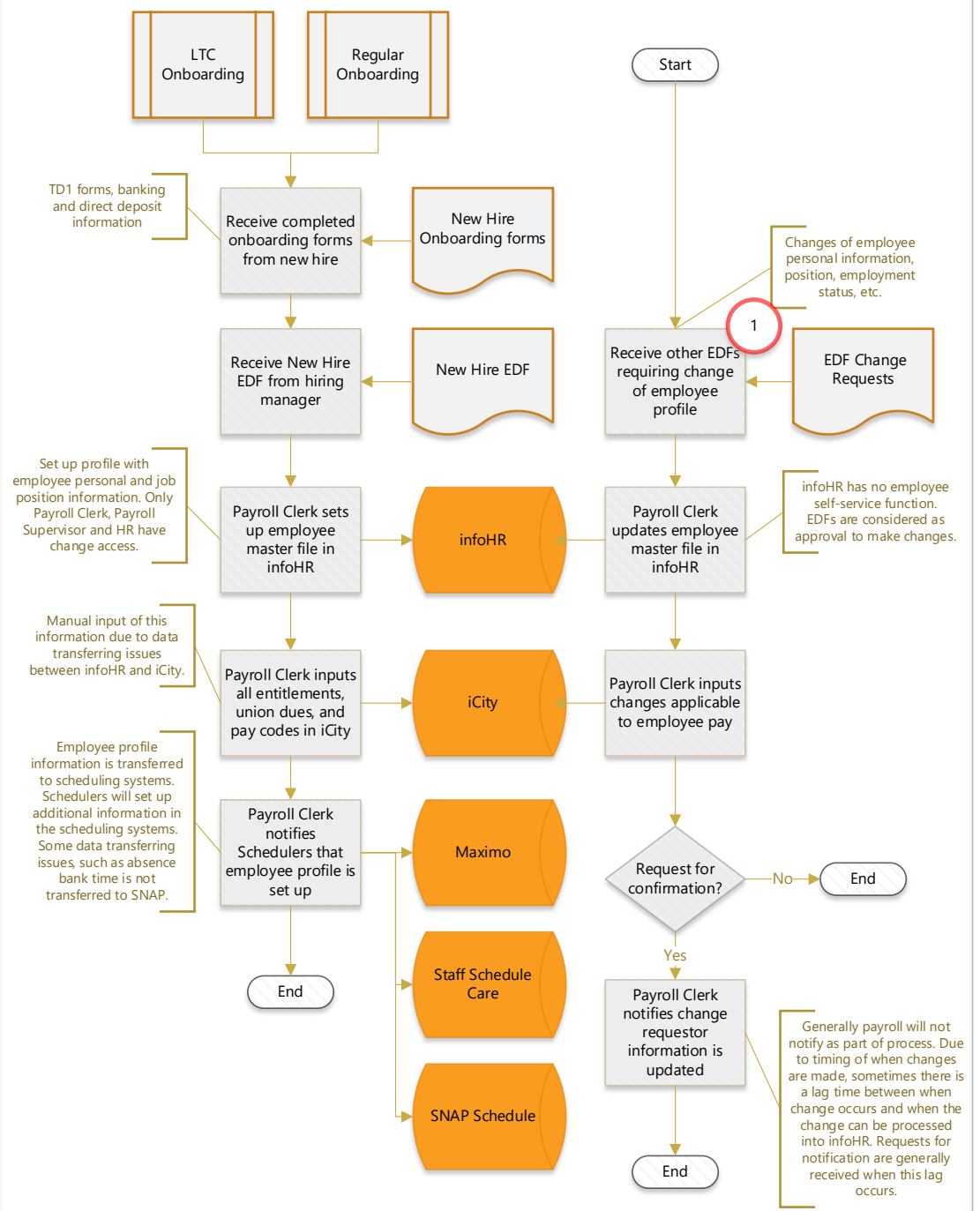


# Compensation (COM) - HR - Lambton County

## Employee Master File Setup & Maintenance PPT 8

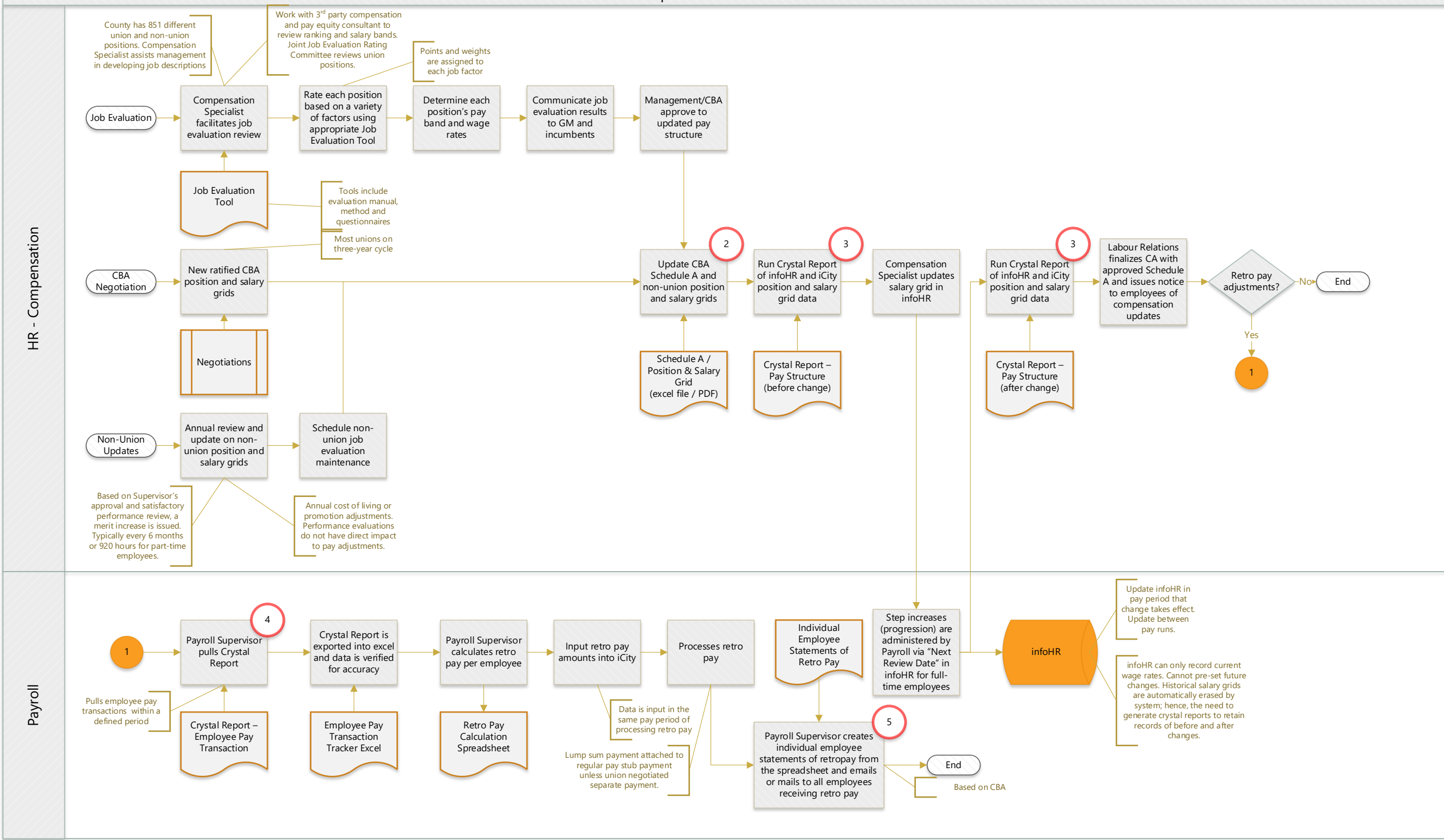
## Time Sheet Codes Setup and Maintenance

Payroll

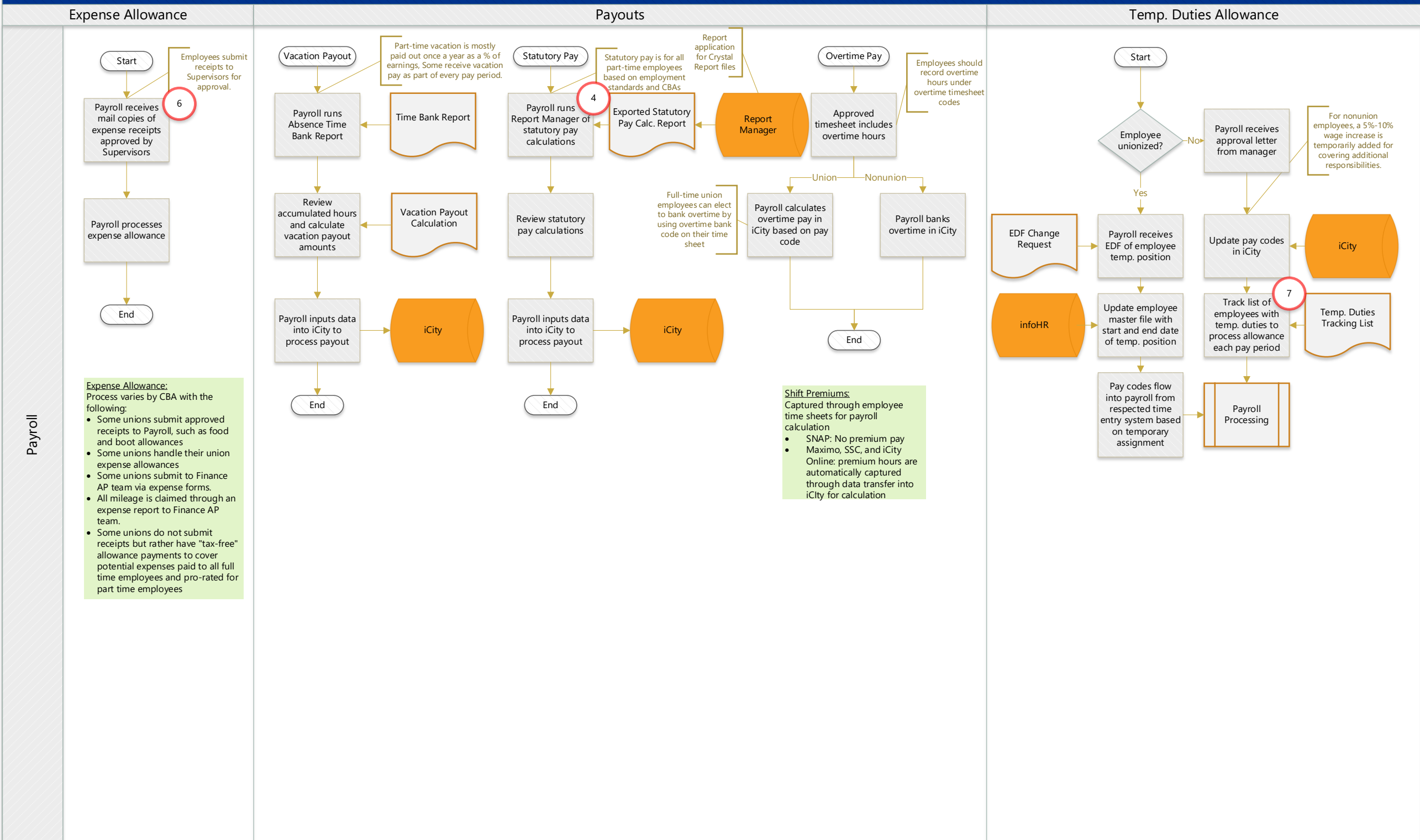


# Compensation (COM) - HR - Lambton County

## Compensation Administration

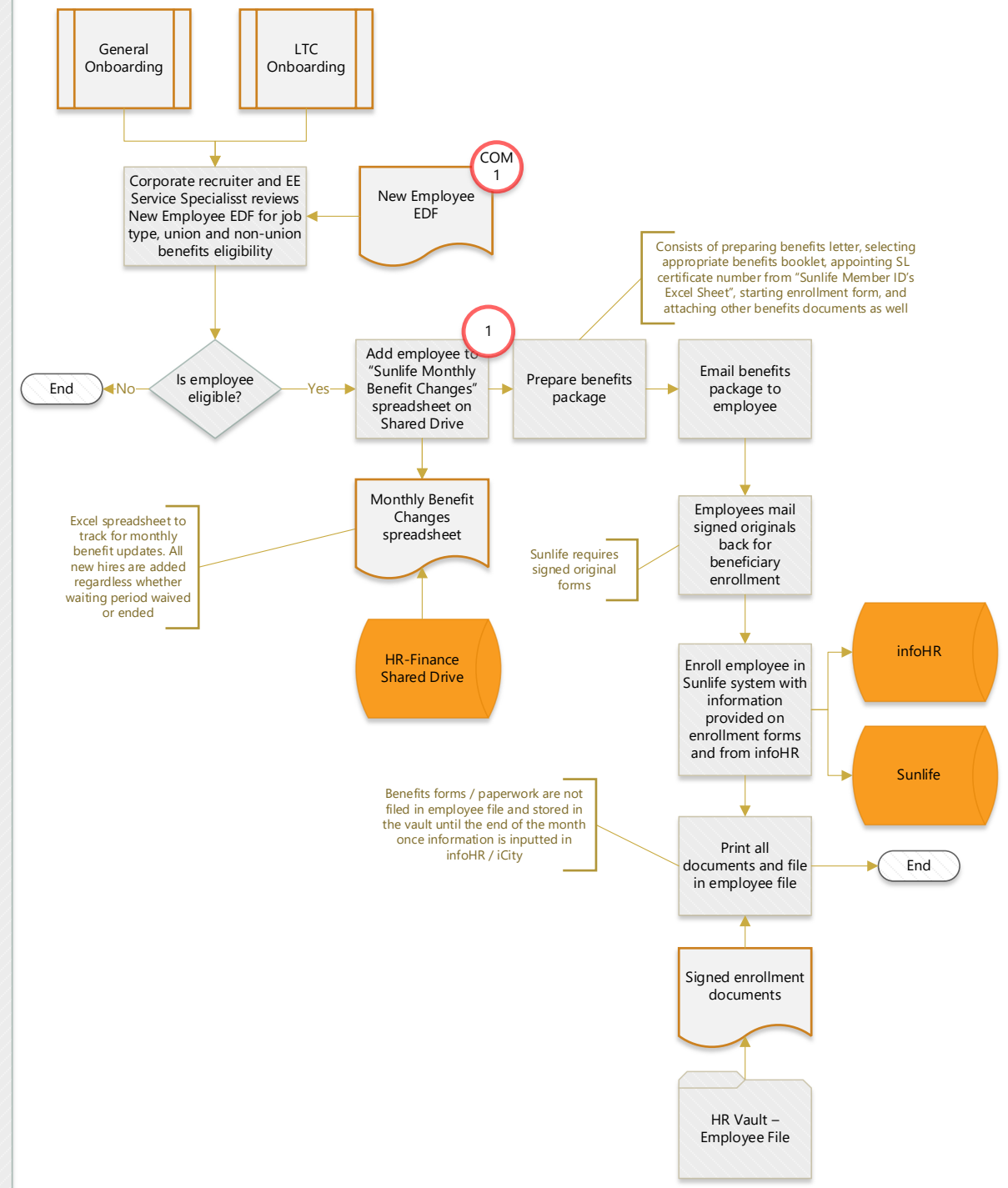


# Compensation (COM) - HR - Lambton County

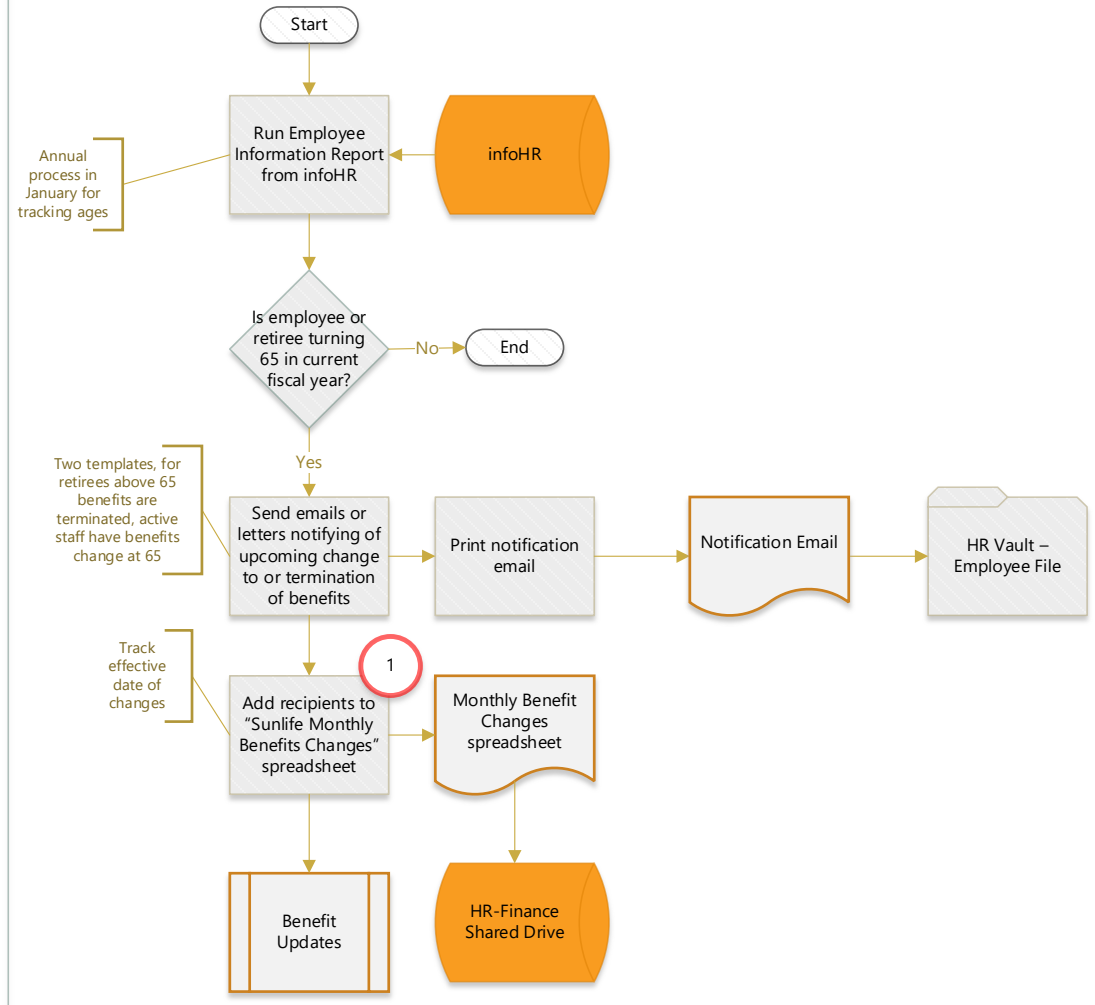


# Benefit Enrollments (BEN) - HR - Lambton County

## New Employee Benefit Enrollments



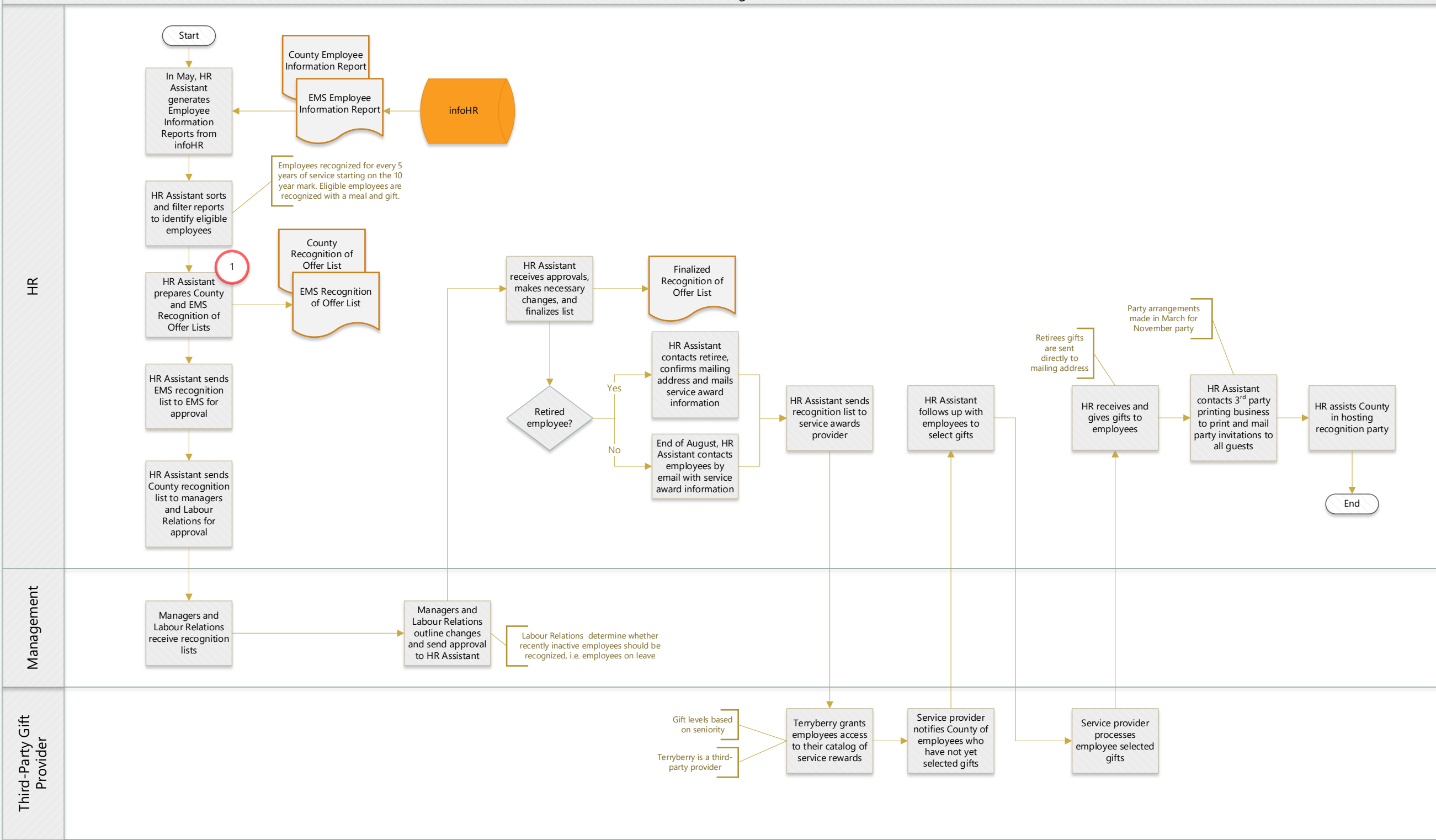
## Benefits Past 65



HR

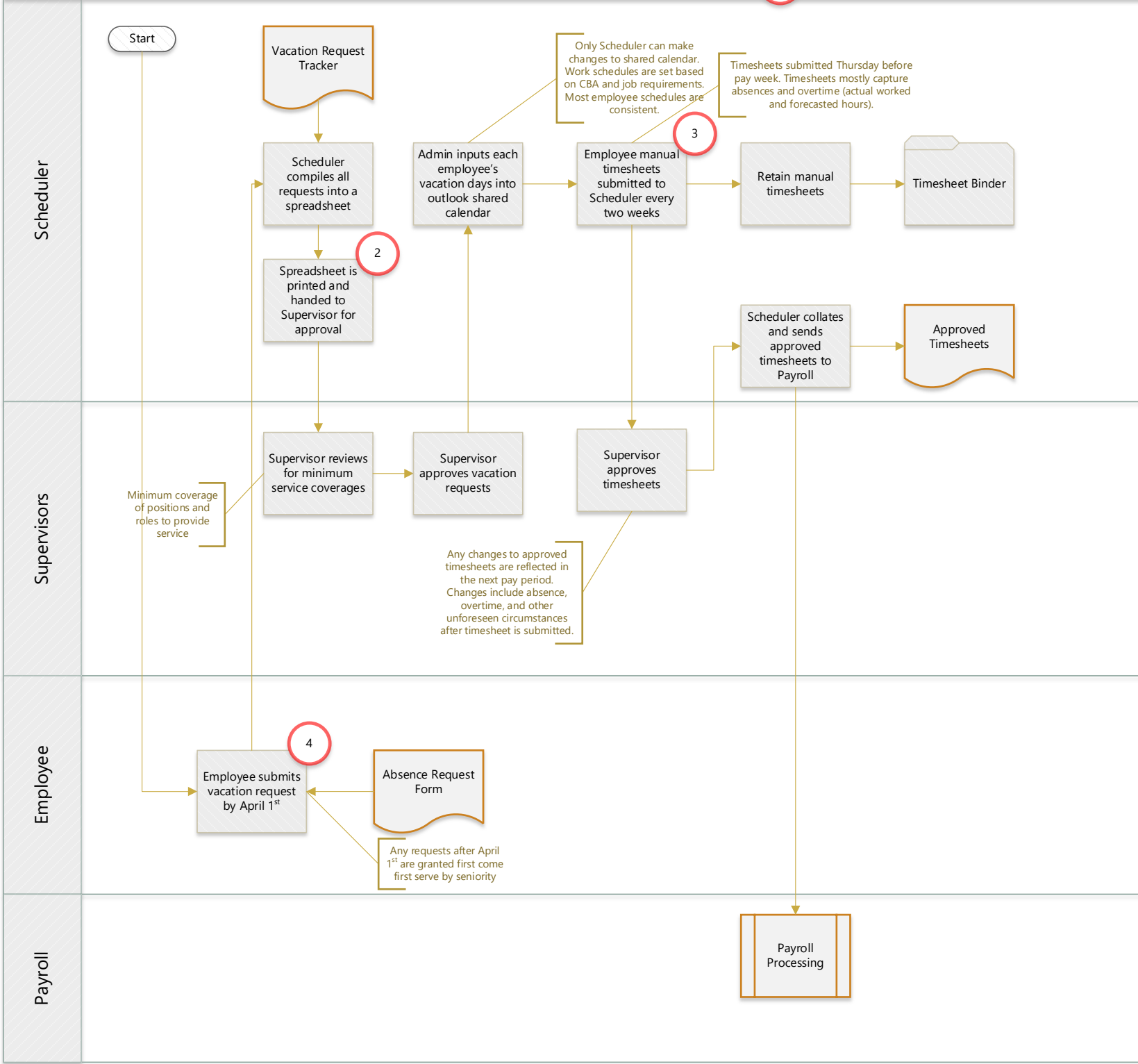
# Service Recognition (SRE) - HR - Lambton County

## Service Recognition



# Scheduling (SCH) - HR - Lambton County

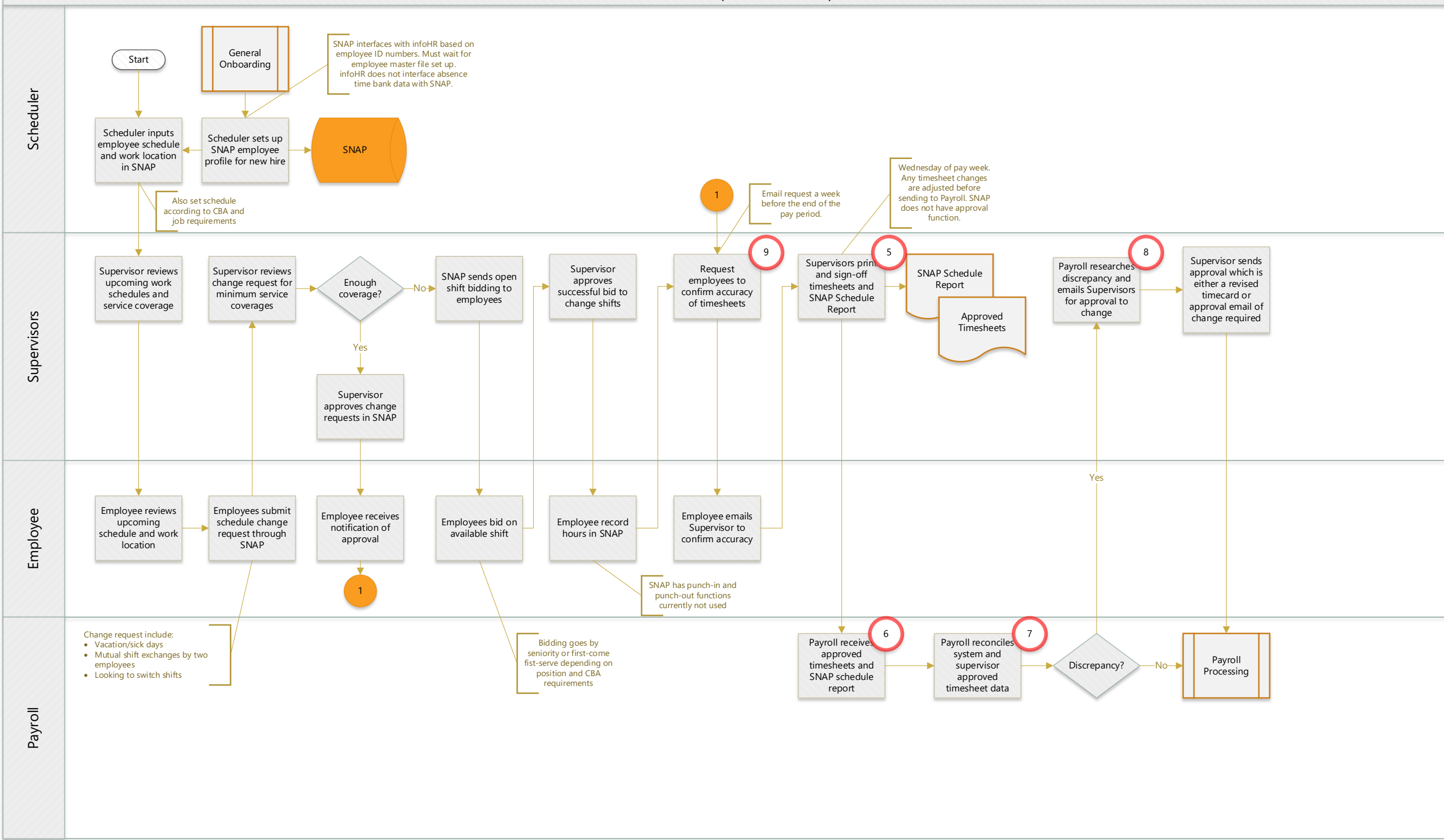
## Manual/Outlook Schedule (Social Services) 1



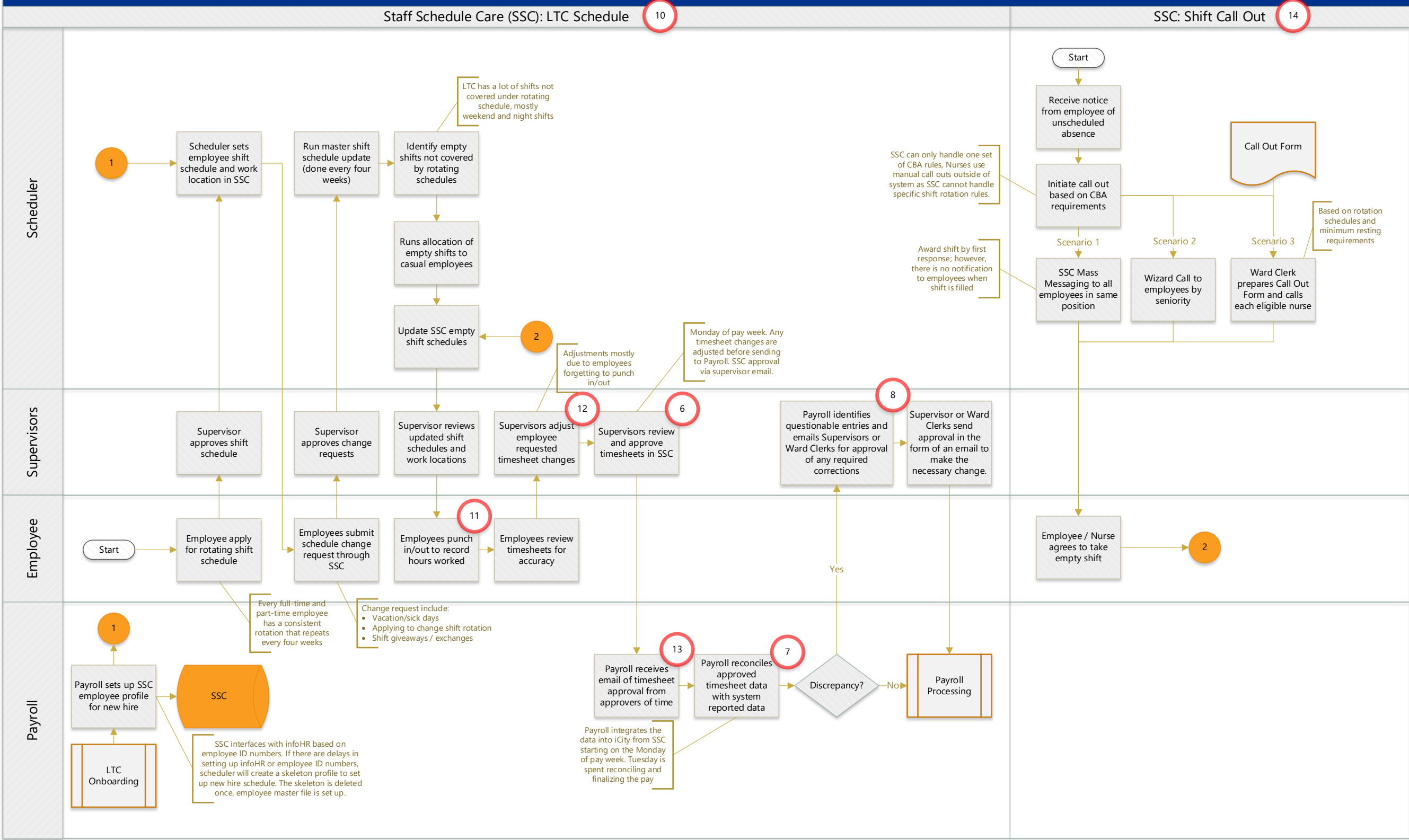


# Scheduling (SCH) - HR - Lambton County

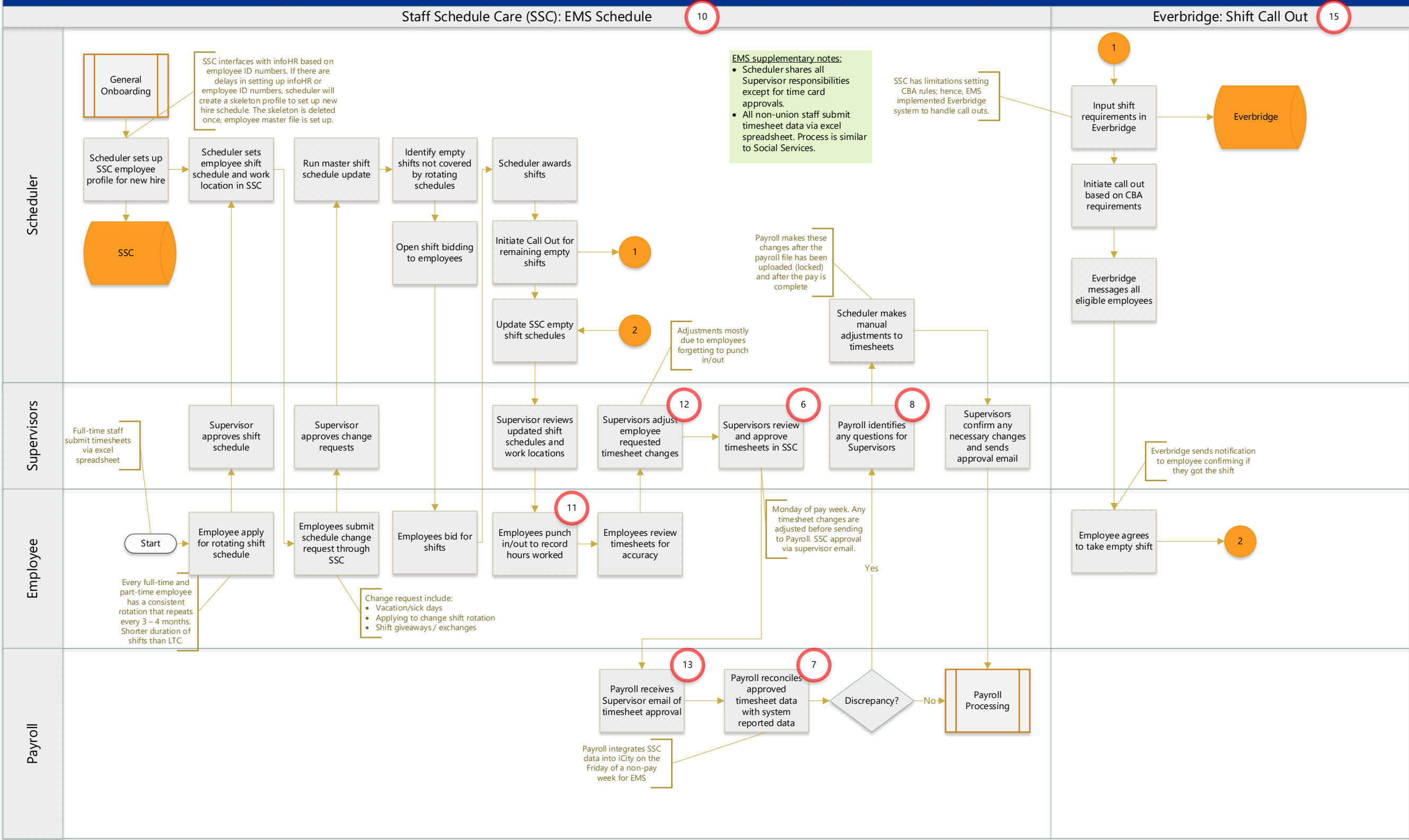
## SNAP Schedule (Cultural Services)



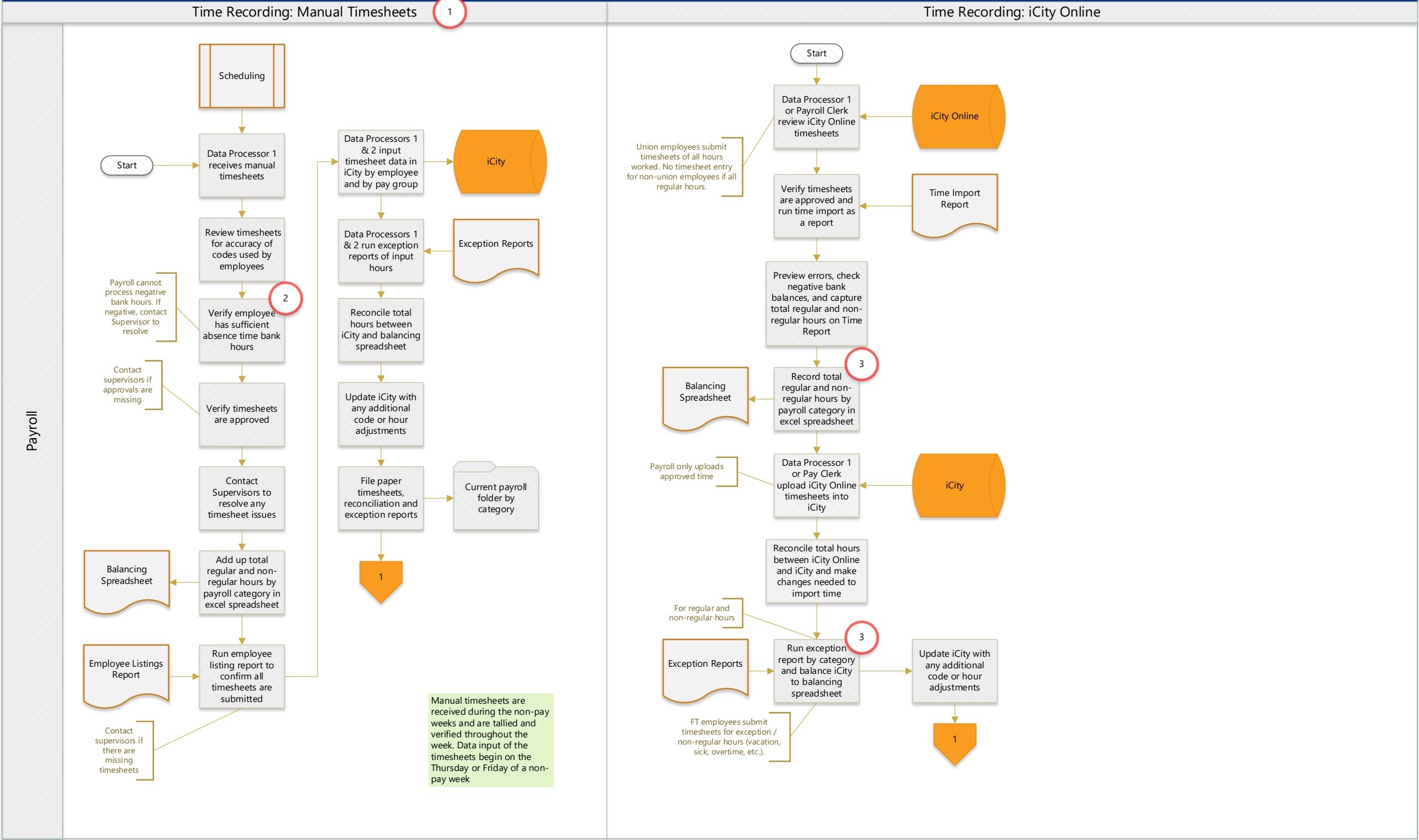
# Scheduling (SCH) - HR - Lambton County



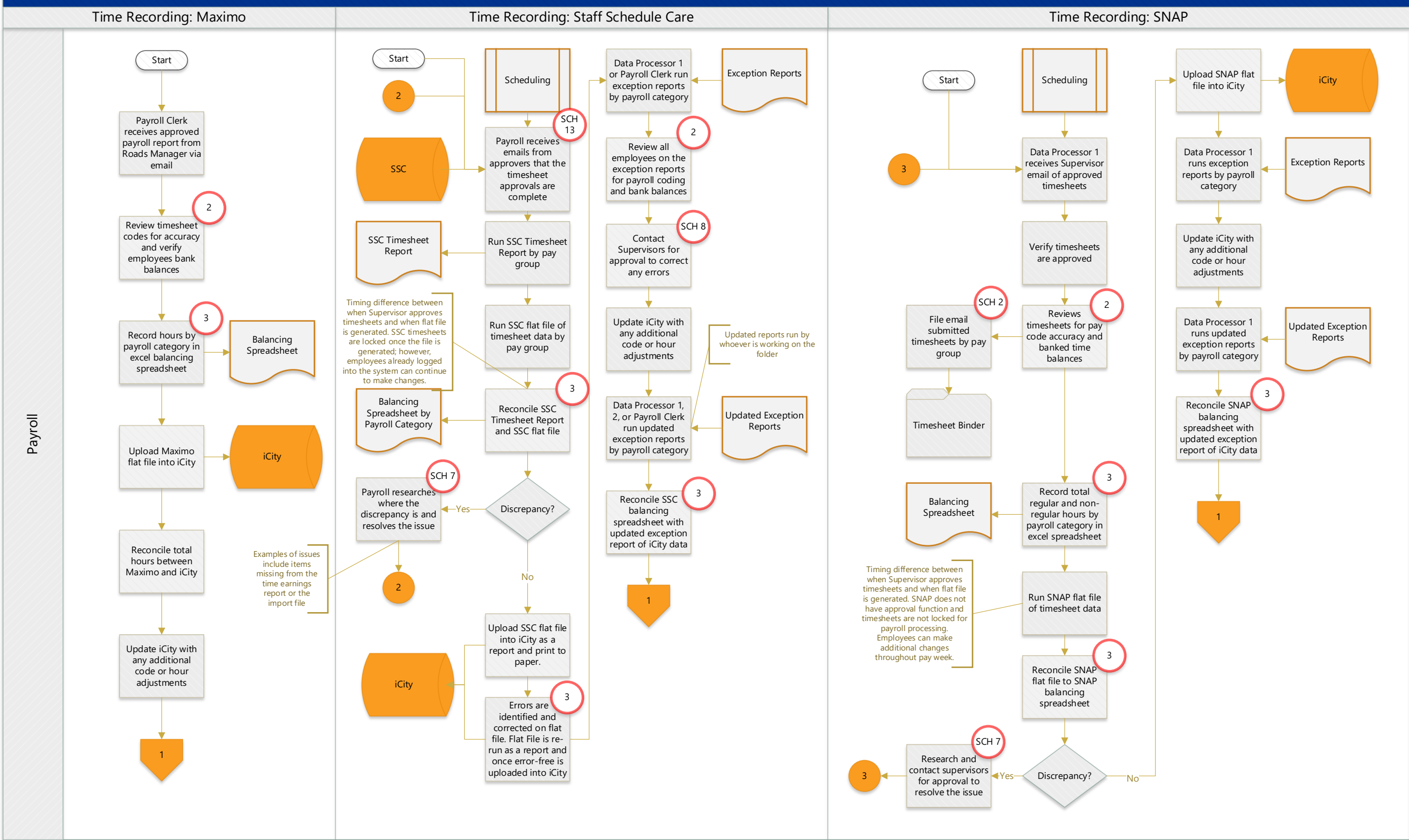
# Scheduling (SCH) - HR - Lambton County



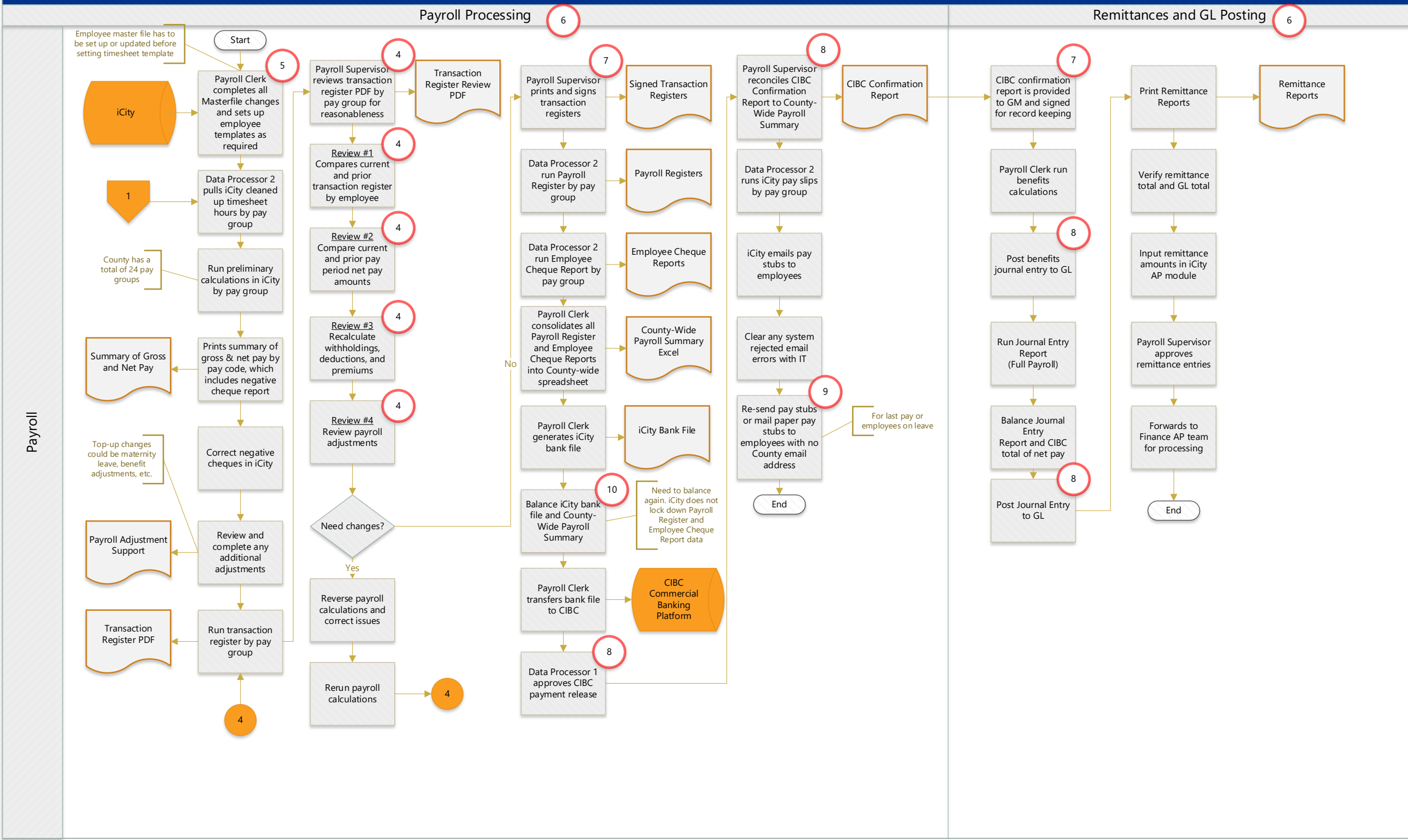
# Payroll Processing and Timekeeping (PPT) - Payroll - Lambton



# Payroll Processing and Timekeeping (PPT) - Payroll - Lambton

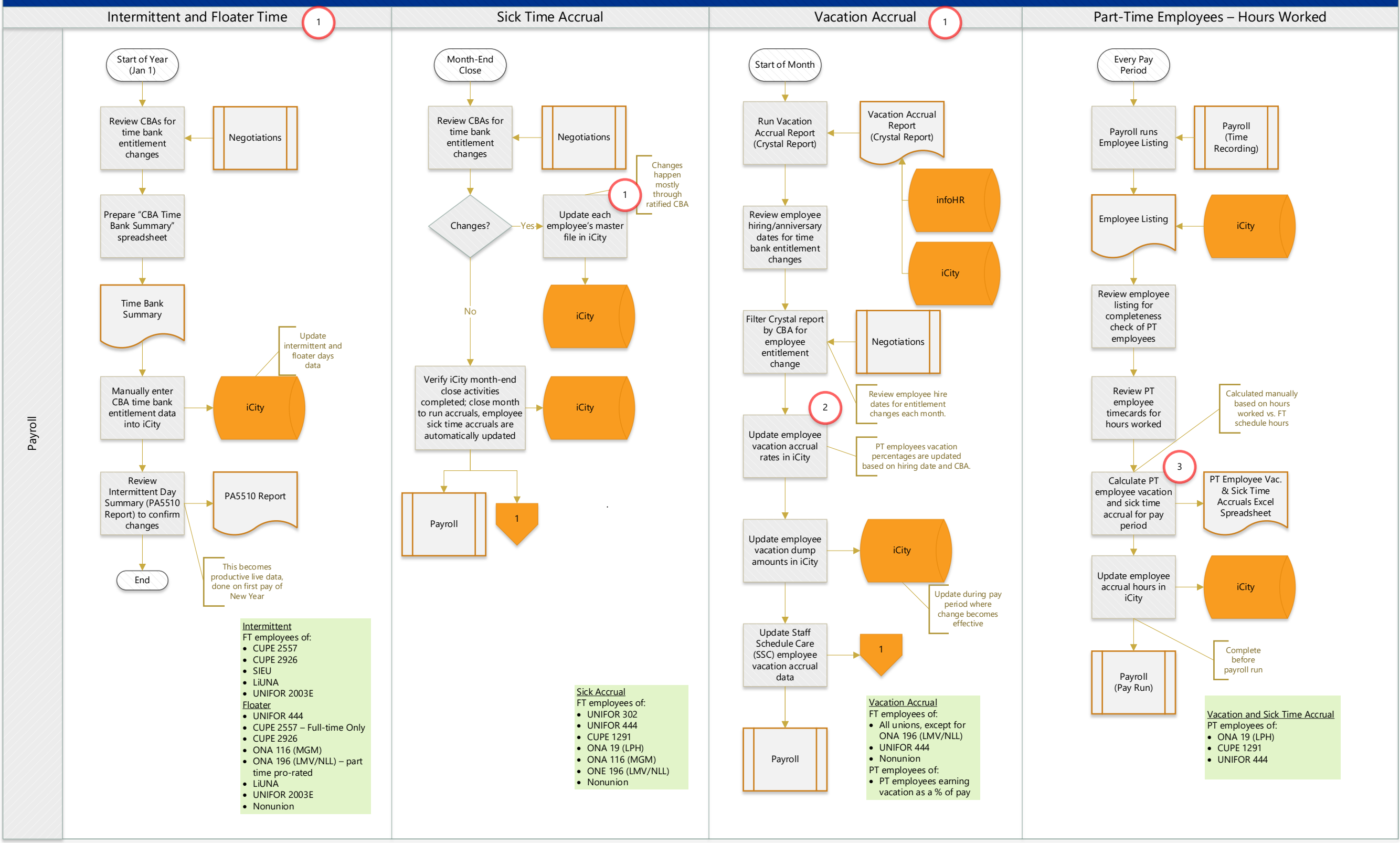


# Payroll Processing and Time Keeping (PPT) - Payroll - Lambton





# Employee Time Banks - (ETB) - Payroll - Lambton County

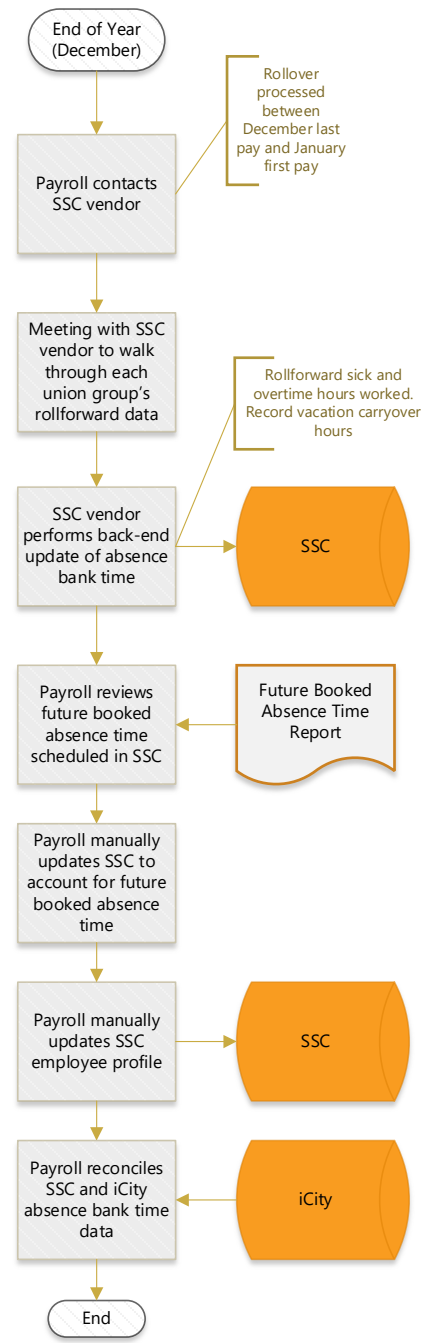


# Employee Time Banks - (ETB) - Payroll - Lambton County

## Staff Schedule Care (SSC): Absence Bank Rollover 1 4

## Staff Schedule Care: Absence Bank Update 1

Payroll



For employees using Staff Schedule Care:

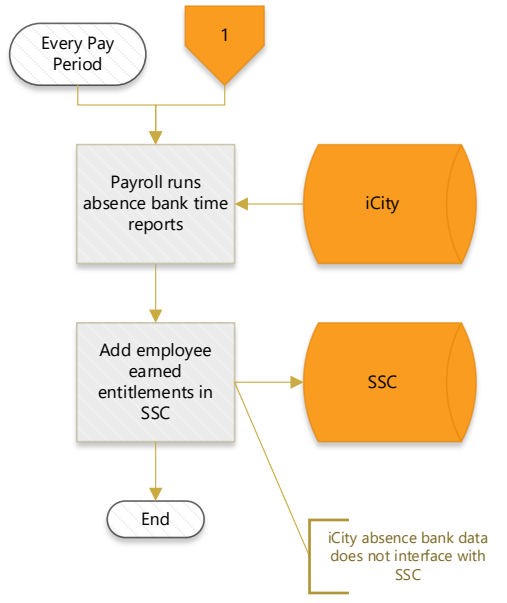
- UNIFOR 302
- ONA 116 (MGM)
- CUPE 2557
- ONA 196 (LMV/NLL)
- SIEU
- Nonunion

Process to change in December 2021:

- SSC vendor will no longer perform rollover back-end updates. County Payroll team will perform this task.

Rollover processed between December last pay and January first pay

Rollforward sick and overtime hours worked. Record vacation carryover hours

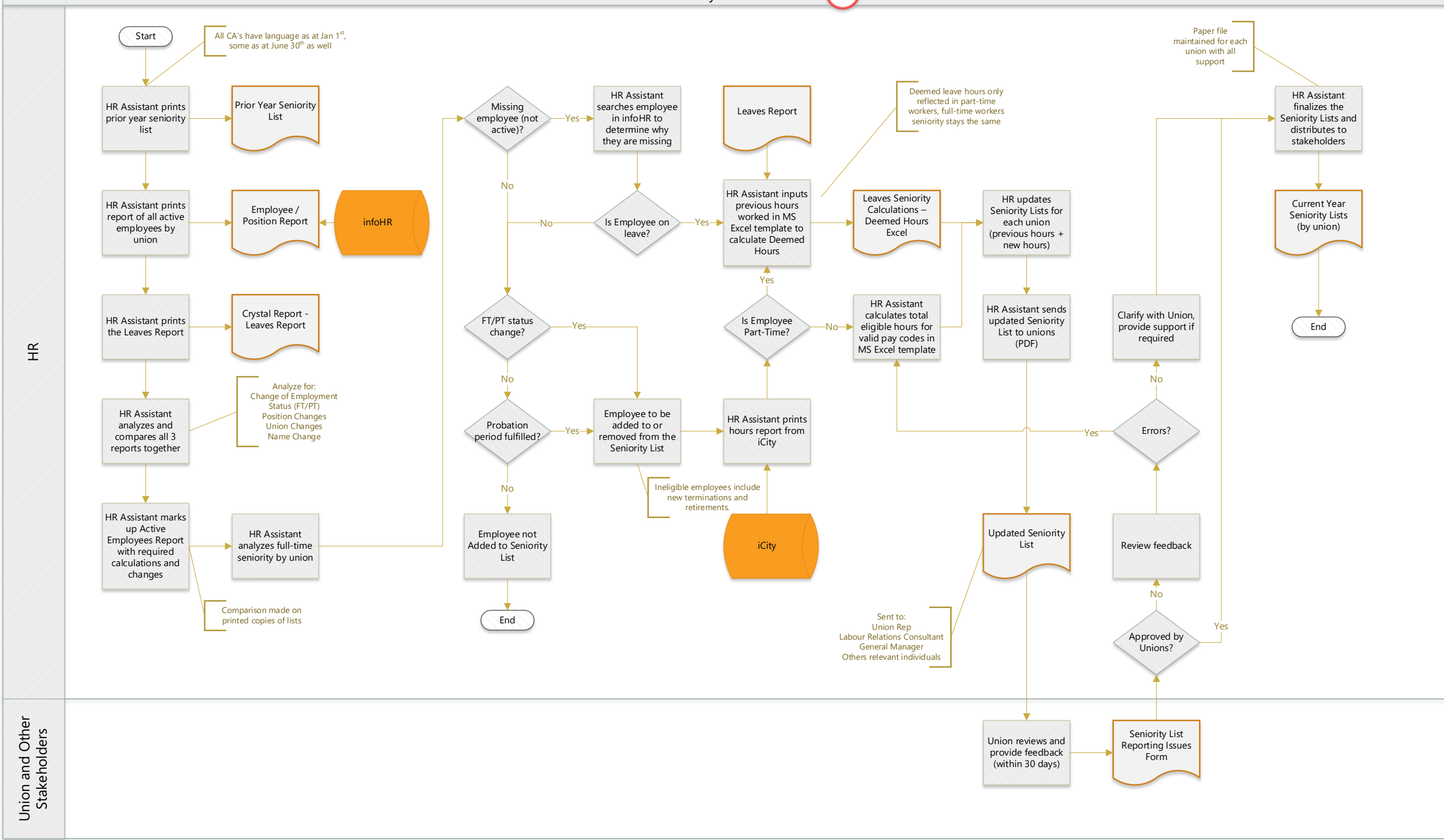


iCity absence bank data does not interface with SSC

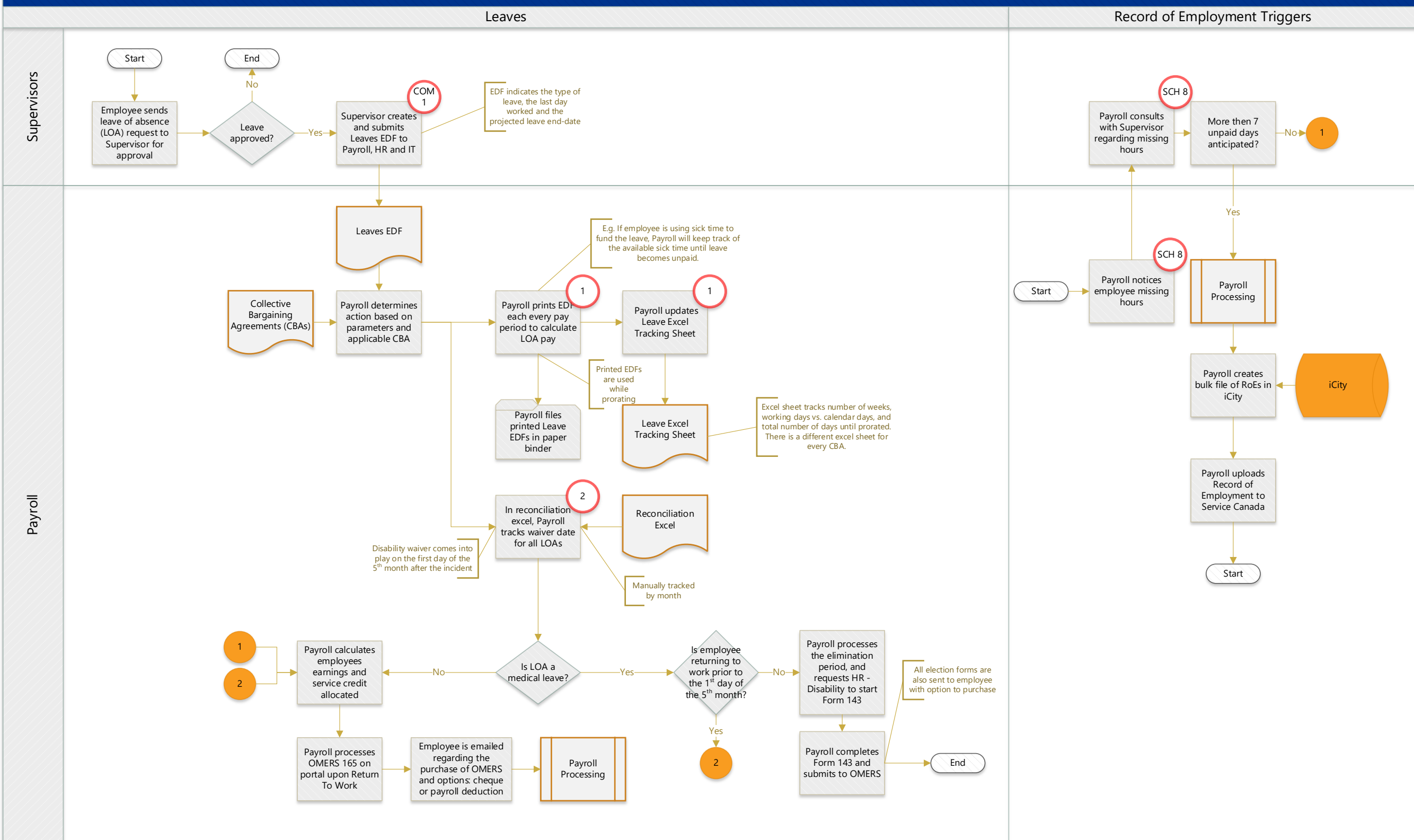


# Seniority Calculations (SEN) - HR - Lambton County

## Seniority Calculation 1

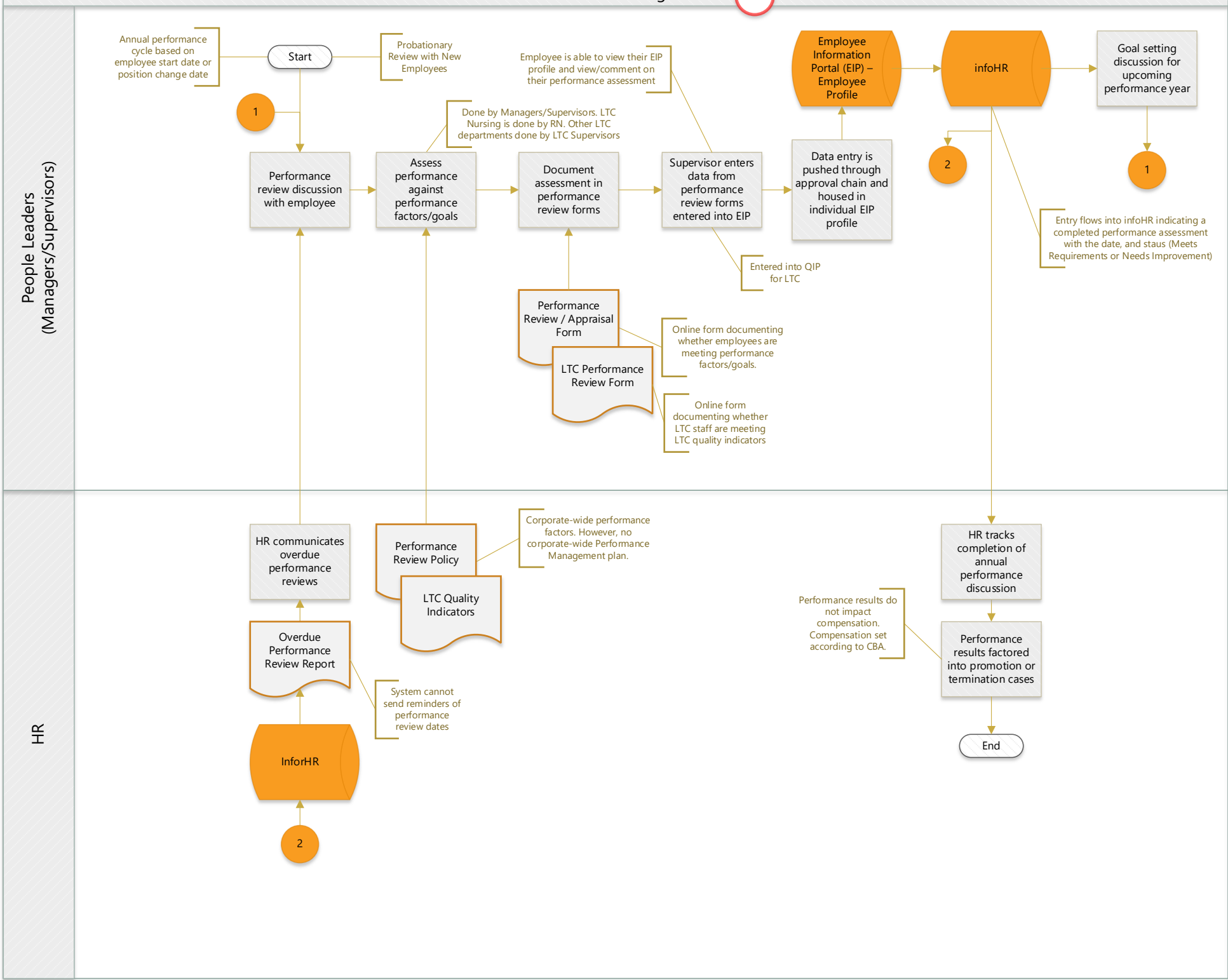


# Attendance Management (ATM) - Payroll - Lambton County

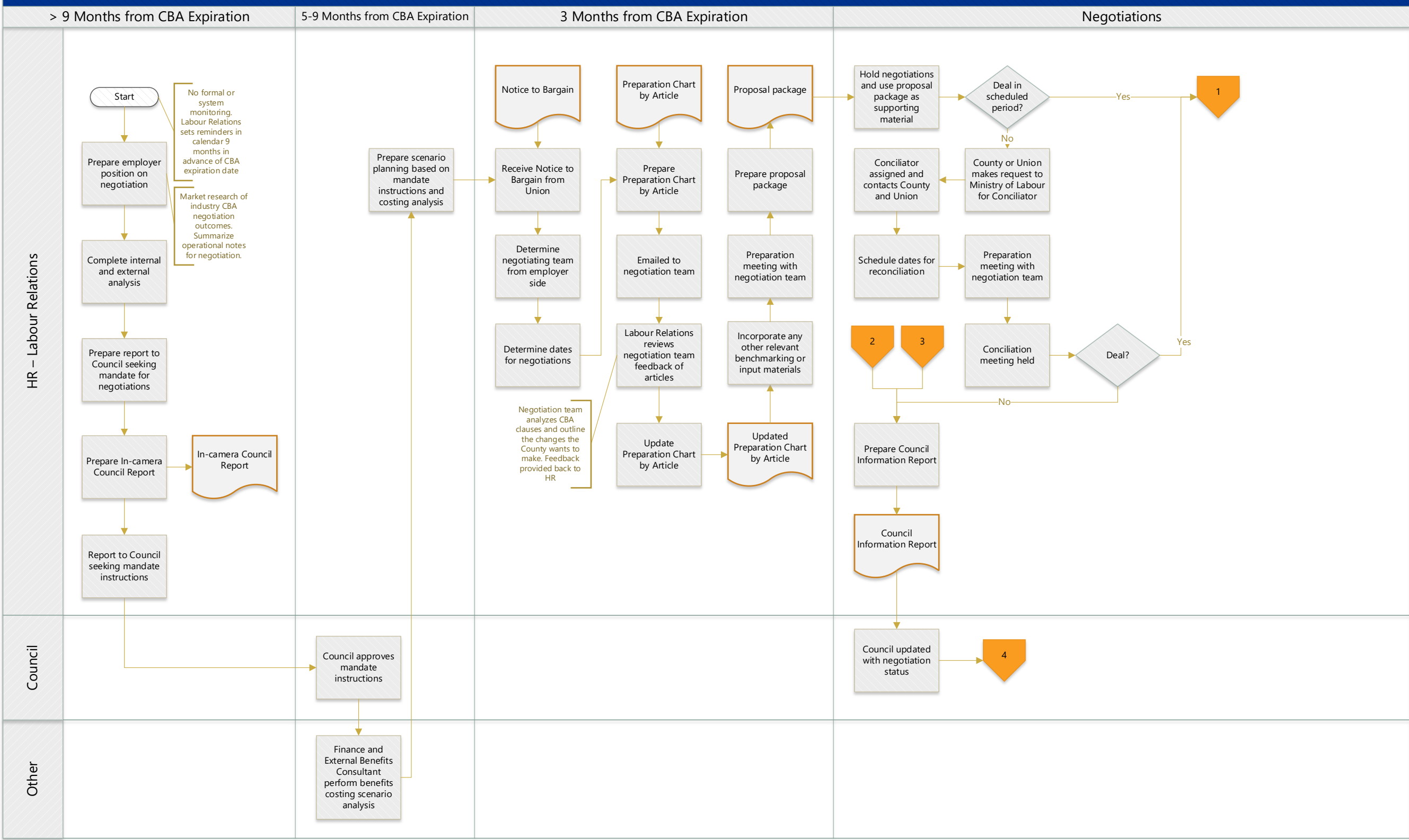


# Performance Management (PFM) - HR - Lambton County

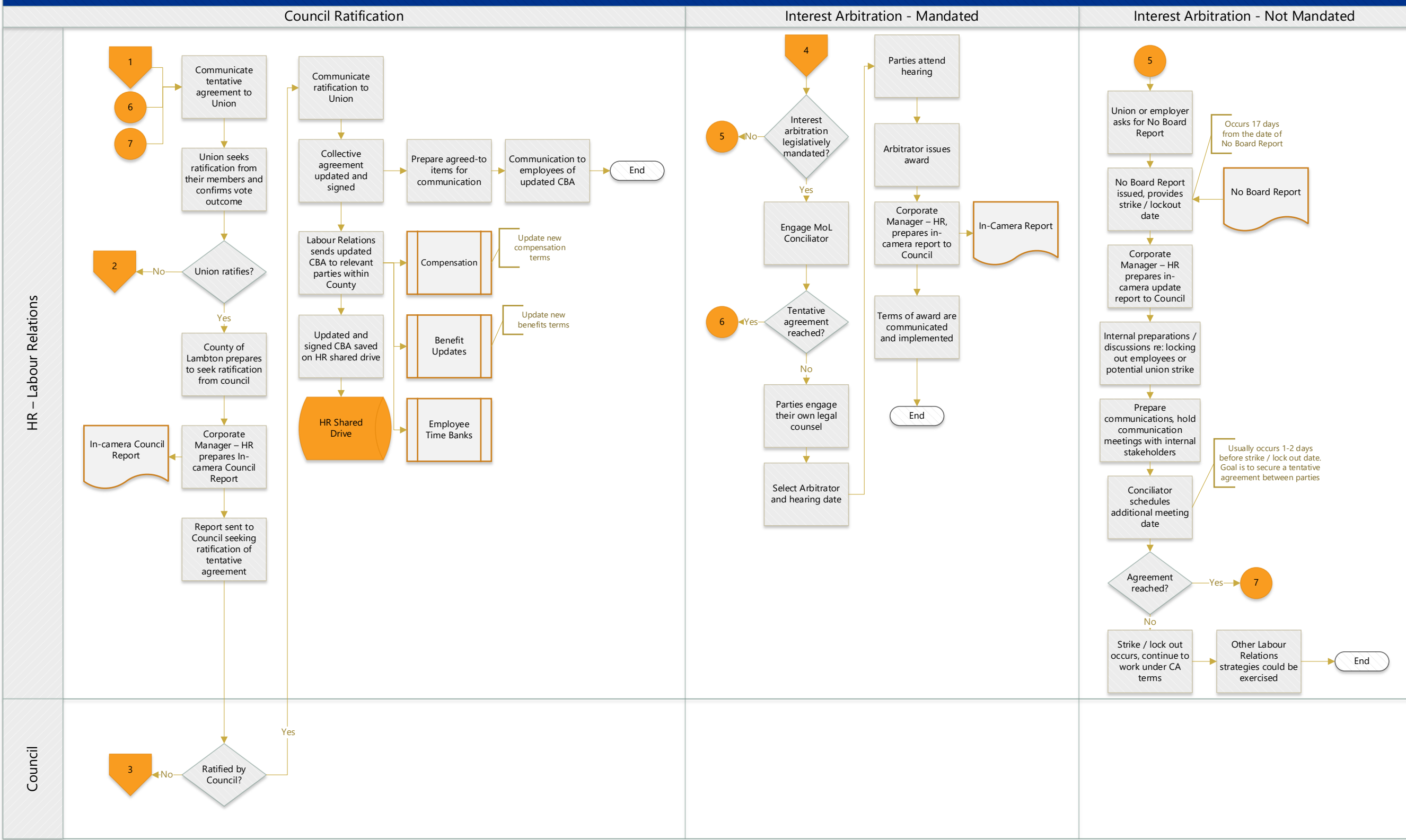
## Performance Management 1



# Negotiations (NGO) - HR - Lambton County



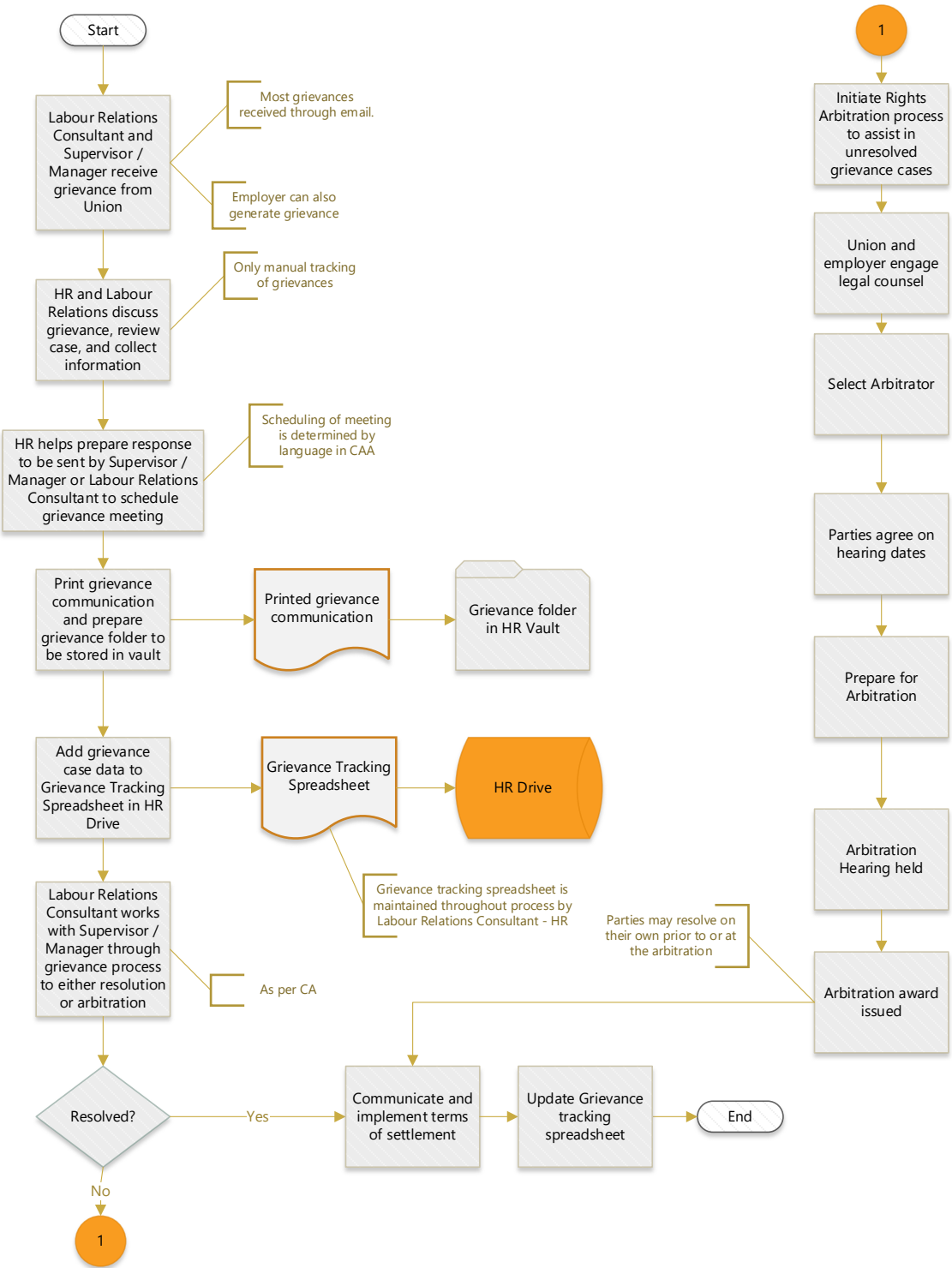
# Negotiations (NGO) - HR - Lambton County



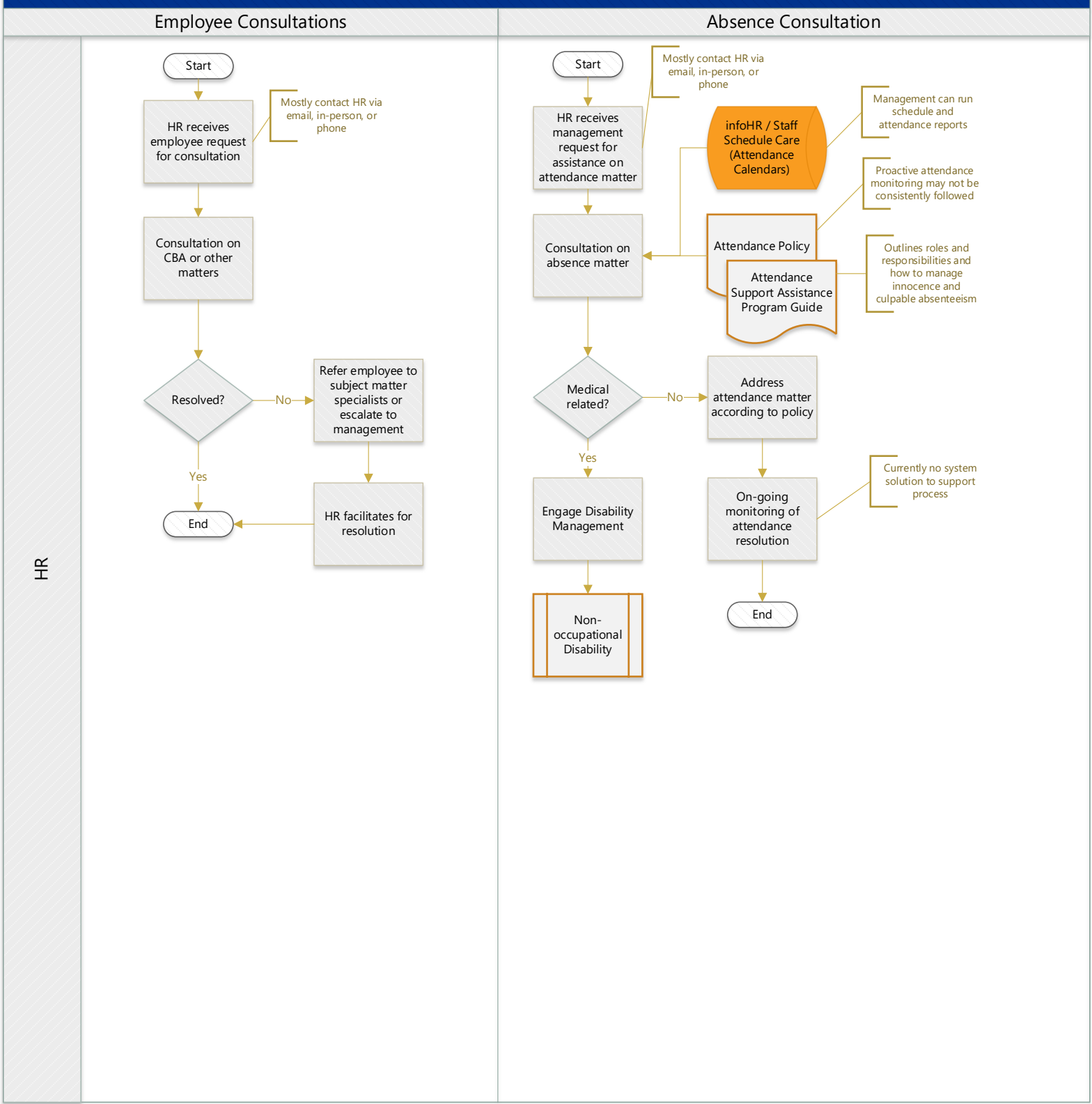
# Labour Relations (LBR) - HR - Lambton County

## Grievances

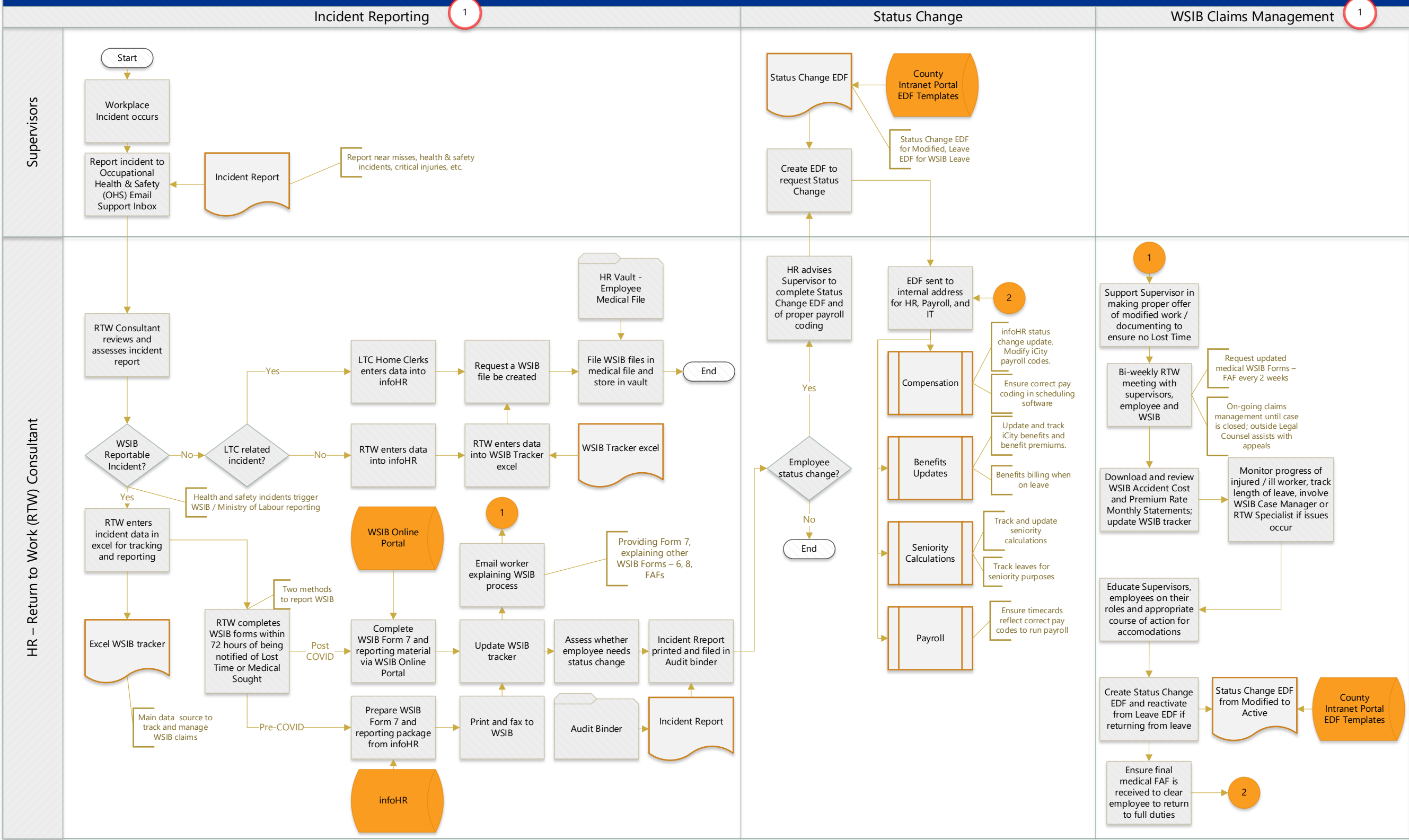
HR - Labour Relations



# Employee Relations (EMR) - HR - Lambton County

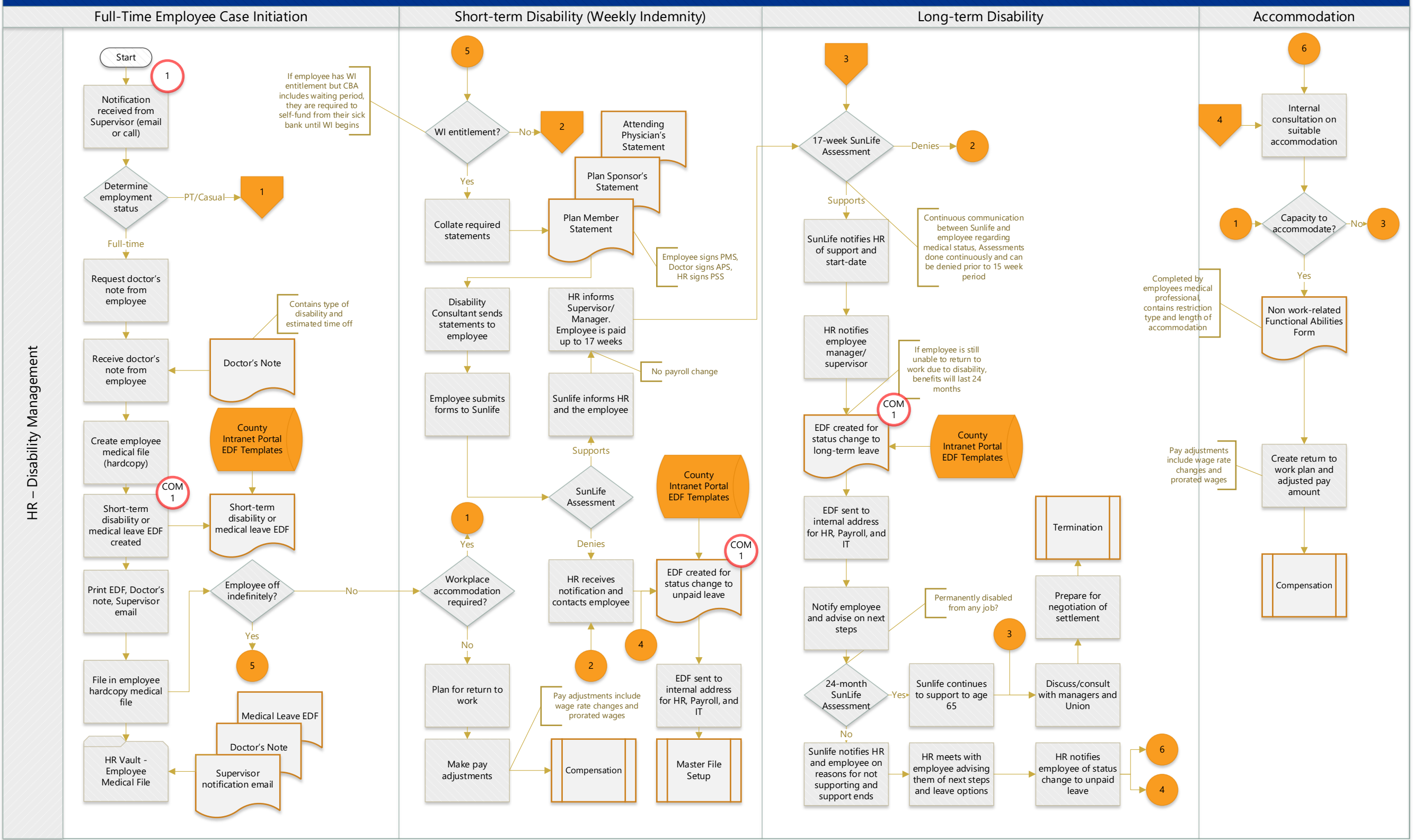


# WSIB - HR - Lambton



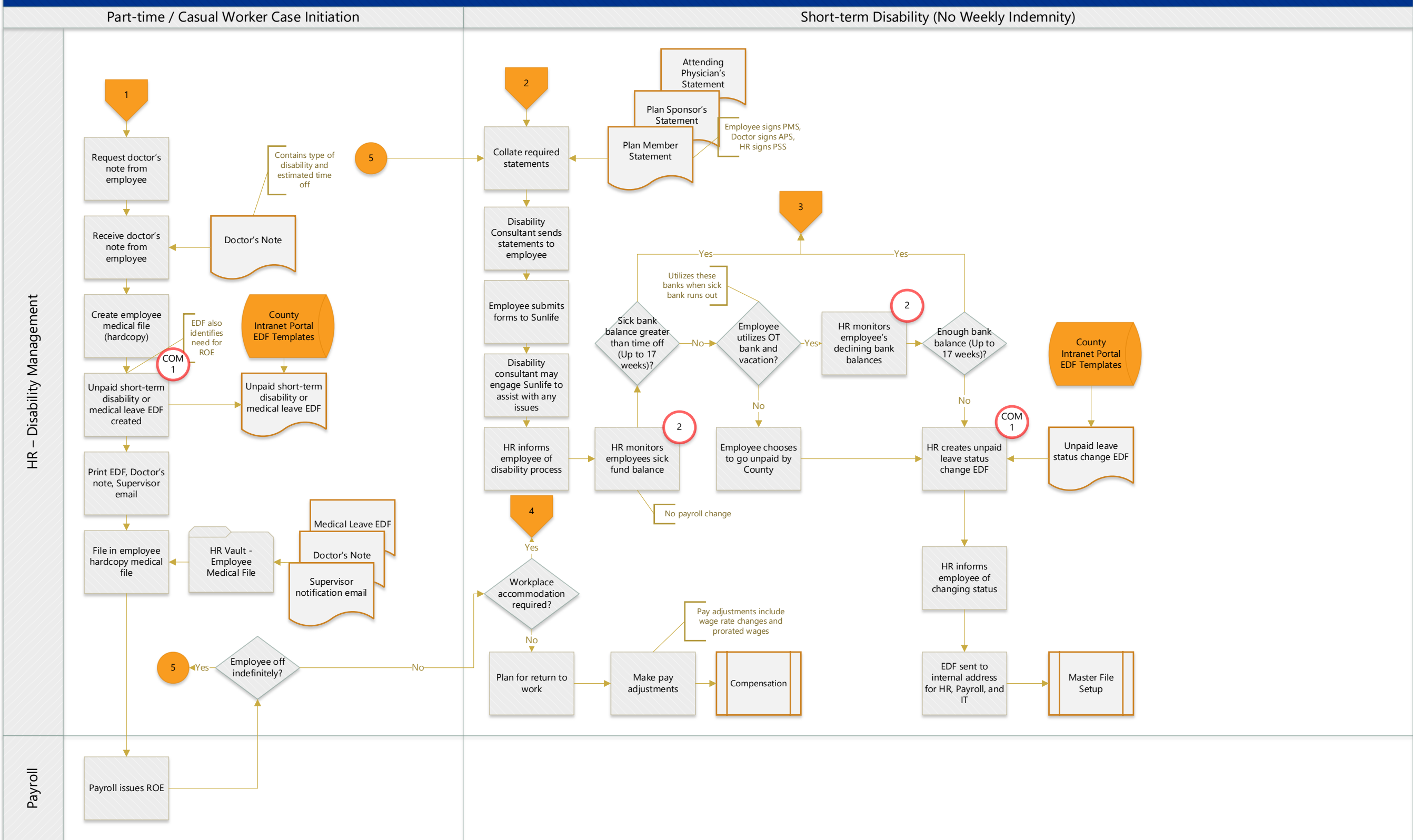


# Non-Occupational Disability (NOD) - HR - Lambton County



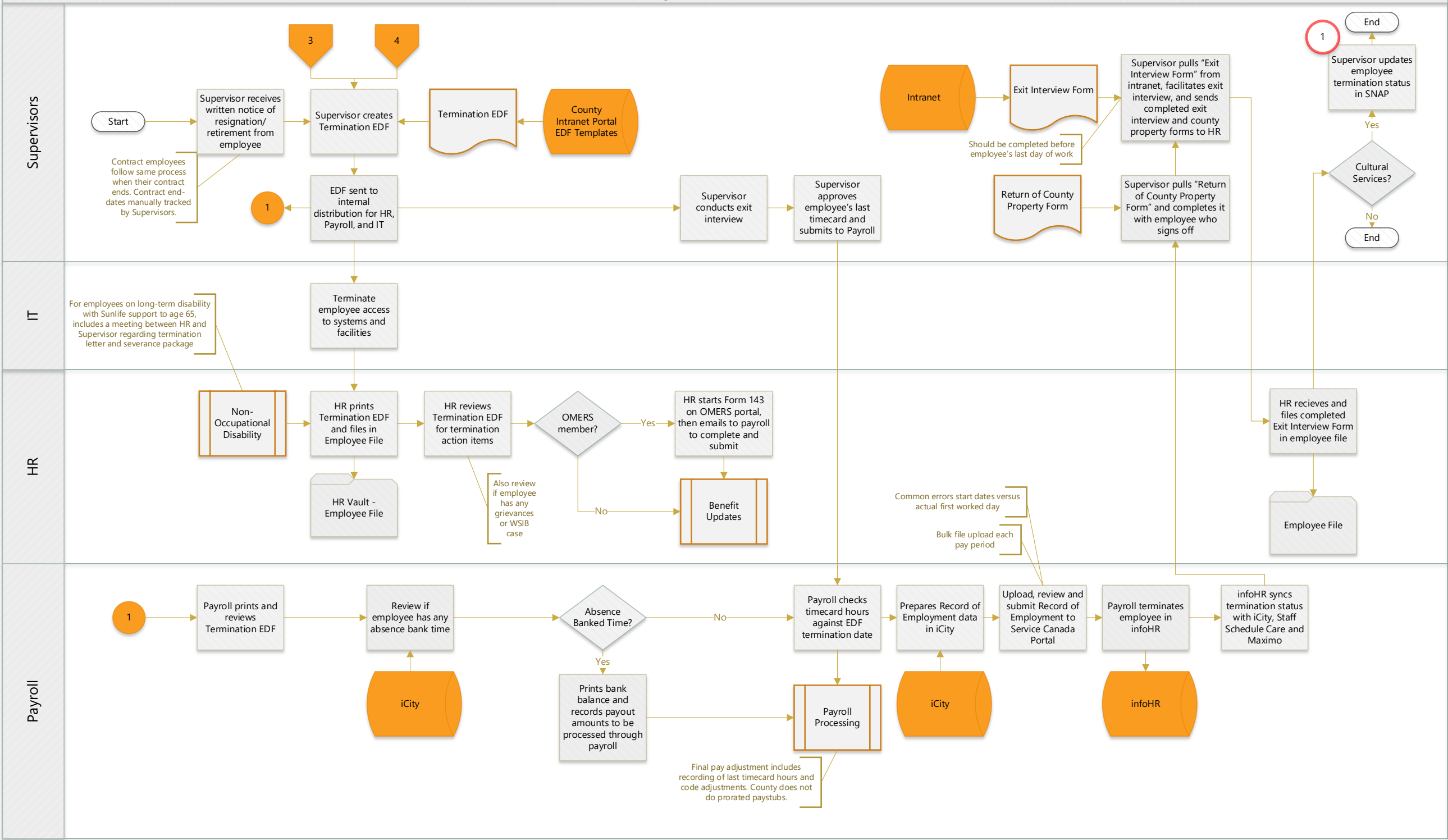
HR - Disability Management

# Non-Occupational Disability (NOD) - HR - Lambton County



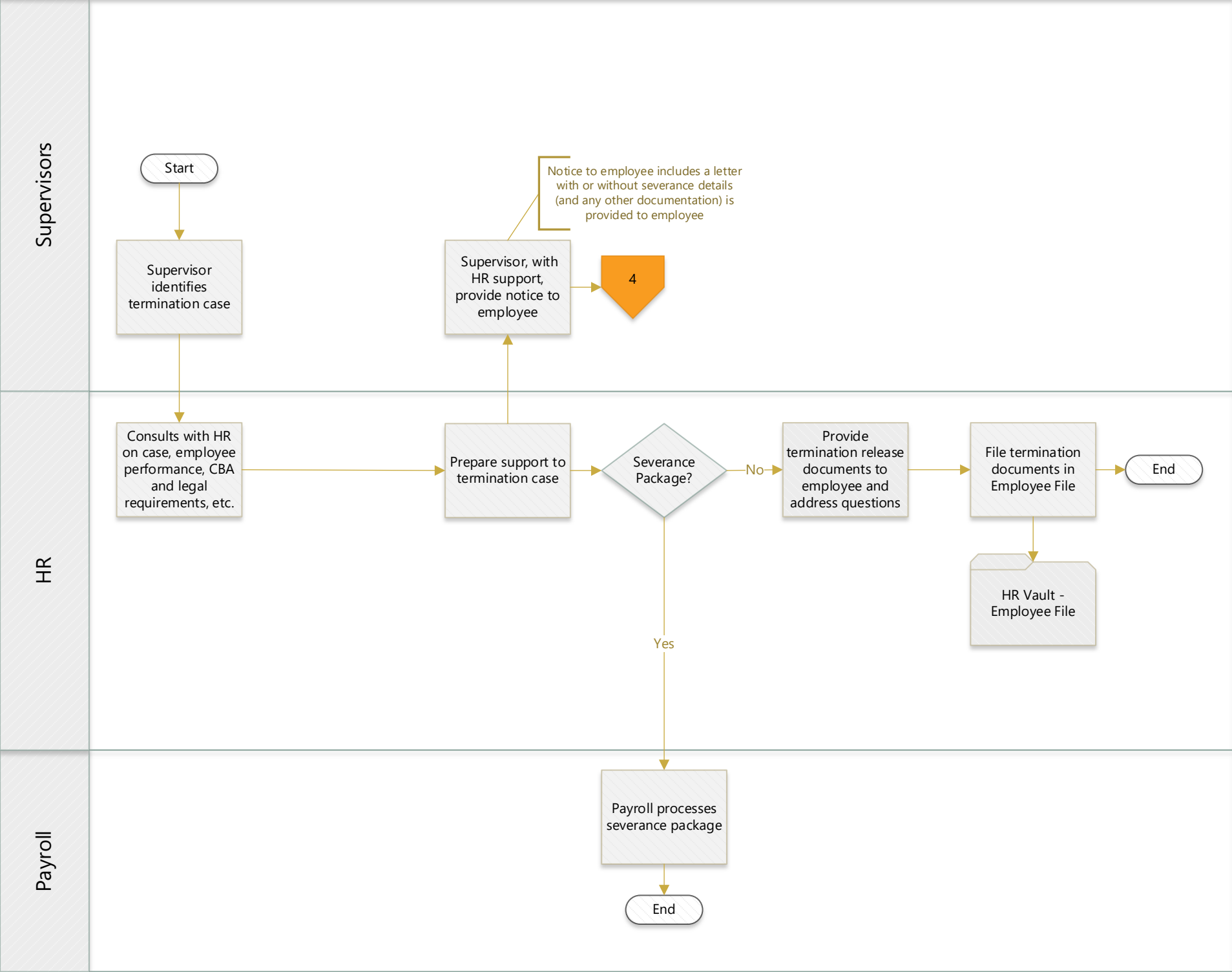
# Terminations (TER) - HR - Lambton County

## Resignation and Retirement

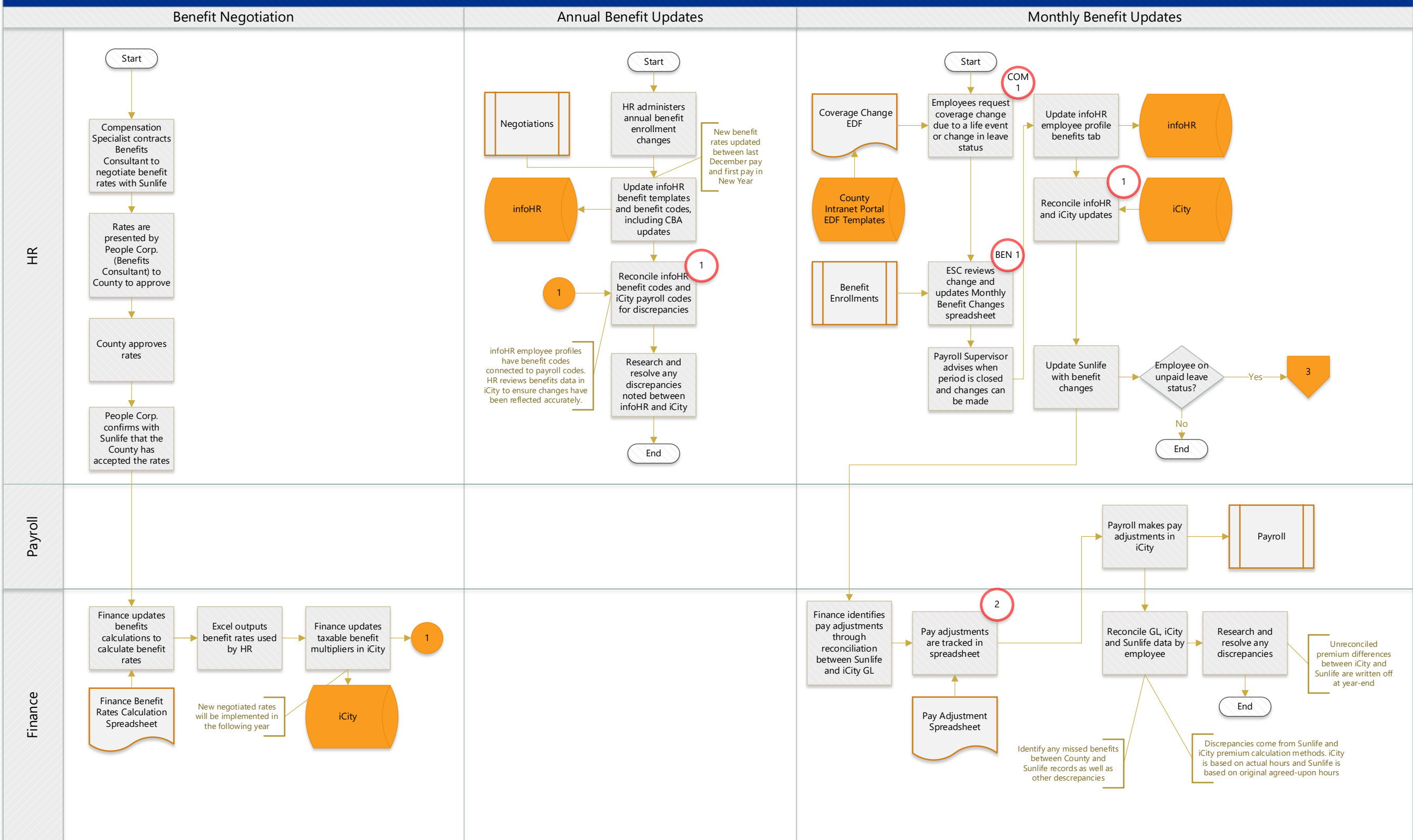


# Terminations (TER) - HR - Lambton County

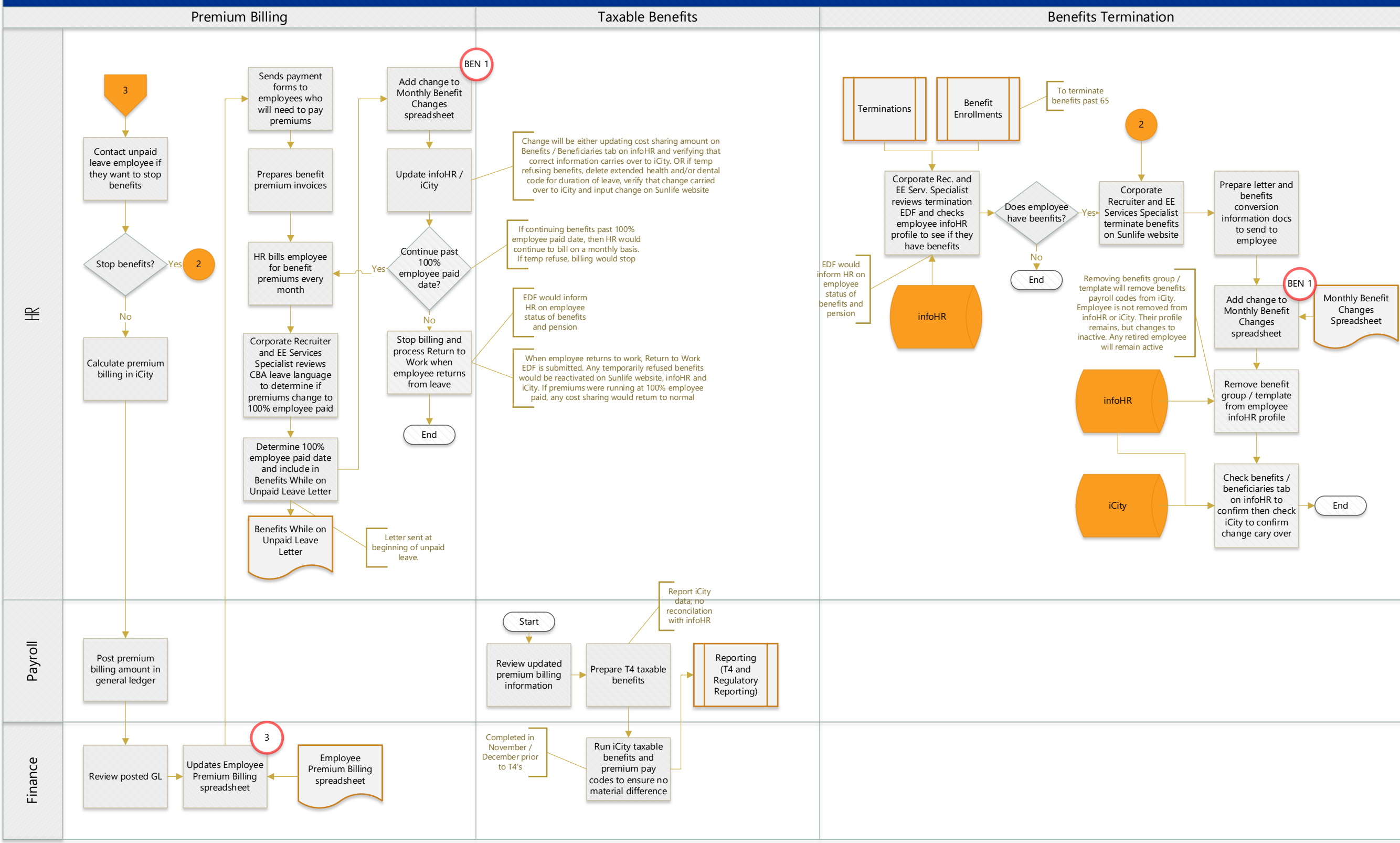
## Termination



# Benefit Updates (BEU) - HR - Lambton County

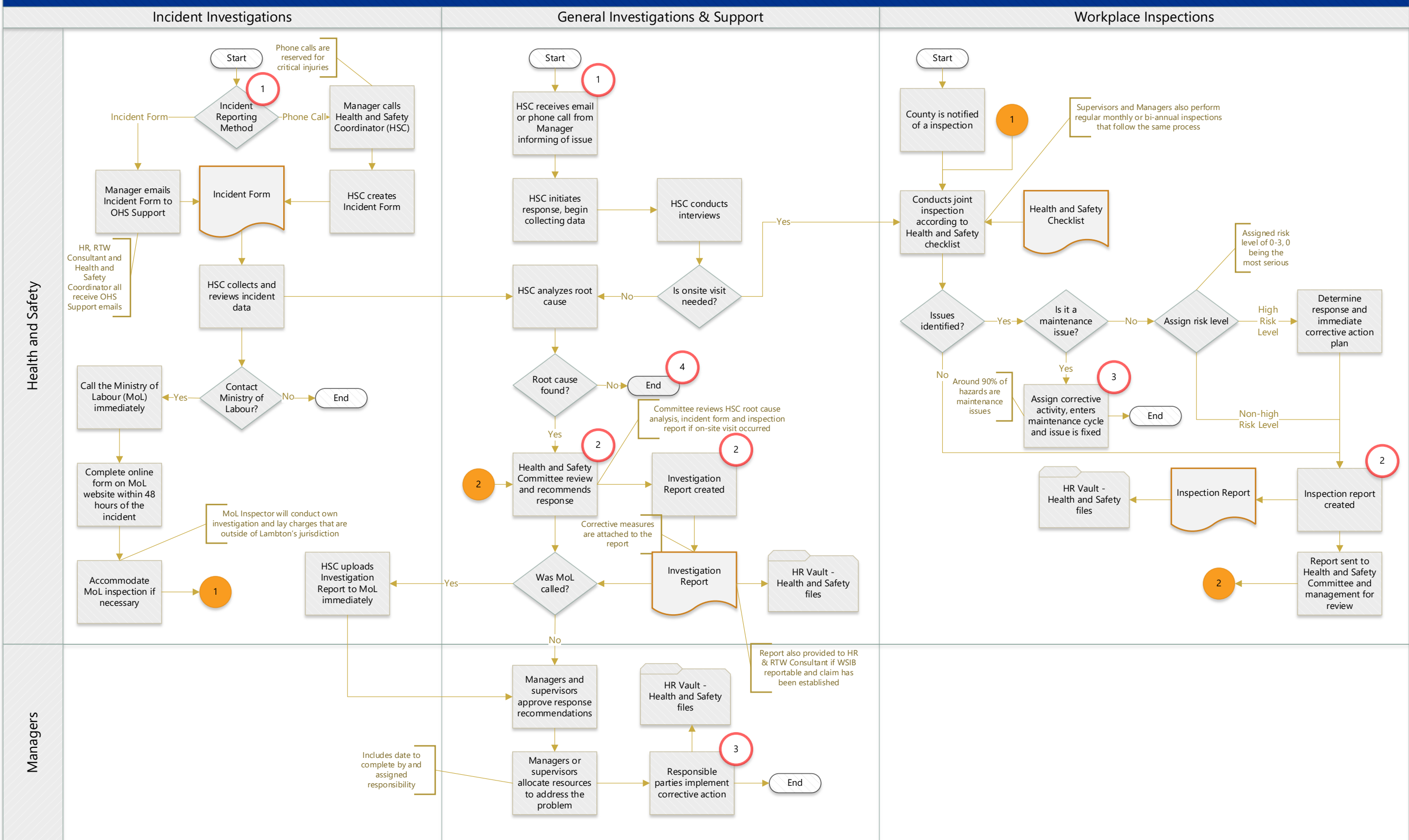


# Benefit Updates (BEU) - HR - Lambton County



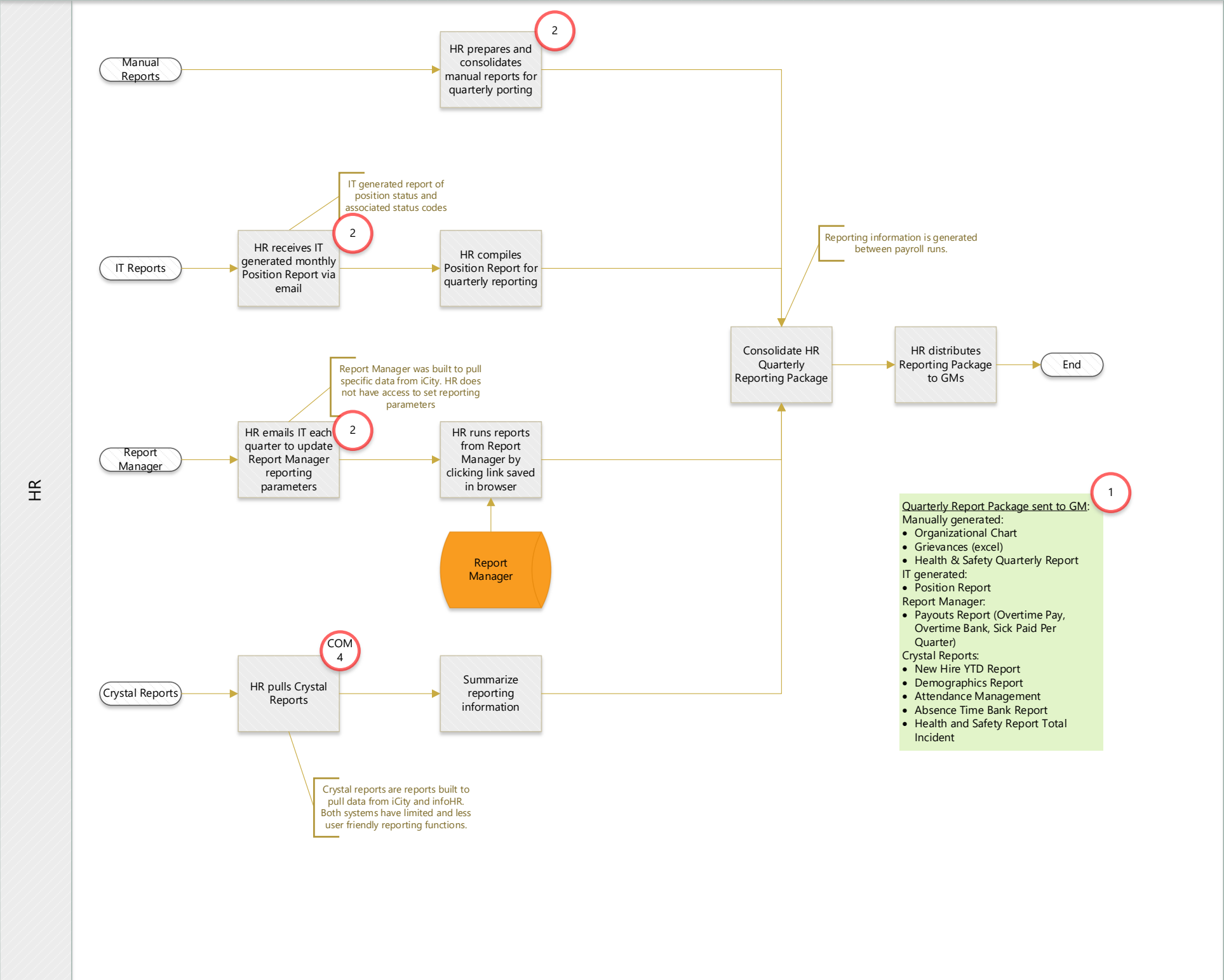


# Health and Safety Procedures (HSP) - Health and Safety - Lambton



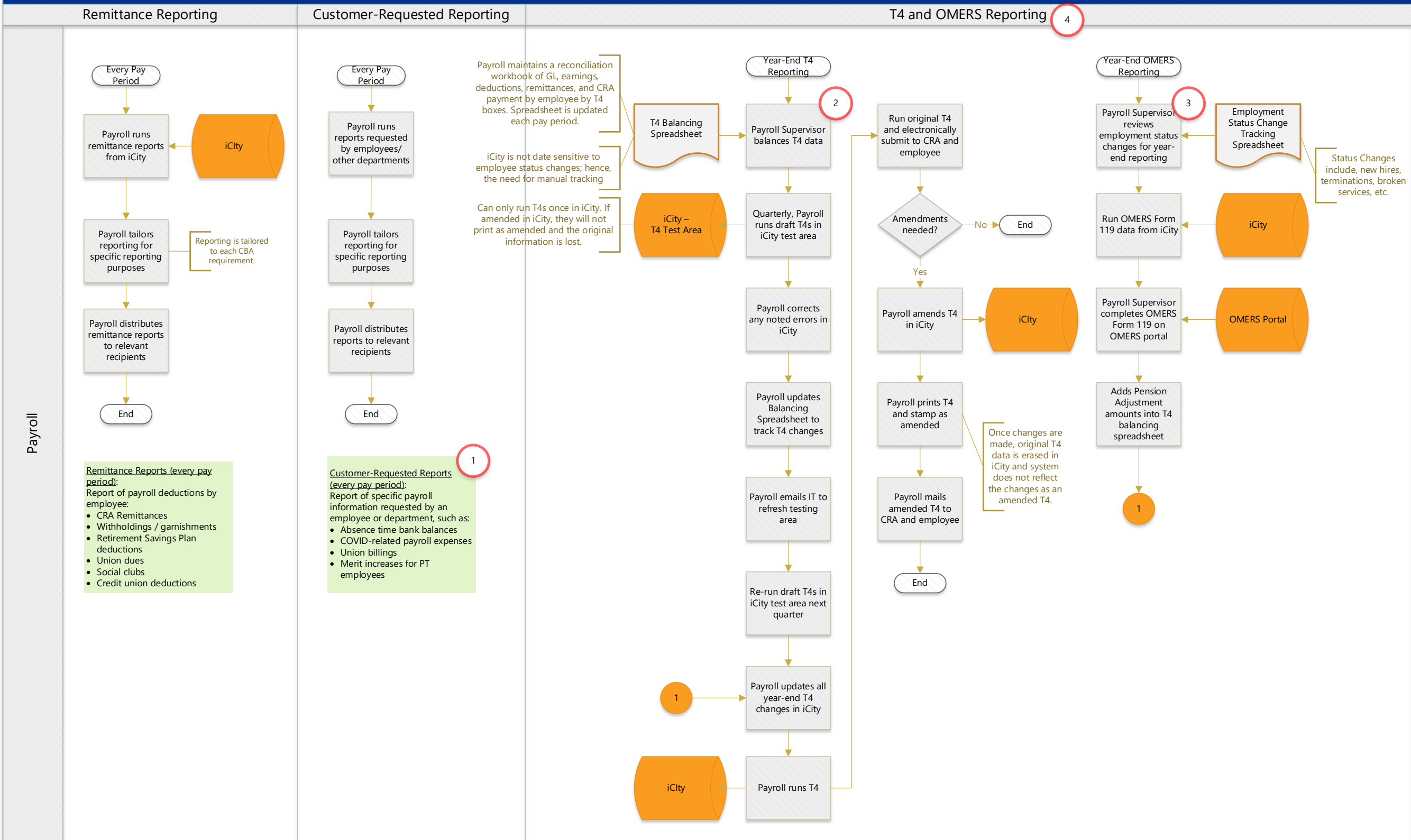
# HR Reporting (HRR) - HR - Lambton County

## Quarterly Reporting





# Payroll Reporting (PRR) - Payroll - Lambton County



Payroll

- Remittance Reports (every pay period):**  
Report of payroll deductions by employee:
- CRA Remittances
  - Withholdings / garnishments
  - Retirement Savings Plan deductions
  - Union dues
  - Social clubs
  - Credit union deductions

- Customer-Requested Reports (every pay period):**  
Report of specific payroll information requested by an employee or department, such as:
- Absence time bank balances
  - COVID-related payroll expenses
  - Union billings
  - Merit increases for PT employees

# Appendix 5 – Example RFP Scope Inputs

The Corporation of the County of Lambton  
Supply of [Click here to enter text.](#)

Project # [Click here to enter text.](#)  
Information to Proponents

## 5 REQUIREMENTS

### 5.1 BACKGROUND

[County content]

### 5.2 SCOPE

The scope of work required under this request includes

- A cloud-based Human Resources and Payroll software solution
- Implementation, including project management and migration from existing systems (Payroll: Vadim/iCity, HRIS: InfoHR)
- Post-implementation support, including training and maintenance of the system
- Ad-hoc support if required (for example, assistance with developing rules and reports).

This software solution should address the mandatory functions as described:

- Human Resources
  - Employee records set-up & maintenance (employee payroll information, masterfile updates for rates/benefits/other banks)
  - Total rewards (compensation administration, management of recognition and rewards, health & welfare benefits administration, retirement administration)
  - Workforce management (separation/termination, absence)
- Payroll:
  - Scheduling and shift rosters (including shift “swaps” and vacation requests)
  - Recording time and attendance / timekeeping
  - Processing of payroll and related reporting
  - Earnings and deductions
  - Tax and statutory remittance filings
  - Ability to process late timecards
  - Overtime, statutory pay
  - Benefits and Pension administration
  - General ledger reporting
  - Period-end cut-off.
- Employee self-service (time submission and review, access banked hour reports, changes to personal information (e.g. banking information))
- Manager self-service (approval of timesheets, access banked hour reports, workflowed approvals, etc)

- Incorporation of unique rules and step-up schedules for Unionized personnel and related Collective Bargaining Agreements
- The ability to separate / separately process payroll for related entities (for example Fire, Library, etc)
- Reporting, including both general reporting and customizable reporting by end users.

This software solution would, ideally, also address the non-mandatory functions as described:

- Human Resources:
  - Talent acquisition (sourcing, recruitment, evaluation, offer management)
  - Seniority calculations
  - Injury/WSIB management
  - Onboarding (pre-day-1 and Day 1)
  - Labour relations
  - Employee relations
  - Performance management
  - Demand forecast
- Learning (learning development, learning delivery, learning management)
- Health & safety
- Disability management (non-occupational disability management)

### 5.3 SOLUTIONS TO OTHER APPLICATIONS

The County is reviewing systems and software utilized across the County's various departments and functions, and is seeking to consolidate this software where possible/practical.

Please include information on other modules or applications that may be considered with future software replacements, including but not limited to:

- General Ledger
  - Accounts Payable
  - Accounts Receivable
  - Budgeting
- Tangible Capital Asset Management
- [County content]

### 5.4 SUMMARY OF COUNTY'S APPLICATIONS

The following table identifies applications in use by the County; the second column identifies the County's plan for each system (retire, interface, or stand-alone):

Application	Consideration
Vadim/iCity ERP	Interfacing
Vadim/iCity (Payroll)	Retire
infoHR	Retire

<b>Application</b>	<b>Consideration</b>
iCity Online	Retire
SNAP Schedule	Retire
Staff Schedule Care	Interface
Njoyn	Retire
EDF / Employee Information Portal (in-house)	Retire
Maximo	Interfacing

### 5.5 KEY STATISTICS RELEVANT TO SOLUTIONS:

<b>Category</b>	<b>Details</b>
Size and composition of Payroll team	[County content]
Size and Composition of HR team	[County content]
Employees	[County content] <ul style="list-style-type: none"> <li>- FT:</li> <li>- PT:</li> <li>- Casual:</li> <li>- Other:</li> </ul>
T4s issued (2021)	[County content]
Pay cycles	Bi-weekly
Pay Groups	24
Paystubs per pay period	[County content]
# of separate Union agreements	11
Job postings per year	[County content] <ul style="list-style-type: none"> <li>- FT</li> <li>- PT</li> <li>- Casual</li> <li>- Other</li> </ul>
Resumes per year	[County content]
Interviews per year	[County content]

### 5.6 CURRENT-STATE SYSTEM ARCHITECTURE:

[Architecture diagram to be provided by IS&T or separately upon request]

**5.7 TECHNOLOGY STANDARDS:**

<b>Technical Function</b>	<b>Preferred Technology/Platform</b>
Server Operating Systems	[County content]
Client Operating Systems	[County content]
Database Software	[County content]
Web Server Software	[County content]
Mail Server Software	[County content]
Office Applications	[County content]
Directory	[County content]
Server Management	[County content]
Middleware/Integration Technology	[County content]
Portal	[County content]

## Appendix 6 – Ratings and Classifications

The following rating scale was used to assist in identifying priority and/or severity for the observations identified during this review. This scale is intended to be used for guidance only; we are not acting as external auditors nor value for money auditors and, accordingly, our work does not constitute an audit, examination, value for money, attestation, or specified procedures engagement in the nature of that conducted by external auditors on financial statements or other information and does not result in the expression of an opinion.

Rating	Guide
<b>High</b>	<p>Issue could result in financial or operational losses within this area in the near term if left unresolved. Corrective action should be started within 30 days and completed within the next quarter. If not remediated, there is a risk that a High issue could:</p> <ul style="list-style-type: none"> <li>— Impact the control environment, processes and systems, and the business meeting its control objectives.</li> <li>— Possibly result in significant regulatory sanctions and/or penalties.</li> <li>— Cause substantial reputational damage and/or loss of key clients/relationships.</li> </ul>
<b>Medium</b>	<p>Issue is either recurring in nature or could result in financial or operational losses within this area over the next 12 months if left unresolved. Corrective action should be started within 60 days and completed within the next two quarters. If not remediated, there is a risk that a Medium issue could:</p> <ul style="list-style-type: none"> <li>— Result in an adverse impact on the control environment, processes and systems, and the auditable entity meeting its control objectives.</li> <li>— Possibly result in moderate regulatory sanctions and/or penalties.</li> <li>— Cause possible reputational damage and/or loss of key clients/relationships.</li> </ul>
<b>Low</b>	<p>Issue is unlikely to result in financial or operational losses but may include opportunities to improve the effectiveness or the efficiency of controls or processes. Corrective action is encouraged but not required. If not remediated, there is a risk that a Low issue could:</p> <ul style="list-style-type: none"> <li>— Result in an impact on the control environment, processes and systems, and the auditable entity meeting some of its control objectives.</li> <li>— Possibly result in limited regulatory sanctions/ and or penalties.</li> <li>— Cause minimal or isolated reputational damage and/or client dissatisfaction.</li> </ul>
<b>Performance Improvement Opportunity (PIO)</b>	Observations related to better practice or improvements to efficiency/ effectiveness only.

# Appendix 7 – Personnel Contacted During the Review

<b>Name<sup>2</sup></b>	<b>Title</b>
<b>Katie Alvarado</b>	<b>Human Resources &amp; RTW Consultant</b>
Jennifer Babula	Scheduling, Long-Term Care
Sophia Barnes	Employee Services Coordinator
Laura Bydeley	Scheduling, Social Services, Housing
David Cummings	Health & Safety Coordinator
Angelo De Carolis	Labour Relations / Disability Management Consultant
Melissa Donovan	Executive Assistant to the CAO
Katherine Dreise	Scheduling, Emergency Medical Services
Lacy Ferguson	Quality Assurance Manager, Long-Term Care
Tonya Furtado	Corporate Manager, Human Resources
Tracy Griffiths	Accountant, Finance
Julie Johnson	Data Processor 2
<b>Nancy King</b>	<b>Manager, Financial Administration Services</b>
Leah Klompstra	Records Management Coordinator
<b>Judy Krahn</b>	<b>Systems Analyst, IT</b>
Greer Macdonell	Scheduling, Cultural Services, Library Services Supervisor
Rylie Mallette	Employee Services Coordinator
Lisa Mills	Payroll Clerk
<b>Janessa O'Neill</b>	<b>Payroll / Financial Processing Supervisor</b>
Larry Palarchio	General Manager: Finance, Facilities and Court Services
Bonnie Parker	Data Processor 1
Robin Parsons	Human Resource Assistant
<b>Tara Pounds</b>	<b>Revenue Officer, Office of the CAO (Project Manager)</b>
Jessica Sousa	Compensation Specialist
Diane Syer	Data Processor 2
Rob Wilks	Corporate Manager, IT

<sup>2</sup> Bolded individuals indicate Project Team members.

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