

Appendix A

Overview



King County, State of Washington
Quantifiable Business Case
Business Area Integration



Date: Friday, February 27, 2004

Time: 1:30 PM to 4:00 PM

Location: Exchange Building, 7th Floor, Finance Director's
Conference Room

Agenda



- I. Introductions and Objectives**
- II. Business Area Integration Overview**
- III. Opportunities**

I. Introductions and Objectives



The objective of this focus group session is to identify the integration between business areas and develop opportunities for improving King County's operational model.

II. Business Area Integration Overview



A. Finance

1. General Ledger

- Set up and Maintain Chart of Accounts
- Prepare Manual Transactions
- Process Manual transactions
- Correct Input Errors
- Establish and Execute Recurring Journals
- Establish and Execute Monthly Mass Allocation
- Process Month End
- Process Year End

2. Project Accounting

- Set-Up and Maintain Project Structure
- Process Transactions
- Perform Project Billing
- Create Project Reports

3. Grant Accounting

4. Purchasing

5. Accounts Payable and Warrants Reconciliation

6. Accounts Receivable and Collections

- Request Customer Set-up
- Set-up Customer

- Prepare Invoice
- Process Trial Billing
- Process Invoice
- Make Payment
- Receive Payment
- Respond to customer or agency inquiry
- Generate Reports
- Review Reports
- Perform Collections

7. Inventory

8. Order Entry

9. Fixed Assets

- Maintain Asset record structures and accounting rules
- Enter new Asset into Asset System
- Enter transfers and dispositions
- Generate and Process monthly depreciation
- Conduct Physical Inventory
- Increase Work in Process asset in the amount capital project expenditures
- Reclassify completed assets
- Generate Fixed Asset Reports
- Reconcile Asset Balances to General Ledger

10. Cash Management

- Process Cash Receipts
- Manage Investments
- Allocate Pool interest
- Monitor ARMS IBIS cash Interface
- Process EFT transactions

- Reconcile Bank Account
- Perform Investment System Reporting
- Perform General Ledger Cash Reporting

11. Debt Management

12. Labor Distribution

- Calculate Burden Rates
- Distribute Labor and Apply Burden Rates
- Allocate paid time off, benefits and indirect costs to projects

13. Financial Reporting

- Generate Management Reports
- Generate External Financial Reports

B. Budget

1. Capital Budget Development

2. Capital Budget Maintenance

3. Operating Budget Development

4. Operating Budget Maintenance

C. Human Resources

1. Compensation and Benefits

- Classification System Development
- Compensation System Development
- Classification/Compensation System Administration
- Pay Implementation Development
- Pay Implementation

- Pay Administration
- Benefits System Development
- Benefits System Implementation
- Benefits System Administration

2. Organization and Individual Productivity

- Employee Development
- Organization Development and Related Consulting Services

3. HR Planning, Selection and Placement

- Workforce Management & Succession
- Job Review
- Recruitment and Selection Strategy
- Selection

4. Labor Contract Management and Employee Relations

- Safety and Claims Administration
- Disability Accommodations and Employment
- Labor Contract Negotiations
- Labor Contract Administration
- Grievance and Disciplinary Administration
- Performance Appraisal and Merit Pay

5. Human Resources

- Community Development
- Communications
- Quality Assurance
- HR Information Management

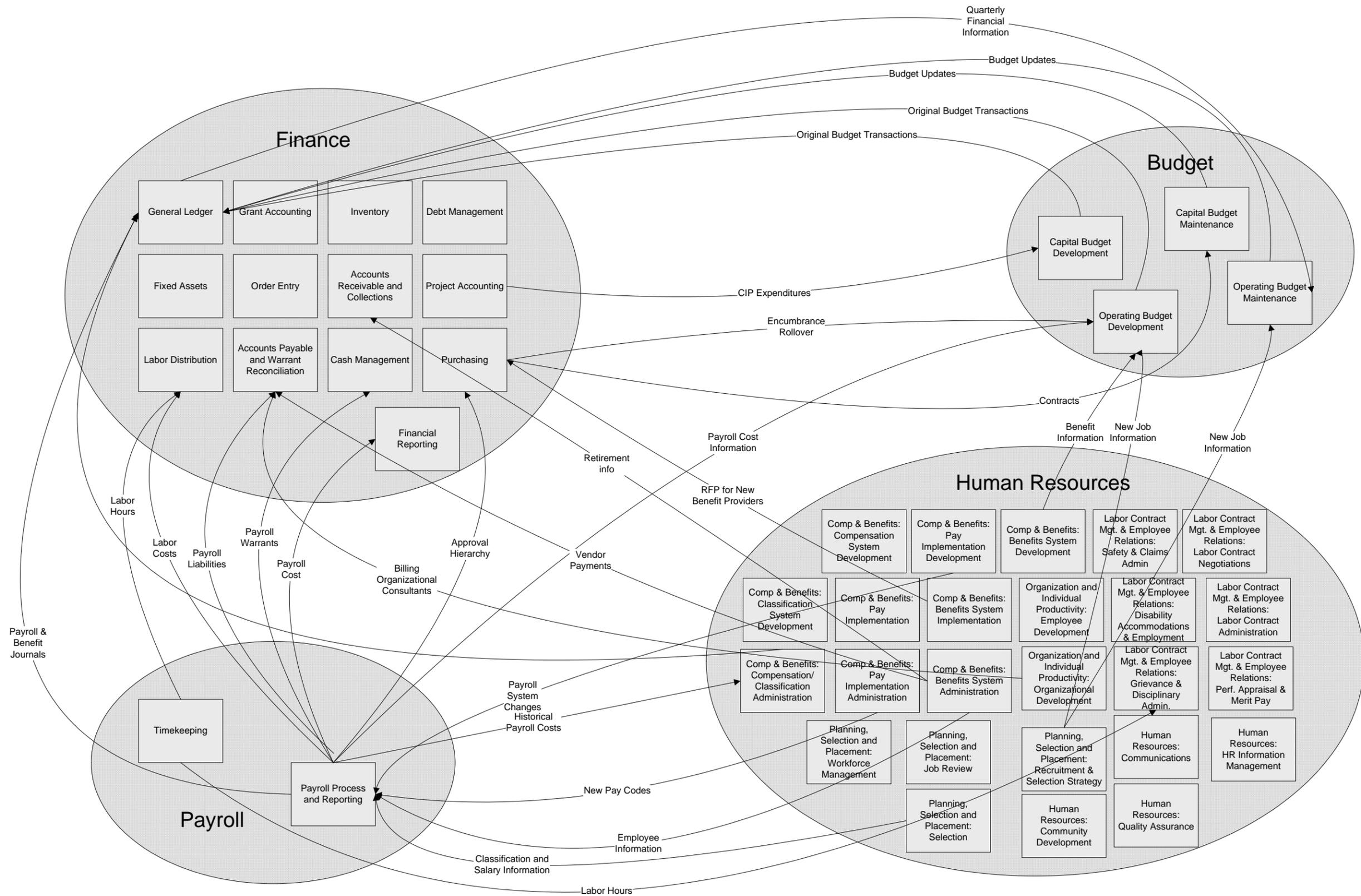
D. Payroll

1. Timekeeping

- Collection of Time
- Entry of Time
- Processing of Time

2. Payroll Processes and Reporting

- Entry of Employee Information
- Entry of Position Information
- Entry of Employee Taxes
- Entry of Employee Deductions
- One-Time Transactions
- Payroll Reconciliation and Tax Balancing
- W-2 Processing, Reconciliation and Printing
- Payroll Processing
- Cycle Processing
- Periodic Reporting



Payroll and Human Resources Integration Opportunities

Improvement Opportunity	Benefit	Performance Measures	Organizational Impact	Role of technology	Implementation Considerations	Organizational Obstacles and Constraints	Legal & Policy Constraints	Risks	Comments
Timekeeping to Grievances									
Hiring Processes Better integration between hiring and payroll	<ul style="list-style-type: none"> • Single point of entry • More timely • Streamline the workflow (MSA is manual) 	<ul style="list-style-type: none"> • Time from hire to employee record 							<ul style="list-style-type: none"> • Now totally separate. Once hired do a whole new set of paperwork • Need to re-enter everything when moving from PS to MSA (vice versa) • Now entered within 10 days of hire,
Eliminate turn around document	<ul style="list-style-type: none"> • More accurate information • More timely • Reduce paperwork • Efficiency 	<ul style="list-style-type: none"> • Time savings • Eliminates key punch 	<ul style="list-style-type: none"> • training • HR process impacts payroll 	<ul style="list-style-type: none"> • Turn on feature in MSA 		<ul style="list-style-type: none"> • Cultural change 	Labor unions	<ul style="list-style-type: none"> • Not sure MSA can do this, system has been modified / customized 	<ul style="list-style-type: none"> • County owns software to make MSA on-line turn around document is not needed

Improvement Opportunity	Benefit	Performance Measures	Organizational Impact	Role of technology	Implementation Considerations	Organizational Obstacles and Constraints	Legal & Policy Constraints	Risks	Comments
Getting correct historical payroll information into HR	<ul style="list-style-type: none"> • More efficient processes • Responding to litigation • Data accuracy • Facilitates analysis 	<ul style="list-style-type: none"> • Less time producing reports • More accurate • More confidence in reports 	<ul style="list-style-type: none"> • Training 	<ul style="list-style-type: none"> • Integration of data • MSA data quality is poor (no controls in MSA) 	<ul style="list-style-type: none"> • Ease of use / access • Security 				<ul style="list-style-type: none"> • Historical information is not correct. • Need access to historical payroll data
Identify if want a single payroll cycle	<ul style="list-style-type: none"> • 24 to 26 less payroll cycles • Reduced payroll effort • May be able to reduce lag 	<ul style="list-style-type: none"> • Cost of payroll cycles 	<ul style="list-style-type: none"> • Huge cultural change for large number of employees • Coordination with credit unions 		<ul style="list-style-type: none"> • Transition would be complex • Would need to finance a transition check (one time cost) 		<ul style="list-style-type: none"> • Labor unions 		
System Controls: editing between payroll and HR (salary is in correct range for class) – MSA issue Need integration between payroll and HR									

Improvement Opportunity	Benefit	Performance Measures	Organizational Impact	Role of technology	Implementation Considerations	Organizational Obstacles and Constraints	Legal & Policy Constraints	Risks	Comments
Implement consistent /standardized policies in labor contracts	<ul style="list-style-type: none"> • Less implementation costs system-wide • Less time spent setting up and maintaining 							<ul style="list-style-type: none"> • Unfair labor practices • Cannot impose standards on unions – everything must be bargained in good faith 	<ul style="list-style-type: none"> • e.g. executive leave used to be at management discretion – now certain days are guaranteed
Integration of HR and Payroll				<ul style="list-style-type: none"> • Single System 					
Eliminate DOE's (MSA issue only)									

Issue: should MSA issues be discussed since plan is to move to PeopleSoft?

Human Resources and Budget Integration Opportunities

Improvement Opportunity	Benefit	Performance Measures	Organizational Impact	Role of Technology	Implementation Considerations	Organizational Obstacles and Constraints	Legal and Policy Constraints	Risks	Comments
Automatically feed into accounting or PONS when a position changes									
<p>Vacancy Report – position budget and status</p> <p>Opportunity for more accurate and efficient report</p> <p>Automate report to answer specific council questions</p>	<ul style="list-style-type: none"> • More accurate and timely report • Labor savings in time required to produce report (takes 4 days to compile – plus time at agencies – each month) 	<ul style="list-style-type: none"> • Time to respond to council • Effort to prepare 		<ul style="list-style-type: none"> • Info from MSA, ARMS, IBIS and PeopleSoft • If data integrated would be easier to answer council requests 				<ul style="list-style-type: none"> • Policy Issues (too much access to info?) 	<ul style="list-style-type: none"> • Report put together by HRD • ARMS vacancy report is inaccurate – position info is not maintained throughout the year • Council requires comprehensive vacancy report that includes Peoplesoft and MSA. Now it's manually compiled
Automate Body of work report and monitor throughout the year	<ul style="list-style-type: none"> • Better monitoring of temp status information / notification when temps are about to 			<ul style="list-style-type: none"> • Information is in Temp Track • Uses Consolidated Data Ware- 				<ul style="list-style-type: none"> • Open to litigation for having temps do career service work 	<ul style="list-style-type: none"> • Body of Work Review / Career Service Review monitors use of temp em-

Improvement Opportunity	Benefit	Performance Measures	Organizational Impact	Role of Technology	Implementation Considerations	Organizational Obstacles and Constraints	Legal and Policy Constraints	Risks	Comments
	exceed limit			house (PeopleSoft and MSA data)					<p>ployees to see if work should be performed by core service employees</p> <ul style="list-style-type: none"> • Review of report could result in a recommendation to convert to career service report – then it needs to go to budget. • Very labor intensive on the budget and HR side • 2800 position
Merit Pay: On-line updates for accrued merit pay									<ul style="list-style-type: none"> • Process is labor intensive for MSA. PeopleSoft has completely different process • Merit information goes to budget and payroll

Improve- ment Opportunity	Benefit	Performance Measures	Organiza- tional Impact	Role of Technology	Implementa- tion Considera- tions	Organiza- tional Obstacles and Con- straints	Legal and Policy Constraints	Risks	Comments
Simplify Position Control Process (Create process – an integrated process is needed)	<ul style="list-style-type: none"> • Better forecasting • Better adherence to policy 	<ul style="list-style-type: none"> • Better understanding of vacancies reduces turnover rates 		<ul style="list-style-type: none"> • Integration between HR Budget Payroll and Finance 			<ul style="list-style-type: none"> • Political constraints – some organizations do not want position control – could be too cumbersome 	<ul style="list-style-type: none"> • There are policy implications 	<ul style="list-style-type: none"> • Financial gathers actuals (staff and salaries) • Position control is not maintained throughout the year. • Should position control be in ARMS? Is it an HR/Budget function only? • Position control at class level rather than FTE level? Budget is adopted at the FTE level – is that necessary?

Finance and Human Resource Integration Opportunities

Improve- ment Opportunity	Benefit	Performance Measures	Organiza- tional Impact	Role of Technology	Implementa- tion Considera- tions	Organiza- tional Obstacles and Con- straints	Legal and Policy Con- straints	Risks	Comments
See position control issue.									
HR and Fi- nance should not be con- nected									

Budget and Payroll Integration Opportunities

Improvement Opportunity	Benefit	Performance Measures	Organizational Impact	Role of Technology	Implementation Considerations	Organizational Obstacles & Constraints	Legal and Policy Constraints	Risks	Comments
Improve access to payroll data (pull rather than push) – user initiated	<ul style="list-style-type: none"> • More timely / efficient access to data • No dependence on another organization for data needs. 	<ul style="list-style-type: none"> • Reduced analyst time 		<ul style="list-style-type: none"> • Auto load into Essbase • Could be done now. 					<ul style="list-style-type: none"> • No depends on analyst availability

Finance and Payroll Integration Opportunities

Improvement Opportunity	Benefit	Performance Measures	Organizational Impact	Role of Technology	Implementation Considerations	Organizational Obstacles and Constraints	Legal and Policy Constraints	Risks	Comments
Ability to have one point of entry for recording labor to projects	<ul style="list-style-type: none"> • Single entry • Visibility of labor costs • More effective cost controls 				<ul style="list-style-type: none"> • What is appropriate method for recording equipment usage (now combined with labor) • Should be daily (separate this from the payroll cycle) – this is the ideal 			<ul style="list-style-type: none"> • Rate changes may not be reflected if timekeeping payroll is disconnected to payroll. 	<ul style="list-style-type: none"> • Improved Integration of timekeeping with project accounting • Should be able to report project info on time-sheets
Consistent recording of details (summary only in GL / detail in payroll) – information is integrated for report	<ul style="list-style-type: none"> • Storing labor details once • Simplify the interface between payroll and finance • Facilitates reconciliation • Ability to do timely corrections 	<ul style="list-style-type: none"> • Better reporting • More timely reporting 			<ul style="list-style-type: none"> • Multiple methods of labor distribution may need to be accommodated 			<ul style="list-style-type: none"> • Financial and payroll data may not be fully integrated. 	<ul style="list-style-type: none"> • ARMS has details • IBIS has summary + a detail table

Finance and Budget Integration Opportunities

Improve-ment Opportunity	Benefit	Performance Measures	Organiza-tional Impact	Role of Technology	Implementa-tion Considera-tions	Organiza-tional Obstacles & Constraints	Legal and Policy Con-straints	Risks	Comments
Improve budget monitoring with better integration of budget and actuals.	<ul style="list-style-type: none"> • Simplified reconcilia-tions • Better policy decisions • Matching • Ability to control Available Budget in wastewater (visibility) • Avoid dou-ble entry(?) 								<ul style="list-style-type: none"> • Capital budgets not entered in IBIS – main-tained in a side system • Not all budget changes are recorded in the GL • IBIS cannot do auto-mated carryover of CIP budget – now download and upload.
Consistent capital budg-eting and monitoring									<ul style="list-style-type: none"> • ARMS does multiple year budgets and carryovers. IBIS loads every year
									<ul style="list-style-type: none"> • Budget prep system is very manual (based on Excel work-book of forms) • Loaded into database

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									<ul style="list-style-type: none"> • The loaded into another database • Process is not manual, not integrated. • Essbase loads ARMS and IBIS • Budget prep is not an integrated process between departments.
<p>Support budgeting at appropriation and detail levels depending on agency needs</p>	<ul style="list-style-type: none"> • Agencies maintain a single budget that meets their needs • May eliminate side systems • Better control over project through increased detail budget monitoring • Budget entered once • Support 		<ul style="list-style-type: none"> • Budget office needs high level appropriation budget • Departments may want lower level detail budget 	<ul style="list-style-type: none"> • Budget prep tools need to be integrated with financials • Use of single integrated technology (integrated with position control) 					<ul style="list-style-type: none"> • Budget process – as goes from agency to budget office to financials they lose details • Essbase does not record project info for operating budgets • Some operating budgets are controlled at project level <p>Budget Office</p>

Improvement Opportunity	Benefit	Performance Measures	Organizational Impact	Role of Technology	Implementation Considerations	Organizational Obstacles & Constraints	Legal and Policy Constraints	Risks	Comments
	quarterly reports <ul style="list-style-type: none"> • Supports production of budget ordinance 								is at appropriation level.