

Jane Stewart Response to Request for Information dated 02 July 2013

Background

1. I am the Senior Director, Workforce Management Solutions and Operations, Payroll Portfolio, Queensland Health.
2. I attended a meeting with the Commissioner, Jonathon Horton, David Mackie and Philip Hood on 21 June 2013.
3. The Commissioner has asked that I provide some further clarifying information addressing the following:

***Explain in everyday terms what the bulk of the additional Payroll staff are engaged to do*
**Provide the number and type of the system issues encountered since go-live*
**Where possible provide detail of the outstanding system issues and details of the workarounds that are required*
4. I have sourced summary information from issue and change management registers within the Payroll Portfolio to prepare this information. The detailed data for each individual issue within the registers has not been checked for accuracy in the timeframe available to me. It is assumed that the summary information I have used is correct.

Explain in every day terms what the bulk of the additional Payroll staff are engaged to do.

5. According to information previously provided to the Commission the payroll staff has grown from an average of 603 employees between February 2009 and February 2010 to 718 in May 2013. There are a further 138 payroll staff in a temporary capacity dedicated to specific payroll related initiatives to resolve historical overpayment recovery.
6. The 718 payroll staff as at the May 2013 figures are involved in processing all end to end transactions on the system that relate to maintaining an employee's personal records and producing a final payment result for an employee. Examples of some of their on system responsibilities include:
 - Commencing new employees
 - Entering and making changes to employees personal records
 - Entering and maintaining the organisational structure
 - Allocating employees to the correct positions and award conditions
 - Processing higher duties for employees
 - Terminating employees and processing their termination payments
 - Entering (plotting) rosters on the system
 - Running schedule violation reports to identify where the roster has breached an award condition and following up with Line Managers on required actions
 - Making changes to time and attendance due to roster changes

- Processing requests for leave
 - Entering allowances and deductions for employees
 - Running reports for Line Managers
 - Checking error messages and taking action on the system to resolve such errors
7. Some of the responsibilities listed above were primarily performed by Line Managers prior to the introduction of the SAP/Workbrain system. This included entry (plotting) of their team rosters into the rostering system (ESP), checking their team schedule rule violations and actioning as necessary, and running their own Line Manager reports.
 8. The shift in these responsibilities to payroll staff not only increased the workload from the additional processing effort but also added the extra time to follow up with Line Managers when clarifying the information from the manual forms they received.
 9. There are approximately 1540 team rosters entered (plotted) in Workbrain by payroll officers each fortnight. Each roster could have a small number of employees such as ten all the way up to approximately 200 employees.
 10. There has also been a loss of trust in the system and a zero tolerance for error and as such there is a view that the payroll enquires that payroll staff receives has also increased. Each enquiry can take quite some time to investigate and does not always result in finding an error.
 11. The number of work arounds with the system could also contribute to additional workload where extra steps in a process or additional checking add time to processing a form or transaction. An example might be that if the system was functioning correctly there would be two screens and five key strokes to complete processing a form however due to a defect the payroll staff need to go to an extra screen and perform two extra key strokes to get the outcome they require. Another example might be a report needs to be run to highlight employees that need their payment record manually checked and corrected under a specific overtime scenario.
 12. The introduction of Employee and Manager self service (direct view or update access to the system) would provide significant opportunity to reduce payroll officer numbers. OSme of the reasons would be due to:
 - a. significantly reduce the time to receive and enter changes in the system as there would not be reliance on paper trails and interpretation of information on forms
 - b. reduce the workload of payroll staff as there would be direct entry to the system of rosters and roster changes and leave applications amongst other things
 - c. Improve accuracy of rostering and payroll data as it would not be translated incorrectly and could be validated in real time by employees and Line Managers.
 - d. Reduce enquires as employees and Line Managers could have access to real time information without having to make enquiry to payroll

Provide the number and type of the system issues encountered since go-live

13. To understand the numbers and type of system issues encountered since go live you need to understand the system issues that have been fixed and what remains outstanding today.
14. In reviewing the system issues that have been fixed 456 as at 1 July 2013 have been classed as defect fixes. This would therefore suggest they are not related to new or changed business requirements. Those defect fixes have been further categorised as follows:

Category	No.	Brief Description
Deductions	3	<p>A dollar amount withheld from an employees pay to allow Qld Health to pay a vendor directly on behalf of them. Eg: Medibank Private.</p> <p>Issues in this category may relate to the incorrect setup of the deduction whereby the withheld amount may be calculated or disbursed wrongly or there could simply be a display issue with the description of a deduction.</p>
Manage Employee	19	<p>The process of keeping employees data accurate such as their position details, terms of employment, pay classification etc</p> <p>Issues in this category may relate to user difficulties with the process to perform updates to the data or may result in the data not being updated correctly. This may or may not impact pay depending on the scenario.</p>
Finance	30	<p>Ensuring that the dollar cost of an employee and is translated in accounting terms for financial statements, reporting etc.</p> <p>Issues in this category may relate to incorrect translation and posting of the dollar amounts and associated cost centres into the finance system. There would be no impact on the employees pay but would impact financial management and</p>

		reporting.
Infrastructure	10	<p>Relating to Information technology hardware or network.</p> <p>Issues in this category may relate to the reliability of the system being available or its performance.</p>
Integration/Interfaces	88	<p>The ability for different systems to exchange information or extract and import data. Examples include imports and exports between SAP and Workbrain, QSuper interface, EFT interface, ATO interface, Finance interface, payslip interface</p> <p>Issues in the category may relate to the accuracy of the content of the data in the files or the success of the transfer of the file itself.</p>
Leave	25	<p>Relates to employee leave entitlement business rules, the management of leave balances and the application and payment of leave.</p> <p>Issues in this category may relate to the accuracy of leave balances, the usability of the leave function or display issues</p>
Loans	3	<p>Management of money advanced to an employee or overpaid to an employee.</p> <p>Issues in this category may relate to the accuracy of the loan calculation due to incorrect calculation logic or impact the loan reporting function or display of loan information</p>
Organisational Management	1	<p>The area that deals with the organisational structure, reporting structure, positions and jobs but not the employees who work within it.</p> <p>Issues in the category may relate to the user's ability to accurately update the</p>

		organisational structure information but would not impact payment..
Pay rules/Time and Attendance	65	<p>The logic used to calculate award entitlements for employees based on their hours worked.</p> <p>Issues in this category would relate to the accuracy of pay calculations for specific scenarios based on a combination of award conditions with a particular worked shift scenario</p>
Payrun Process	10	<p>The processing mechanism that enables payroll calculation for a fortnightly period to be done efficiently and in a risk free manner.</p> <p>Issues in this category may relate to the efficiency of the pay run process, the time to perform the pay run process and the amount of error and recovery needed to complete the pay run.</p>
Payslips	16	<p>Reporting to an employee of their earnings and deductions for a fortnight. This information is delivered by mail or available to the employee electronically.</p> <p>Issues in this category may relate to an employee's ability to easily understand their payslip and the accuracy of the information displayed.</p>
Performance	13	<p>To be able to improve the speed of the system.</p> <p>Issues in this category would likely impact how quickly a user could process their work or how quickly system batch jobs can be completed.</p>
Reporting	54	<p>Ability to report on employee, rostering and payroll information that is stored in the systems.</p> <p>Issues in this category may relate to poorly displayed data or missing or inaccurately displayed data in a report</p>

Rostering	23	<p>Creation of baseline rosters and entering rosters in Workbrain.</p> <p>Issues in this category may relate to difficulties with the process to enter the rosters or publish the rosters or the accuracy of the data displayed</p>
Security	16	<p>The ability to restrict different users to access different parts of the application based on their job requirements.</p> <p>Issues in this category may relate to certain user security profiles not providing the correct security access to the data. This could be either too much information or not enough information.</p>
Superannuation	18	<p>The calculation, management and reporting of both employee and employer superannuation contributions.</p> <p>Issues in this category may relate to the incorrect calculation of employee super contributions thereby impacting the employee's pay or the incorrect calculation of employer super contributions thereby impacting the contribution the employer is making to super for an employee. There could also be issues with the reporting of the information to QSuper.</p>
Systems Support	16	<p>The ability to support and maintain the system</p> <p>Issues in this category may relate to the ability to support the system in accordance with service level obligations or ensure the integrity of the system and be able to recover from system failures.</p>
Taxation	19	<p>Taxation related including PAYG withholding or Payroll Tax.</p> <p>Issues in this category may relate to the accuracy of taxation calculations which may impact an employee's pay.</p>
Terminations	9	<p>The process of finalising an employees accounts/pay when they leave the</p>

		organisation.. Issues in this category may relate to the accuracy of the termination payment calculation, difficulties with the termination process or display issues.
Wage types	16	Codes held in the SAP system that are assigned values of calculated amounts which are used to calculate the final pay result. Issues in this category could relate to incorrect values held against the wage types or incorrect logic of how to apply the wage type to the calculation. This could likely lead to issues with the accuracy of the pay calculation.
Uncategorised / Other	2	Fixes that did not align themselves to standard categories

Where possible provide detail of the outstanding system issues and details of the workarounds that are required

15. There are two types of outstanding known issues those which are not related to the absence of detailed business requirements typically referred to as defects (bucket A) and those issues that are dependant on missing business requirements being documented to design a system solution (bucket B).
16. In an attempt to articulate the system issues that are likely caused by defects rather than missing, new or changed business requirements only the detail of the outstanding issues in (bucket A) totalling 265 as at 1 July 2013 will be detailed. It should also be noted that there may be duplicate issues captured and all low priority/cosmetic issues have been excluded.

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		deduction.
Manage Employee	39	<p>The process of keeping employees data accurate such as their position details, terms of employment, pay classification etc</p> <p>Issues in this category may relate to user difficulties with the process to perform updates to the data or may result in the data not being updated correctly. This may or may not impact pay depending on the scenario.</p>
Finance	16	<p>Ensuring that the dollar cost of an employee and is translated in accounting terms for financial statements, reporting etc.</p> <p>Issues in this category may relate to incorrect translation and posting of the dollar amounts and associated cost centres into the finance system. There would be no impact on the employees pay but would impact financial management and reporting.</p>
Integration/Interfaces	4	<p>The ability for different systems to exchange information or extract and import data. Examples include imports and exports between SAP and Workbrain, QSuper interface, EFT interface, ATO interface, Finance interface, payslip interface</p> <p>Issues in the category may relate to the accuracy of the content of the data in the files or the success of the transfer of the file itself.</p>
Leave	24	<p>Relates to employee leave entitlement business rules, the management of leave balances and the application and payment of leave.</p> <p>Issues in this category may relate to the accuracy of leave balances, the usability</p>

		of the leave function or display issues
Loans	6	<p>Management of money advanced to an employee or overpaid to an employee.</p> <p>Issues in this category may relate to the accuracy of the loan calculation due to incorrect calculation logic or impact the loan reporting function or display of loan information</p>
Organisational Management	8	<p>The area that deals with the organisational structure, reporting structure, positions and jobs but not the employees who work within it.</p> <p>Issues in the category may relate to the user's ability to accurately update the organisational structure information but would not impact payment..</p>
Pay rules/Time and Attendance	19	<p>The logic used to calculate award entitlements for employees based on their hours worked.</p> <p>Issues in this category would relate to the accuracy of pay calculations for specific scenarios based on a combination of award conditions with a particular worked shift scenario</p>
Payrun Process	6	<p>The processing mechanism that enables payroll calculation for a fortnightly period to be done efficiently and in a risk free manner.</p> <p>Issues in this category may relate to the efficiency of the pay run process, the time to perform the pay run process and the amount of error and recovery needed to complete the pay run.</p>
Payslips	11	<p>Reporting to an employee of their earnings and deductions for a fortnight. This information is delivered by mail or available to the employee electronically.</p> <p>Issues in this category may relate to an employee's ability to easily understand</p>

		their payslip and the accuracy of the information displayed.
Performance	1	To be able to improve the speed of the system. Issues in this category would likely impact how quickly a user could process their work or how quickly system batch jobs can be completed.
Reporting	33	Ability to report on employee, rostering and payroll information that is stored in the systems. Issues in this category may relate to poorly displayed data or missing or inaccurately displayed data in a report
Rostering	22	Creation of baseline rosters and entering rosters in Workbrain. Issues in this category may relate to difficulties with the process to enter the rosters or publish the rosters or the accuracy of the data displayed
Security	4	The ability to restrict different users to access different parts of the application based on their job requirements. Issues in this category may relate to certain user security profiles not providing the correct security access to the data. This could be either too much information or not enough information.
Superannuation	20	The calculation, management and reporting of both employee and employer superannuation contributions. Issues in this category may relate to the incorrect calculation of employee super contributions thereby impacting the employee's pay or the incorrect calculation of employer super contributions thereby impacting the contribution the employer is making to super for an employee. There could also be issues with the reporting of the

		information to QSuper.
Systems Support	2	The ability to support and maintain the system Issues in this category may relate to the ability to support the system in accordance with service level obligations or ensure the integrity of the system and be able to recover from system failures.
Taxation	4	Taxation related including PAYG withholding or Payroll Tax. Issues in this category may relate to the accuracy of taxation calculations which may impact an employee's pay.
Terminations	16	The process of finalising an employees accounts/pay when they leave the organisation.. Issues in this category may relate to the accuracy of the termination payment calculation, difficulties with the termination process or display issues.
Wage types	8	Codes held in the SAP system that are assigned values of calculated amounts which are used to calculate the final pay result. Issues in this category could relate to incorrect values held against the wage types or incorrect logic of how to apply the wage type to the calculation. This could likely lead to issues with the accuracy of the pay calculation.
Uncategorised / Other	19	Further detailed analysis is required before these issues can be accurately categorised

17. There are approximately 211 workarounds that are registered as being required to address known issues. Some of these workarounds would need to be performed by individual payroll officers as they process transactions or forms. An example of such a workaround might be where a payroll officer has to perform extra steps on the system or extra manual processes to get the correct outcome from the system. These workarounds are less reliable as they require a reliance on the payroll officer to follow the workaround steps. Other

workarounds are performed by the statewide operations team or the system support team as part of the final pay run process. These workarounds usually involve the generation of a report which highlights employees that need follow up investigation and their pay results adjusted under certain circumstances. These workarounds are far more reliable as they are scrutinised and controlled as part of the final pay run process by the experts in the system but add time to the error correction window on the final pay processing day.

18. It would be very difficult to quantify the impact that the workarounds has on pay accuracy or work load.