

ADDITIONAL RESOURCE REQUEST – HR COORDINATOR - CONTRACT

Recommendation

The Commissioner of Legal & Administrative Services & City Solicitor and the Director of Human Resources in consultation with the Commissioner of Finance & City Treasurer and the Operational Compliance Auditor recommend that the Additional Resource Request - HR Coordinator Contract be approved, subject to overall direction on the item “Final 2012 Draft Operating Budget” included on the January 16, 2012 Finance and Administration Committee agenda.

Contribution to Sustainability

The approval of this additional resource request will minimize potential internal control risk by addressing access to JDE of PowerStream payroll staff.

Economic Impact

The economic impact is approximately \$75,000 annually.

Communications Plan

No communications plan is required.

Purpose

This report provides members of Council with information about a new Additional Resource Request for an HR Coordinator Contract which will address a significant risk raised by the City's internal Operational Compliance Auditor

Background - Analysis and Options

The City's internal Operational Compliance Auditor has raised a high priority concern in an audit on the Human Resources Department that is in the process of being finalized. For efficiency reasons the City utilizes PowerStream's payroll services. The concern relates to their payroll staff having access to modify employee information on JDE. Payroll services have been provided by the City's utility under a Joint Services Agreement for over 20 years.

Payroll staff had access to all aspects of the Employee Masterfile. Through a system upgrade the HR Department received access to the system in 2004. At that time the agreement between the City and PowerStream was that PowerStream payroll staff would continue with some employee masterfile responsibility including recording hiring, terminations, banking information, etc. The City's HR modules were set up with functionality for payroll purposes only.

In 2006 a capital budget was approved for the implementation of further HR modules. This project was implemented between 2008 and 2011. The result is greater functionality of the system along with greater access over the JDE HR modules by the City. Along with the implementation of the HR Modules, the IT Department implemented a Report writing function, giving the HR Department access to information and changes made within the employee masterfile.

Given the improved functionality of the JDE system, there is now an opportunity to implement a “best practice” process wherein access to the employee masterfile set up, termination, banking information and salary rates of staff, both within the City and within the Vaughan Public Libraries,

is separated from the actual payroll function. This improved process will address the concerns raised by the internal Operational Compliance Auditor,

HR staff, Finance staff and IT staff are working together to review employee security with regard to JDE as well as a fulsome process mapping to determine the most effective way of ensuring the safety of employee information and minimizing the internal control risk. This process is anticipated to take at least one year to complete. In the interim, in order to effect a temporary solution, and in order to establish "read only" rights for PowerStream payroll staff to allow them to process payroll, it would require the HR Department to take over the work currently being done by the PowerStream payroll staff for both the City and the Vaughan Public Libraries. This cannot be accomplished with the current staffing complement within the HR Department.

As a result, this additional resource request is being submitted as a temporary full-time contract HR Coordinator which would allow for the work to be taken over by the HR Department pending determination of an appropriate business process and security model being developed. This project would allow staff to determine the actual level of resources needed in the future. Once those resources are determined an appropriate ARR for permanent staffing would be submitted.

In the interim, to address the concerns of the auditor, HR staff have taken the necessary steps as available given the current resources to minimize the risk highlighted by the internal Operational Compliance Auditor.

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and directly links to the goals of ensuring a high performing organization and ensuring financial stability by reducing the financial and internal control risk to the organization. The necessary resources have not been allocated within the operating budget.

Regional Implications

None

Conclusion

The Additional Resource Request is required to minimize the significant risk raised by the Operational Compliance Auditor and will ensure that the appropriate processes and resources are determined through a comprehensive review by IT, Finance and HR staff.

Attachments

1. Additional Resource Request – HR Coordinator - Contract

Report prepared by:

Janet Ashfield
Director of Human Resources

Respectfully submitted,

Janice Atwood-Petkovski
Commissioner of Legal & Administrative
Services & City Solicitor

Janet Ashfield
Director of Human Resources

**CITY OF VAUGHAN
2012/2014 OPERATING BUDGET**

ADDITIONAL RESOURCE REQUEST

Request Title Administrative Coordinator - Contract

Business Unit # 090156 Employee Services

090 - Human Resources

Annual Budget Change Summary

Financial Components	2012	2013	2014	2012-2014 Sub-total	2015 (Full-Yr. Adj.)	2012-2015 Sub-total
Staffing						
Complements	1.00	-	-	1.00	-	1.00
Net FTE's	1.00	-	-	1.00	-	1.00
Operating Revenue	-	-	-	-	-	-
Operating Costs						
Staffing & Benefits	70,986	-	-	70,986	-	70,986
Other continuous costs	-	-	-	-	-	-
One-time expenses	3,100	(3,100)	-	-	-	-
Offsets/reductions	-	-	-	-	-	-
Net Operating Budget	\$ 74,086	\$ (3,100)	\$ -	\$ 70,986	\$ -	\$ 70,986
Associated Capital Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

1A) Request Description: Please provide a brief description of the request.

Please check one: Departmental Corporate

The following recommendation was made by the City's Operational Auditor.
 a) That only the Human Resource department (not the Payroll department) should have access to make changes to the Employee Master Files. In order to comply with the above noted recommendation the HR department would be required to take over the additional workload. We require the services of HR Administrative Coordinator for at least a period of 12 months that will allow us to take over the access of the Employee Master Files from Payroll and the work will be completed within the HR Department. This is a temporary solution as we have plans to do a complete review of the employee security with regard to JDE as well as a fulsome process mapping so that HR, Payroll and Finance can better understand the relationships and requirements of each other with regard to the system and access. The HR administrative Coordinator would be responsible for entering all updates on the employee Master Files (All VPL and City employees) and will handle inquiries from staff related to any of the updates. We will re-assess the need to convert this FTE into a permanent one at the conclusion of the review.

1B) If this request is part of a project with multiple milestones then please fill in the following table:

Milestones or Deliverables	Timelines	Comments
Approval of position	01/01/12	
Hire HR Coordinator	Q1	
Train HR Staff on payroll related functions	Q2	

1C) Impact on other departments (cost/time/benefit):

Department Impacted	Describe Impact (Cost/time/benefit)	Were they Consulted?
Powerstream Payroll	Powerstream will have "Read" only access to parts of the employee Master File relating to the set up of employees their banking information rates of pay	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Yes <input type="checkbox"/> No

Other comments:

COMMISSIONER APPROVAL: _____ **Date:** _____

Request Title	Administrative Coordinator - Contract
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2) Relationship to Vaughan Vision 2020 - Goals / Objectives / Initiatives

A) Identify the specific initiative on the Vaughan Vision 2020 initiative list this resource request supports (new or implementation of):
Choose a Theme from the drop down list and then fill in all Green cells using the drop down lists provided.

Theme	Goal	Initiative	Ref #	Status	Date	Priority	Request/Initiative Relationship (choose 1)
Organizational	Ensure Financial Sustainability	Finalize the financial master plan and procedures and incorporate the results into the decision making process	5		Q3/10, Revised Q4/12	High	General Correlation
Organizational	Manage Corporate Assets PRIORITY GOAL	Formalize a City wide risk management plan	4		Q4/10, Revised Q4/11	High	General Correlation
Organizational	Ensure a High Performing Organization PRIORITY GOAL	Additional operational business reviews - PRIORITY	3		TBD	Priority	Mandatory

B) Describe and clearly demonstrate how the request links to the Vaughan Vision 2020:

This request directly links to Vaughan Vision 2020 goal of "Ensure a High Performing Organization". The particular initiative is "Additional Operational Business Reviews". The Operational Audit report has identified a potential risk that we need to address by changing the way we process some of HR administrative functions. The ARR will ensure that we comply with the Operational Audit recommendation, therefore, reducing the financial risk to the organization.

3) Related Performance Indicators & Business Plan Link

Please provide information on top 3 performance measures:

	Name/description of service level target:	Target Level	Current Level	Level with ARR
1)	Comply with Operational Audit Recommendation	Full compliance	No compliance	Full
2)				
3)				

Describe how this request relates to Departmental Business Plan:

The HR department's business plan includes minimizing the risk to the organization. The recommendation made by the Operational Auditor has been ranked as a High Priority from a risk management perspective. Implementing the additional contract FTE will enable us to comply with the Operational Audit recommendation and minimize the risk exposure for the Corporation, while staff carry out the security review and process mapping to determine resources moving forward.

4) Value Proposition

Please detail both qualitative and quantitative benefits of the request

Qualitative: Please select up to 2 actions which best describe this request

Primary Secondary

Briefly explain how this request helps achieve the actions selected above. How does this request make a difference in these areas? Can improvements be defined (i.e. surveys, measures, etc.)?

Minimizing internal control risk.

Quantitative: Please provide explanation of how this request improves efficiency. Note that performance measures are captured in section 3. This section is for efficiency improvements.

Year	Type	Change/Saving	Units	Detail of Cost Reductions/Budget Savings	Incl. in offsets (Section #9)?
2012	Time/Capacity	Nil	Hrs.		

5) Alternatives

Are there alternatives or options? Please explain what they are and why they are not the primary approach.

If we continue with our current process the City will be open to some potential internal control risk noting that the updates to the Master file on the JDEdwards system can be done by individuals outside the Human Resources department. The recommendation provided by the Operational Auditor would require that HR be appropriately staffed in order to ensure we comply with the recommendation.

Request Title

Administrative Coordinator - Contract

6) Implications/Consequences (if request not approved)

A) Please check off how the request relates to the following:

Legislative/Regulatory Requirement

- None
- Little consequence of non compliance
- Significant external repercussion/penalty

Please specify:

Specific Legislation (i.e.... Act/Regulation/etc.)

[Empty text box for specifying legislation]

What are the compliance requirements?

[Empty text box for compliance requirements]

What are the consequences of non-compliance?

[Empty text box for consequences of non-compliance]

Current status of compliance:

[Empty text box for current status of compliance]

Risk Management

(To move within the range, click on indicator and slide it with your mouse or click on arrows at the end of the scale)

Probability of Litigation



Financial Impact



Health and Safety Risk (click on the word)

- None
- Internal
- External
- Both

Health and Safety Magnitude



Probability of Health & Safety Issue



Comments

Please describe the type and nature of risk

Increase internal control risk as identified by the Operational Audit report

Internal Operational Requirements

- None
- Service provided with minor internal issues -slight inconvenience
- Inability to support the department's directive
- Direct affect on multiple departments
- Citywide implications

Comments

Affects HR, Vaughan Public Libraries and Powerstream payroll

B) Briefly illustrate any other impacts/consequences not detailed above and those who will be affected if the request is not approved. (e.g. staff, residents, community, etc.)

Internal control risk will remain higher without implementation of the Operational Auditor's recommendation.

Request Title	Administrative Coordinator - Contract			
7) Complement Details - Skip to Section 8 if no Staff is requested				
Do not gap positions - If required, please contact the Budget Dept. for instructions Future year progressions & eco. adj. will be calculated corporately by the Budget Dept.				
Complement Information	Position #1	Position #2	Position #3	Sub-total
Budget Year	2012			
Position title	HR Administrative Coordinator			
Estimated start date	January 1, 2012			
# of positions requested	1.00			1.00
Full-time equivalents (FTEs)	1.00			1.00
Position type	Full-time			
Position agreement classification	Contract			
If contract, specify length (months or yrs)	12 +			
If Casual/Seasonal PT enter Hourly wage				
Business unit # (override if different than # shown)	090156			
Grade level	4			
Est. starting step	1			
Desktop (HR) Review Performed?	Yes			
B&F Accommodations Available?	No			
ITM Hardware required?	Yes			
Capital Equipment Required?	No			
Complement Annual Cost Detail				
Annual full-time \$	60,311			60,311
Annual part-time \$	-	-	-	-
Annual shift premiums, etc				-
Annual overtime \$				-
* PT vacation pay (calculated field)	-	-	-	-
* Annual benefits (calculated field)	-	-	-	-
* FT contract benefits in lieu (calculated field)	10,675	-	-	10,675
Subtotal	\$ 70,986	\$ -	\$ -	\$ 70,986
Continuous costs	(BU & Acct #.)	Please fill in per Complement. The total will account for multiple positions if indicated above.		
1) Office Supplies	090156.7200			-
2) Training & Developme	090156.7115			-
3) Cellular Line Charges	090156.7122.01			-
4) Mileage	090156.7100			-
Subtotal		\$ -	\$ -	\$ -
One-time costs	(BU & Acct #.)	Please fill in per Complement. The total will account for multiple positions if indicated above.		
1) Computer Hardware	090156.7211.01	2,500		2,500
2) Office Equip. & Furnitu	090156.7210	600		600
3) Training & Developme	090156.7115			-
4)	#N/A			-
Subtotal		3,100	-	3,100
2012 Total Complement Annual Costs	\$ 74,086	\$ -	\$ -	\$ 74,086
2013 Total Complement Annual Costs	\$ -	\$ -	\$ -	\$ -
2014 Total Complement Annual Costs	\$ -	\$ -	\$ -	\$ -
Additional Comments:				

Request Title

Administrative Coordinator - Contract

Request Title		Administrative Coordinator - Contract						
8) Capital Funding								
Are there any Capital requests already submitted/approved or to be submitted related to this ARR? (e.g. new car)								
	ASSOCIATED CAPITAL FUNDING	Status	Year asset Available for use	Proj. #	2012	2013	2014	Total
1								\$ -
2								\$ -
3								\$ -
TOTAL ASSOCIATED CAPITAL FUNDING					\$ -	\$ -	\$ -	\$ -
9) Financial/Resource Detail								
	Component	BU Acct. #	2012	2013 Budget	2014	2015 Full-Yr. Adj.		
REVENUE - continuous operating detail								
1								
2								
3								
4								
Subtotal			-	-	-	-		
REVENUE - one-time operating detail								
1								-
2								-
Subtotal			-	-	-	-		
EXPENSES - continuous operating detail (For staffing costs please fill out section 7)								
1	* Staffing costs (calculated field)	(From sect. 7)	60,311	-	-			
2	* Benefits	(From sect. 7)	10,675	-	-			
3	* Complement sch. Expenses (calculated field)	(From sect. 7)	-	-	-			
4								
5								
6								
7								
Subtotal			70,986	-	-	-		
EXPENSES - one-time operating detail (For staffing costs please fill out section 7)								
1	* Complement sch. Expenses (calculated field)	(From sect. 7)	3,100	-	-	-		
2								-
3								-
Subtotal			3,100	-	-	-		
OFFSETS - cost savings, reductions, etc								
1								
2								
3								
Subtotal			-	-	-	-		
TOTAL OPERATING BUDGET CHANGE			74,086	-	-	-		
COMPLEMENTS & FTE's								
			2012	2013	2014	Total		
# of positions requested	(From sect. 7)		1.00	-	-	1.00		
FTE's	(From sect. 7)		1.00	-	-	1.00		
FTE reductions/offsets	(Manual Field)					-		
Net FTE's	(From sect. 7)		1.00	-	-	1.00		