

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: November 25, 2008

To: Lee Holloway, Chairman, Milwaukee County Board of Supervisors
Scott Walker, Milwaukee County Executive

From: Ceridian Implementation Oversight Committee

Subject: Ceridian Post Project Report

In July 2005, Milwaukee County approved a contract with Ceridian for implementation of a new human resources and payroll system. Originally, it was anticipated that a “go live” date of April 2006 might be achieved for all 5 components of the Ceridian HRIS solution. Total project costs were projected to be \$10 million including \$3.4 million for implementation and \$6.6 million for operating costs from 2006-2010. The first component of the system, Benefits, was implemented in July 2007. The actual “go live” date for the three most critical component of the system, Time & Attendance, Payroll processing & HR and Self Service was November 2007 and the final piece Recruitment, was operational in July 2008.

As for costs, the system finances were not adversely affected by the adjusted timeline because Ceridian worked with Milwaukee County on a cost-sharing approach that allowed us to redirect budgeted operating funds to implementation expenses. Final implementation costs were approximately \$4.5 million and the overall five year project costs will be within the original budget.

Because of concerns about the implementation timeline, Milwaukee County obtained an independent analysis of the project in March 2007 and a follow-up review in October 2007 (copies attached). As a result, the project management team was realigned and additional resources were committed to the effort. The project was, essentially, restarted. This post-project analysis addresses the “lessons learned” throughout the implementation process. It identifies both things that worked to make the project a success and things that should be done differently to ensure success of future projects. Input was received from key project staff and vendors. This input included comments received from front line staff during the project.

We appreciate the efforts of all County employees, contractors and Ceridian in implementing the new system. This report is for informational purposes only unless other action is deemed necessary by policymakers.

Implementation Oversight Committee Members

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Ceridian Implementation Post-Project Analysis Report

Publish Date: November 25, 2008

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1 Introduction

This document is intended to reflect back on the project process and execution to determine the lessons learned – what went well and what could have been done better.

The combination of project assessment, review and metrics make up the final post-project analysis report for large Milwaukee County IMSD projects.

2 Project Assessment

This Project Assessment has been completed based on the feedback from key stakeholders, sponsors, the Project Management Office and team members. The feedback captured is segmented by the phases. Some metrics are captured to provide insights into the project cost, schedule, and execution.

2.1 Project Timeline

The planned dates that are provided in this document are based on the project restart process in May, 2007.

Modules	Planned Go-Live Date	Actual Go-Live Date	Variance	Comments
CBS (Benefits)	7/31/07	7/31/07	0	Since Open Enrollment was not planned to be started until November 1, 2007, the team had time available to test the system and prepare for Open Enrollment beyond Go-Live.
SS (Self-Service)	11/15/07	10/25/07	- 15 days	Self Service provided the team an opportunity for additional validation and hence a decision was made with DHR to move up the Go-Live date.
CTA (Time and Attendance - Payroll)	10/21/07	11/18/07	+ 28 days	The organization was not ready impacting the Go-Live date. This allowed time for HOC and BHD to finalize the adaptation of their time keeping process to incorporate electronic time swiping. Project team provided additional training for approvers and employees.
HPW (Human Resources – Payroll)	11/4/07	12/2/07	+28 days	The organization was not ready impacting the Go-Live date. In addition, the changes in the Go-Live date provided better opportunities to test the custom programs and understand the manual workarounds. The delay provided additional opportunities to retest in parallel.
CRS (Recruitment)	10/31/07	7/1/08	+ 8 months	The Go-Live decision to move forward with HPW impacted CRS from a resource allocation standpoint. In 2008, starting the project took time and based on additional efforts required such as process documentation and completion of test scripts moved the date to July 1.

2.2 Project Expenditures

These project implementation expenditures are through October 2, 2008. We note that some capital costs add value to other operations as well (e.g. wiring, connections).

Vendor	Amount	Description
Ceridian Costs	\$2,523,400	Implementation, extension and training
Adecco	96,324	Support staff for HR, payroll & benefits
C.D.G. & Associates	34,988	Interface development
Global Insights	568,563	Data conversion, report development, requirements & planning and training
Greenview Data Inc.	7,194	Data conversion
I.D.L. Solutions	49,999	Data conversion
Personnel Specialists	54,466	Support staff for HR, payroll & benefits
Syslogic Inc.	831,833	Program/payroll management, projects reassess and replan, support staff for HR, payroll & benefits and training
Temps Plus Staffing Services	35,677	Support staff for HR and payroll & benefits
Tharps, M.L.	71,893	Data auditing
Galaxy Data/Meridian IT Inc.	47,953	Computer equipment
Wiring Connections	78,900	Wiring
Command Communications	5,249	Computer equipment
Xerographic Supply	48,663	Computer equipment
Allison Systems	9,985	Computer equipment
A.S.A.P. Software Express	26,806	Computer software
Miscellaneous	(20,695)	Adjustments to project totals
Total	\$4,474,199	

2.3 Key Lessons Learned Summary Table

The key learnings documented below are for the overall implementation of the HRIS project, including the HPW, CTA, SS, CRS and CBS modules.

Phase	Component	Key Learning(s)
Initiating	Scope RFP Process Contract	<p>The project team should be properly staffed with technical, functional and extended project resources (stakeholders/resources from other departments whose commitment is critical for project success), including sponsor buy-in from the inception of the project.</p> <p>Expectations – roles and responsibilities for all related parties should be communicated at the onset in terms of commitment and ownership during the various phases of the project.</p> <p>The RFP process should be documented. For large and countywide projects it should include representatives of all stakeholders, including corporation counsel, community business development partners, DAS-Fiscal and procurement.</p> <p>The RFP evaluation criteria should be thought out and discussed before the RFP is written. The stakeholders should discuss how they will know a good proposal</p>

Phase	Component	Key Learning(s)
		<p>before the RFP is written.</p> <p>Time and resources should be allotted for contract related research before the negotiations begin. It is beneficial to know of similar contracts in other jurisdictions with various vendors, to give parameters to evaluating proposed contract terms.</p> <p>The responsibility for budget management should be built in to the contract, for instance with deliverables for not to exceed prices. The contract should be written so County and vendor share responsibility for completing within budget.</p> <p>Any future implementation should include an inventory of all key systems requirements and a tracking mechanism to assure that they are not overlooked and do not conflict with the future state.</p> <p>A connection between the business case and implementation should be established and maintained through the duration of the project.</p> <p>The RFP process is quite elaborate and has several steps, when it comes to these steps, it's important to strike a balance in terms of assessing the project, researching potential solutions, writing the proposal, choosing the vendor best aligned with your goals and budget. While you want to spend enough time on individual steps to make sure that you end up with an ideal situation, you also want to keep things moving forward at a reasonable pace.</p>

Phase	Component	Key Learning(s)
Planning	Work Plan Resource Plan Discovery Change Management	<p>An Integrated Project Plan should be developed with vendor and Milwaukee County resources with mutual dependencies. This plan should be resource loaded to better understand the impacts to the project.</p> <p>Commitment from extended internal project resources should be assessed in terms of their availability in light of their day-to-day demands. Consideration should be given to the use of a dedicated project team with no other duties during project implementation. Balancing subject matter expert's time and availability needs to be accomplished. While bridging this commitment is difficult, it is a requirement for achieving success. Critical in capturing current/future processes and provides prompt guidance and decision support during buildout. A positive execution example is the AIMS to CRS component.</p> <p>Assessment of external resources to supplement the team should be done very early in the process. Roles, rules and expectations for project sponsorship and team management must be established and maintained through the duration of the project. Identify internal structured processes for team communication and task accountability to create County ownership and ensure information is transferred from the Project Team to the internal project resources.</p> <p>The Discovery process should focus on future state process rather than automating the current state process. Process documentation should be developed to drive the requirements process. It was unclear to the County on the actual current/future state process, hence significant gaps in the discovery process. County procedures and rules should be validated within the new system during discovery walkthroughs.</p> <p>Change Management should be handled within the County effectively. Change management plans should be developed during planning and executed throughout the project. Commitment must be obtained from the top down at the initiation project phase and must be sustained throughout the project – not solely when the project runs off track.</p>

Phase	Component	Key Learning(s)
Executing	Analysis Testing Training Reports Go-Live	<p>Data conversion should start early to ensure that the data can be captured in a format that can be utilized by the new system.</p> <p>The timing expectations for execution of a project of this scope are nine months to one year from beginning to end. With the extension of execution beyond the two-year mark, the project ran into major barriers due to</p> <ul style="list-style-type: none"> • policy/contract changes, • staff changes, • change in project sponsorship, • change in processes and ownership of reports • scope and requirements changes <p>As requirements and ownership shifted, these should have been documented by the County for better clarity as to whether the onus was internal (on the County) or external (on the vendor) for researching the implications of changes, implementing the changes and following through to ensure testing/success of the changes.</p> <p>A timely training plan and execution of the plan is very important for successful follow-through. Although a training plan was developed and executed at Milwaukee County, the execution was done very early to the actual testing phase resulting in users (field payroll clerks, central payroll, central HR, and HR coordinators) not remembering the system during parallel testing. Additional trainings for systems should be coordinated with project go-live dates. Plan for multiple training opportunities at the various phases of the project, before, during and after go-live.</p> <p>A detailed Test plan should be developed immediately after discovery to ensure that it provides an exhaustive analysis of the business requirements.</p> <p>Validation of the rules and procedures should be completed before configuration.</p> <p>As requirements and data conversion specifications are completed, reports specification needs to be complete to better understand gaps with what the system offers. System reporting functionality was given a low priority in lieu of all other critical priorities within the project.</p> <p>An independent project assessment should be done much earlier in the execution phase to ensure that milestones are going to be met on time and within budget. Future project plans should also include an assessment of resources at various milestones within the project lifecycle.</p> <p>A Readiness Assessment and Contingency Plan, along with a Go-Live Checklist are all very important to manage risks for a Go-Live process. These documents should be created well in advance before the project is planned for production.</p>

		<p>Execution. Some system components were highly complicated and bottlenecks surfaced as result during the build process. However, in many cases a resource can easily fix a flawed component when they have the ability to focus and spend time with a subject matter expert.</p> <p>Cutting corners on Help Desk Product Support, Training, Quality Assurance (Testing) and Change Management assures low employee morale and comfort. If an organization has limited operational capabilities or resources, the go-live target date becomes increasing difficult for acceptance in the user community. Without these functional departments in house it is difficult to appropriately achieve the ongoing comfort demands necessary for the entire system community.</p>
Closing	Transition to Support	<p>A Product Support Plan needs to be developed to ensure effective transition to the business and IMSD. Setting up a 'project support room' provides a level of comfort for end users through the go-live transition phase.</p> <p>Expectations that are set during the initiation phase need to be reiterated to ensure appropriate transition. Length of the project lost the scope and communication of the initiation phase elements.</p> <p>Business Owners/Functional groups need to understand the effort required to support their transition plan and plan appropriately for resources to ensure success.</p> <p>Post implementation strategy, large-scale projects requires 3 – 6 months minimum in continued transition support. This should be appropriately communicated, planned, funded, reiterated, and incorporated if internal resources expertise is unable.</p>
Phase	Component	Key Learning(s)
Controlling	Project/Work Schedule Project Budget Communications and Status	<p>Timelines should reflect the complexities associated with the resource availability, process changes, change management impacts, and technical impacts.</p> <p>The Project budget should be clear to the project Oversight Committee, Board and DAS-Fiscal and the visibility should continue throughout the project.</p> <p>A Communication Plan should have been established for department heads, payroll staff, and employees during the planning phase. The benefits of the system along with potential sacrifices with the new system should have been communicated on the onset of the project.</p> <p>Monthly progress reports to the County Board and Oversight Committee should include details on time budget, dollar budget and functional utility of the system.</p> <p>It's important to strike reporting balance in Fiscal oversight and create a bridge of communication to all members necessary. While the budget needs to be clear, unexpected complexities became known during many</p>

		<p>phases. If a communication balance is not negotiated for reporting, it would potentially increase your risk for internal politics, slow decision making and create a distraction for achieving your milestones.</p>
	<p>Governance Sponsor/Team Management</p>	<p>The Project Management Office needs to be integrated during the start of the project to provide direction and governance for the project.</p> <p>Sponsors on the project need to be engaged during all phases of the project. Disengagement of any sponsor on the project will significantly increase the risk of the project success. Key personnel left County service during this project. While the County can not bind sponsors to our employ, we should do a better job of responding to vacancies in a timely manner.</p> <p>The entire team needs to be engaged and available to accomplish assigned tasks and deliverables on the project. Each project team member's time needs to be managed on a daily/weekly basis to better understand commitment and to minimize the slippage of deadlines.</p> <p>Sponsor and Team Management challenges are addressed to some extent above in the Resource Plan section. One component that is not discussed there is the outstanding question that we face as a government – Who is the owner / sponsor of technology systems. It is the view of the Department of Audit that operating departments are the primary owners of the unique systems that they use to achieve their mission. Audit acknowledges that a successful implementation requires collaboration with IMSD. A successful governance approach will balance operational expertise with technology expertise and with accountability. Audit looks forward to addressing this fundamental question prior to the initiation of any major technology projects</p> <p>Key personnel leaving the County highly impacted the project. It's not uncommon for people to leave and seek out new opportunities or retire; recruiting key replacement personnel needs to be a high priority and performed quickly. If the organization has limited resources to perform this priority, ask for help. People are your biggest asset for success.</p>
Phase	Component	Key Learning(s)
	<p>Issues and Risk Management</p>	<p>Issues need to be consolidated between the vendor and Milwaukee County. After consolidated, there needs to be a strong commitment from both parties to drive those identified issues to swift resolution.</p> <p>A Project Risk Assessment and mitigation strategy needs to be developed early in the project that encompasses functional, technical, political, and organizational components. A Contingency Plan needs to be developed to better understand risk management.</p>

	Organizational Readiness	<p>Organizational readiness needs to be assessed from an on-going standpoint and communicated to the Oversight Committee. In this project, organizational readiness awareness was not properly assessed until after March, 2007. This includes a thorough review of impacts to individual departments, communication on the implementation demands, communication to employees on project benefits, staffing requirements, impacts to departmental personnel, etc.</p> <p>Readiness within IMSD, with or with out external support, will depend on the role IMSD will play in projects such as Ceridian and the approach to support the PMO.</p> <p>Ongoing communication with the end users through the implementation phase is critical for preparation of any new process change.</p> <p>Major system implementations should not be undertaken in the future without fully assessing the level of support that will be available.</p>
	Release Management	<p>There needs to be a plan for change control during the implementation and for future maintenance/enhancement releases. This needs to be communicated so that the immediate users understand the rollout strategy.</p>

2.4 Open Items

While Ceridian components are all operational, work continues to refine the content and quality of the system. Some of the more significant work-in-progress includes:

<u>Task</u>	<u>Expected Completion</u>
Retirement Sick Payouts	11/08
Retroactive Pay	11/08
Annuity/Seniority Hours	1/09
Enhanced Programmatic and Financial Reporting	Ongoing

Currently, these functions are being conducted external of the Ceridian automated system or there are other alternatives used while final programming adjustments in the Ceridian software are completed.

As with any large system, it is important to note there will also undoubtedly be ongoing system enhancements. In addition, updates will be made in the system to reflect any changes in Milwaukee County policies and procedures and pay/benefit changes as a result of union contract negotiations.

3. Conclusion

Implementation of the Ceridian payroll and human resources systems provided number of lessons for ensuring that future technology implementation efforts are well-managed. This report summarizes those “lessons learned” for managers, contractors and policymakers. Many of the observations in this report are technical or procedural in nature. These are extremely valuable. Comments related to the need for adequate resources, including professional support, are also significant. However, among the most valuable lessons learned in this project are the need for dedicated leadership among key, project sponsors, ownership of the project by all involved — especially those key sponsors and ongoing accountability for successful results.

Milwaukee County



Ceridian Human Resources Information System Implementation

Assessment Report

March 29, 2007

Executive Summary and Conclusions

Virchow Krause & Company, LLP (Virchow Krause), together with Milwaukee County and the Ceridian project team, participated in a one day limited project review for the Ceridian Human Resources Information System (HRIS) project. Significant work and progress has been made on the project to date, and the teams remain committed and working together in a productive fashion.

Our limited review compared industry best practice project management practices against practices reviewed on the Milwaukee HRIS project. Although industry best practices for project management transcend across private and public sector industries, the fiscal constraints on public sector projects add additional challenges when attempting to adequately staff projects to address best practices. Having acknowledged the fiscal challenge, many examples of State, County and Municipal public sector projects exist where they have made best practice project management practices a priority for specific projects with very positive results.

Our limited one day project review focused on understanding several key questions including:

1. What is the likelihood of meeting the July 1st implementation date?
2. Does the project have the necessary resources to move forward with success?
3. Are the right project tools and techniques in place to help increase the probability for a successful outcome?

Question 1: Based on our limited review, Virchow Krause believes the likelihood of meeting the July 1st implementation date is improbable when considering the quantity of open items, number of available resources, the level of testing completed to date and the relatively low tolerance for risk within Milwaukee County. The project team will need to consider significant changes to project fundamentals to increase the likelihood for meeting the July 1st date.

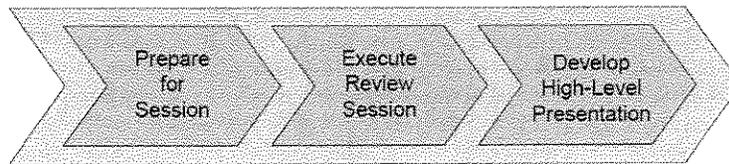
Question 2: The project team was not able to provide a consolidated, resource leveled work plan which is critical in answering question number 2 with any degree of certainty. Based on the lack of consolidated resource leveled work plans, our answer to question 2 is based on anecdotal evidence from our one day project assessment. Our findings indicated the project has suffered from lack of subject matter experts on the County team that are capable of defining and confirming the business requirements the project team needs to ensure success. Without industry standard work plans indicating the work units, work unit estimates and resource assignments, it is very difficult to comment with certainty on the remaining resource allocation for the project team.

Question 3: The HRIS project utilizes many solid project management tools and techniques, including: the existence of a steering committee, frequent status meetings, appropriate communication protocols and good team chemistry between the Ceridian team and the County team. However, the findings section contained within this report indicates several project management tools and techniques that warrant focus to better assure Milwaukee County succeeds at achieving its desired results.

A. Background

Milwaukee County's implementation of the Ceridian Human Resources Information System (HRIS) is reaching a critical period. Over the next four months, plans include executing end user training, completion of software customizations, completion of data conversion, execution of parallel testing, final "go live", post conversion support as well as other critical tasks.

Given the project is currently at a critical crossroad, the County requested an independent review session to assess the current status of the implementation. The session goal was to provide an objective assessment of the project's baseline status, as well as a high-level integrated project plan to identify remaining activities and responsibilities associated with the HRIS project. The project was broken into three phases, as illustrated by the following graphic.



Each phase is explained in more detail below.

Prepare for Session

This activity included appropriate activities to help the Virchow Krause, County, and Ceridian participants prepare for the review sessions. Virchow Krause presented a data collection list in advance of the working session and the County and Ceridian project teams provided the requested background information.

Execute Review Session

The team conducted a single review session consisting in total of eight hours of meetings with key project personnel and sponsors. The review sessions confirmed project status, confirmed key issues and risks, and identified the key remaining project activities and appropriate timeframes.

Develop High-Level Presentation and Roadmap

Based on the collective information from the project documentation and review sessions, the Virchow Krause team completed our analysis and documented our findings and recommendations within this report.

Methodology

The evaluation of the Milwaukee County HRIS project was measured against aspects of the Virchow Krause (VK) Project Assessment and QA Monitoring Tool. Given the abbreviated nature of the engagement, an abridged version of the tool was utilized.

The following areas were evaluated as part of the review:

1. Business Case / Return On Investment (ROI)
2. Project Organization
3. Scope
4. Change Management
5. Approach
6. Resource Management
7. Communication Management
8. Issue Management

9. Risk Management
10. Quality Assurance
11. Work plan Management
12. Technical Environment
13. Solution Development Life Cycle
 - a. Analysis & Requirements
 - b. Design
 - c. Development
 - d. Testing
 - e. Conversion

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B. Summary of Findings

The following is a summary of key findings from the review:

1. Business Case / Return On Investment

- The project team documented the original business case and return on investment (ROI) criteria to approve the project.
- The project team and sponsors have not returned to the project business justification for a measure of project success.
- The team is not capturing metrics against the business case for project ROI.
- Lack of focus on overall business case and ROI has contributed to lack of sponsorship and project momentum.

2. Project Organization

- Project management responsibilities are split among the County and the vendor.
- The current Steering Committee contains members that have not attended Steering Committee meetings and are unclear as to their role.
- The weekly operating committee meeting, which consisted of representatives of Department of Administrative Services (DAS) departments, was disbanded last year. This meeting, while contentious, did result in issue resolution.
- Significant turnover in the Steering Committee has impacted commitment of resources to project and lack of consistency over project life cycle.
- Project is seen as an IT initiative by County personnel potentially due to the lack of focus on the business case and ROI.
- The technology teams from both the County and the vendor have had a high commitment level over entire project and the working relationship between the County and vendor remains positive.
- It was not apparent that the current project organization and "meeting infrastructure" was working in a results oriented fashion and more emphasis should be placed on issue resolution mechanisms within the project organization.

3. Scope

- Requirements documents existed for the Request for Proposal (RFP)
- "Core requirements" are not completely mapped to software or to customizations because of open business requirements definition (BRD). Scope is largely defined by the BRD. Completion and sign off on configuration, development, change orders, implementation and training are all impacted down stream by the incomplete sign off on the BRDs. The following enumerates VK's understanding of the status of requirements / discovery being complete by major application / area:
 - The largest piece of the HRIS (HPW) has a requirement document that is 25% complete.
 - Benefits requirement document is 90% complete.
 - The requirement document for the Recruiting function is incomplete.
 - The requirements for several large customizations are incomplete.
- Key features of the software are not identified and documented because of open business requirements documents (BRD)
- Scope is not approved nor signed off. The open BRDs drive scope, requirements and configuration.

4. Change Management

- The appropriate work flows and process flows have not been developed for the future state. The future state process flows have not been articulated to the team or organization causing uncertainty relative to how the system will impact current processes and procedures.

- The need for new roles or tasks has not been assessed because of the incomplete process flows.
- Organizational change management activities, including training development and delivery, cannot take place because the work process flows for various activities have not been defined. The final work process flows may have specific impacts to the job functions for internal DAS staff and end users that will need to be formalized and presented.

5. Approach

- The project is divided into appropriate modules by application. An attempt was made at the project management level to recognize that individual applications could be sub tasks under the main project.
- An attempt has been made to divide the project into appropriate phases within a System Development Life-Cycle (SDLC). The project team has not been successful in following the SDLC. For example, several work units have entered into the configuration and development phases when the discovery phase has not yet been finalized on the foundational BRD documents.
- It was not apparent during our review that a master project plan exists for the project. We were unable to identify during our review a plan containing all project work units and the resources required to complete the work units. Currently, core HR / Payroll (HPW), self service (SS) and Time and Attendance (CTA) are in a single work plan. Additional project plans exist for benefits (CBS) and recruitment (CRS). The team also provided separate documentation in Microsoft Project and Microsoft Excel that covered integration, conversion and customizations activities.
- The project team appears to be in multiple phases of the system development lifecycle across several different applications all at the same time. This leads to confusion with team members and sponsors as to the status of the overall project. Our review indicated struggles in defining the critical path activities, milestones and milestone dates. The IOC (IOC) and Sponsors cannot get an accurate view of the project from the current status reports and multiple project plans.
- Project plan is updated and monitored on a weekly basis.
- Our review indicated the project would benefit from an activity to re-baseline the project plans and integrate the work plans for the final push toward implementation. A revised status reporting and executive update capability should be considered.
- The project plan is not broken down to the appropriate level of detail showing tasks, milestones, and resource management. Various items on the project plans are of inappropriately large or lengthy timeframes not allowing significant visibility to these tasks to allow proactive management.

6. Resource Management

- An official list of detailed work units and resource assignments was not available.
- Formal requests for decisions needed from County personnel were not apparent.
- Project managers are available and committed to project, however some confusion exists as to which project manager has responsibilities for what tasks
- Functional project team members do not have the necessary capacity to perform project duties and non project duties without impinging on project due dates.
- Availability of Department of Human Resources Subject Matter Experts (SMEs) and project team member has been extremely limited during the project. This has impacted the project team's ability to complete the requirements for the HR function and design the HR process flow.
- Technical team project members are committed 100% to the project, understand what is required of them and appear to be executing what is requested.
- Bi weekly payroll takes away project team members and critical Subject Matter Experts for two full weeks per month.

- It is unclear if specific work assignments to specific resources are occurring universally in this project.
- Production support activities have taken precedence over project responsibilities for both the technical and functional teams at times during life-to-date of this project. For example, members of the technology team have been reassigned for periods to address mandatory changes or issues with the existing Genesys system as problems occurred. The functional team members still allocate sufficient time to run the bi-weekly payroll activities.

7. Communication Management

- Project expectations appear to be understood by team.
- Regularly scheduled update sessions are occurring. The meetings review project status to a large degree and do not focus enough attention on resolving issues and critical path items. The large amount of project time wasted is a barrier to resolving issues. A new project mechanism is required.
- The Steering Committee received updates on a semi-monthly basis. However, Steering Committee members can not focus on critical path over due items and issues because the project plan is not integrated, base lined and rolled up to facilitate issue resolution.
- The communication plan contains recognition of the need to update all County employees. The project team has allowed this to slip and non project team members are receiving mixed messages about software functionality, scope and project timelines.
- History of missed dates has increased skepticism among sponsors and Milwaukee County end users.
- Sponsor and Steering Committee role in communication were limited and require re-initiation. The Director of DAS has recently initiated a new communication process.

8. Issue Management

- Issues are documented formally with dates of identification, owner, target resolution dates, level of severity, suggested in an accessible format and location.
- Not enough time and energy at Steering and project status meetings are spent in the issue resolution process.
- Issues that were discussed in the Steering Committee and project status meetings did not have the right resources involved to resolve the issue.

9. Risk Management

- The team created a risk management document at the beginning of the project. However, the team did not return to this document and keep it current with updates to the risks and risk management plans to mitigate identified risks.
- VK is not aware of any on-going risk management plan. It was not communicated or provided.
- Methods to communicate and address changes in project risk were not apparent.

10. Quality Assurance

- Outside of this limited independent review, no independent evaluation of project status has been conducted either by a true third party or by a non-stakeholder member of the County or Vendor community.
- The appropriate level of rigorous testing has not been completed with significant input from end-users and project owners. Most of the testing appears to be deferred until parallel testing. The completed customizations have been unit tested by Ceridian developers with some level of acceptance testing by County IT staff.
- Project plan is not base lined. Dates inside of the plan are frequently shifted. This leads the Steering Committee to be unclear as to what tasks have slipped and why they have slipped.

- Testing and parallel testing plans do not / have not focused on the more complex scenarios associated with union contracts and periodic or ad hoc processing.

11. Work plan Management

- Assignment of tasks and recording of responsible party for tracking purpose is complicated by the use of generic names in the project plan. Specifically, the project plan contains MC-1, MC-2, etc. to refer to Milwaukee County resources that may be assigned and CES to refer to Ceridian resources that may be assigned.
- The project is not managing to the plan to an appropriate level because while progress is tracked against plan and deviations are noted, adjustments have not been made to correct the issues and assignments that have fallen behind.
- A complete go forward list of work units was not available during the review.

12. Technical Environment

- Because of the hosted environment, the County does not have full development, test, QA and production environments. The hosted environment limits Milwaukee County's ability to do development testing and overall application integration testing.
- The hosted environment will impinge on the County's ability to migrate code for both parallel testing and production.
- Milwaukee County does not have a "sandbox" test environment to test out configurations and gain comfort with the system. The County is asked to make and sign off on design and configuration solely on the basis of paper based design.
- Converted data may be open to the risk of database changes associated with customization and modifications.
- Speed and performance testing (i.e. stress and volume testing) plans were not available.

13. Solution Development Life Cycle (SDLC)

- The following graph shows our understanding of where various parts of this project are relative to the Ceridian project methodology.

Module	Discovery	Configuration	Test	Production
HPW – HR/Payroll Web	BRD – 25% Started	Started	Started	
CTA – Ceridian Time & Attendance	Complete	Complete	Started	
CBS – Ceridian Benefits Services (dependent upon HPW)	CBS – 90% On Hold as of 3/15/07	On Hold	On Hold	
COBRA	Complete	Complete	Complete	Complete
FSA – Flexible Spending Accounts	Complete	Complete	Complete	Complete
CRS – Ceridian Recruiting Solutions	WO's Started (estimate total of 15)	Started		Estimate live in late May
SS – Self-Service	Complete	Complete	Started	
PS – Professional Services (Customizations)	SRS – 8 of 11	Started	Started	

BRD = Business Requirements Definition (used for HPW, SS, CTA)

SRS = System Requirement Specifications (used for PS customizations)

WO = Work Orders (used for CRS)

CBS = Configuration and Enrollment Signoff

- **Analysis & Requirements**
- **Design**
 - The Ceridian methodology appears to put analysis, requirement gathering, design and some development into a phase labeled “Discovery”.
 - Various applications are at various levels of completion in the lifecycle (see chart above).
 - Activities are occurring out of phase or before sign offs are obtained on parts of the SDLC. This will result in regression testing and configuration changes at best and potentially change orders. This also increases the risk that future changes will break portions of the system already tested, forcing increased regression testing.
 - Requirements are incomplete for HPW, Benefits, Recruiting and the Professional Service customizations.
 - Ceridian team uses multiple terms for business requirements definition across their application suite.
- **Development**
 - The HRIS project has identified eleven large customizations requiring professional services from Ceridian to complete. Eight of these customizations are required at go live. Seven of the day one required customizations have been designed, one has not been designed. Of the seven with complete designs, none of the work units have been signed off as complete and accurate by the County. Complete signoff entails signoff for the design, coding, testing and verification of the specified work unit.
 - These customizations represent a major risk to the project and need special attention to marshal not only design sign off, but development, unit testing and integration testing.
 - These customizations represent some of the counties most difficult processing for leave and OT accruals. The project team needs to better understand testing requirements and build test scripts, expected results and test data.
 - The impact of these customizations on the production code from a timeline perspective with impacts on parallel test needs to be better understood and documented and rolled into the single project plan.
 - Ceridian is completing requested change orders and system modifications. There has been a variable level of quality on the code when turned over to the County for testing and verification.
 - Ceridian has a firm migration process that sets timelines on when code must be complete before it can be moved to production. These dates need to be understood and included as milestones on the main project plan.
 - Weekly detailed work unit level tracking does not appear to be occurring. This level of tracking would cover, at the individual work unit level, time budget – actual time spent – estimated time to complete – and resources assigned to the work unit. This should be taking place for key customizations and items on the critical path.
- **Testing**
 - More complex testing scenarios need to be contemplated.
 - The team is putting a large emphasis on the two parallel tests to shake out most of the software issues from both a functional and technical perspective.
 - Limited automated reconciliation tools exist to help catch problems during the parallel testing process.
 - Little core system testing vetting the software and the County configuration of the software has occurred. This increases the likelihood of finding issues in the parallel test.

- The PS customizations have been unit tested before they are delivered. However, there has been a variable level of quality on the code when turned over to the County. This necessitates the need for the County to be vigilant in testing the modifications.
- **Conversion and interfaces**
 - Multiple work items remain unassigned with unknown effort as documented in the conversion and interface work plans provided by the County.
 - HRIS team needs to investigate when these work units are needed to support parallel and go live.
 - Only cursory testing has occurred on the General Ledger interface.
 - Converted data is open to increased risk given possible database schema changes associated with modifications.
 - It was unclear whether the team had a full and complete formal inventory of specific interfaces that must be developed and tested.

C. Summary of Recommendations

The following is a summary of recommendations from the project review:

1. Business Case/ROI

- a. Reconnect to the business case. Assure that current project has not wavered from the listed goals.
- b. Create a process and methodology to begin to capture data from the project and post implementation for utilization in proving the business case goals were met.

2. Project Organization

- a. Review membership, ground rules and roles and responsibilities of the Steering Committee in light of new membership and the absenteeism of some members. Assure that Steering Committee understands role as champions and responsibility to resolve issues and review timelines.
- b. Drive to have a functional Steering Committee member become overall project champion. Best practice for large business systems such as HRIS would be to have overall sponsorship in the functional area, not in IT.

3. Scope

- a. Complete the business requirement document for all applications and PS customizations.
 - i. Human Resources Payroll Web Business Requirement Document (HPW BRD) should receive attention immediately.
 1. Consider breaking this document up into manageable pieces that can be written and signed off separately. For example: configuration, decisions, documentation, process flow, integration, reporting might be individual sub BRDs. If this is currently being managed this way, then prioritize items in the BRD to what must be signed off immediately to achieve go live date.
 2. Follow best practice from a project management perspective and generally try to keep single work items to less than 40 hours.
 3. Itemize required reports and build them into the plan in the proper project phase.
 - ii. Complete requirements for PS Customizations.
 1. One PS customization required for go live is not designed. The team needs to understand how long it will take to move through each phase of the SDLC and build that into the plan.

4. Change Management

- a. The need for new roles, impact on current processes and tasks cannot be assessed until the functional process flows are designed.

5. Approach

- a. Base line the entire project on a single project plan
 - i. Resource load the project plan
 - ii. Derive resource needs from the resource loaded plan
 - iii. Derive resource dependencies and utilization from the plan
- b. Clearly delineating the critical path, resources required on the critical path and dependencies to items on the critical path.
- c. Use names on the project plan for resources on both County and Ceridian side to drive accountability.
- d. Roll the information up to a single high level view for the IOC and sponsors. Present at the IOC meetings highlighting critical path, dependencies and resources requirements.

- e. Weekly detailed work unit level tracking needs to occur. Track time budget – actual time spent – estimated time to complete at the individual work unit level. This should be taking place for key customizations and items on the critical path.

6. Resource Management

- a. Assign dedicated functional resources to this project. The critical phase that this project is in necessitates that personnel be dedicated to the project. If this is not possible, then implications to project timeline, dates and costs need to be understood and accepted.

7. Communication Management

- a. The Director of DAS has begun a new communication process. This should help mitigate the communication to end user community on expectation and project delivery dates.

8. Issue Management

- a. Re-institute the weekly Operating Committee meeting as a forum to drive issue resolution among functional owners.
- b. Utilize the weekly project meeting for issue resolution. If issues cannot be resolved at the project meeting, they need to be elevated and resolved by the Steering Committee. The Steering Committee must accept the responsibility to resolve issues when appropriate.

9. Risk Management

- a. Create or update existing risk management plan. Include appropriate risk mitigation activities in the plan.

10. Quality Assurance

- a. Consider instituting a recurring independent evaluation of project status by a true third party or by an experienced project management professional from the County.
- b. Begin process of assuring quality by creating detail test scripts of day to day and complex scenarios. This should include periodic and ad hoc items that run the gamut of existing HR Payroll processing needs for a year's time.

11. Work Plan Management

- a. Specific recommendations made in "Approach" section above.
- b. Consider adding work plan management and issue resolution resources during this critical period.

12. Technical Environment

- a. Fully investigate and document the release cycle in the hosted environment. Create a code migration and test plan that takes this cycle into account. Build this into the project plan.
- b. Investigate the availability or the better utilization of a "sandbox" test environment to build credibility and comfort in the software for the functional individuals. Make these environments more available to functional users.

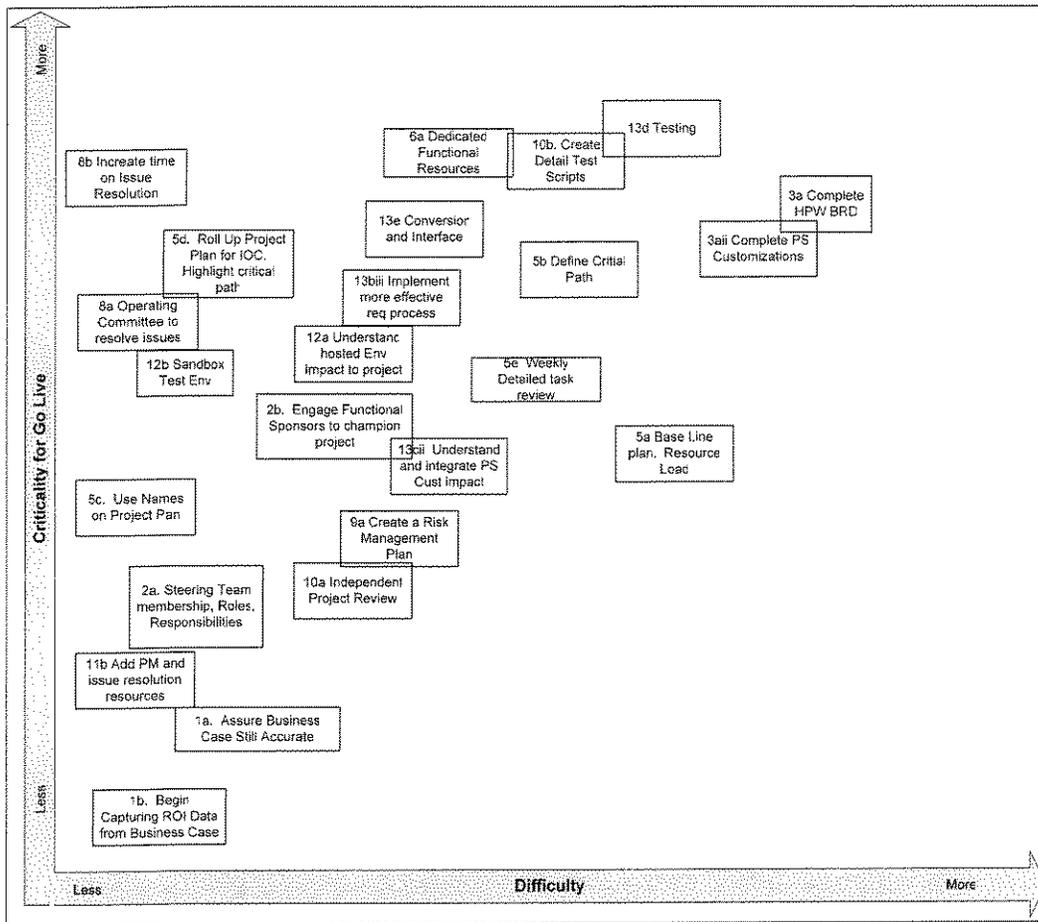
13. Solution Development Life Cycle

- a. Analysis & Requirements
- b. Design
 - i. To mitigate risk of re-work and regression testing, best practice in system development would be to remain in phase of the SDLC until the phase is effectively signed off. This is not possible at this point for this project without jeopardizing the 7/1 go live.
 - ii. Some sections and items in the HPW BRD require immediate attention as the decisions will cause configuration changes and regression testing.
 - iii. Implement a more effective system to capture the County's requirements accurately the first time. Both functional and technical teams report multiple

review cycles are frequently needed to completely and accurately capture specifications.

- c. Development.
 - i. Complete the development, unit and integration testing of all system customizations.
 - ii. The PS customizations represent some of the counties most difficult processing for leave and Over Time accruals. The project team needs to better understand testing requirements and build test scripts, expected results and test data.
 - iii. The impact of the PS customizations on the production code from a timeline perspective with impacts on parallel test needs to be better understood and documented and rolled into the single project plan.
 - iv. Ceridian has a firm migration process that sets timelines on when code must be complete before it can be moved to production. These dates need to be understood and included as milestones on the main project plan.
- d. Testing
 - i. More complex testing scenarios need to be created. This should include all day to day processing, special processing, and ad hoc situations. All testing should take into account the most complicated situations that the County encounters.
 - ii. Test plans should be created that validate the integration and conversions.
 - iii. Validate the existing scripts for performance testing the applications. Confirm appropriateness of baselines that were already created.
 - iv. Test plans should be created to assure any requisite batch processing fits in the available batch window.
 - v. Consider appropriateness of automated tools or custom programs to check balances between systems for parallel testing.
- e. Conversion and interfaces
 - i. Build all the conversions and interfaces into the overall project plan.
 - ii. Determine the effort of these work items and any dependencies.
 - iii. Determine when these are needed to support parallel and go live.
 - iv. Assign a resource from Finance to validate the General Ledger interface.

The following graphic plots specific recommendations to criticality of a 7/1/2007 go live and the overall difficulty of the recommendation.



D. Summary of Remaining Activities

The following project bar chart illustrates the key activities required to support the target July 1st "Go Live" date. Specific task dependencies are represented by the red arrows. The following paragraphs provide more information regarding each key activity.

Key Project Activities	Week of																	Comments
	3/18	3/25	4/1	4/8	4/15	4/22	4/29	5/6	5/13	5/20	5/27	6/3	6/10	6/17	6/24	7/1	7/8	
I Data Conversion	[Bar chart showing activity from week 1 to week 6]																	Process started on 3/17
II Manual Tracking of Genesys Changes	[Bar chart showing activity from week 1 to week 6]																	Process est to started on 3/12; across all departments
III HPW Business Requirements Document	[Bar chart showing activity from week 1 to week 6]																	Will drive additional configuration
Develop & Document Process Flows	[Bar chart showing activity from week 1 to week 6]																	Approx. 25% complete
Finalize BRD	[Bar chart showing activity from week 1 to week 6]																	Risk: HPW changes may require appropriate regression testing; impact to CIA, CBS, CRS, SS
HPW Configuration Changes and Unit Testing	[Bar chart showing activity from week 1 to week 6]																	Assume some reports are required for Parallel
Define & Document Reporting Requirements	[Bar chart showing activity from week 1 to week 6]																	Reports have not yet been determined
IV PS Customizations	[Bar chart showing activity from week 1 to week 6]																	8 of 11 customizations required for Parallel / Go Live
Complete SRSs (System Review Spec's)	[Bar chart showing activity from week 1 to week 6]																	7 of the 8 have been approved
Complete Development & Testing	[Bar chart showing activity from week 1 to week 6]																	County & Ceridian testing
Ceridian PROD Change Control	[Bar chart showing activity from week 1 to week 6]																	Due by 4/1 per Ceridian Change Control schedule
V User Training	[Bar chart showing activity from week 1 to week 6]																	Approx. 2,000 employees remaining
Complete End User Time Entry Training	[Bar chart showing activity from week 1 to week 6]																	
Develop Training Material	[Bar chart showing activity from week 1 to week 6]																	
Payroll Clerk Training	[Bar chart showing activity from week 1 to week 6]																	Approx. 110 payroll clerks
Central Staff (DAS) Training	[Bar chart showing activity from week 1 to week 6]																	Central Payroll, DHR, etc.
VI Parallel Test 1	[Bar chart showing activity from week 6 to week 11]																	Target start date = 4/22
Time Entry	[Bar chart showing activity from week 6 to week 11]																	
Employee Changes	[Bar chart showing activity from week 6 to week 11]																	
Run Payroll	[Bar chart showing activity from week 6 to week 11]																	
Results Validation / Issue Resolution	[Bar chart showing activity from week 6 to week 11]																	
VII Parallel Test 2	[Bar chart showing activity from week 11 to week 17]																	Target start date = 6/3
Time Entry	[Bar chart showing activity from week 11 to week 17]																	
Employee Changes	[Bar chart showing activity from week 11 to week 17]																	
Run Payroll	[Bar chart showing activity from week 11 to week 17]																	
Results Validation / Issue Resolution	[Bar chart showing activity from week 11 to week 17]																	
VIII Go Live	[Bar chart showing activity from week 17 to week 17]																	Target date = 7/1

I. Data Conversion

The team has performed two prior data conversions, and audited approximately 10% of each. Conversion issues were being addressed during the week of 3/11. The team decided to begin the "live" data load on 3/18 as planned.

Predecessors

- Successful completion of data test load #2

County Considerations

1. Additional data conversion issues may arise as conversions and configurations get signed off. Individual tracking and monitoring of these issues will add visibility to progress in this area.
2. Additional data clean up may be required when conversions are fully audited.

II. Manual Tracking of Employee Changes in Genesys

Current Genesys system users, including central DAS users and user department staff, were instructed to maintain a folder of employee changes being made in the current Genesys system, beginning on 3/11. The queued changes will then be entered into the Ceridian system beginning 4/30.

Predecessors

- Communication to all users regarding tracking of employee changes

County Considerations

1. Issues will arise if all end users are not following dual entry procedures. Conducting periodic follow-ups may ensure all users are following this process.
2. Project may be viewed negatively if users need to continue this process in the event that parallel test is delayed beyond 4/22.

III. HPW Business Requirements Document (BRD)

The requirements document for the HR/Payroll/Web core system must still be completed and approved (currently 25% complete). A major component of the BRD is the documentation of process flows, impacting both central DAS users and end user departments. The completion of this document will trigger related configuration changes and unit testing. Reports must also be addressed (may be pulled out for a separate BRD).

Predecessors

- Participation from central DAS users and end user departments regarding appropriate process flows, as supported by the system's configuration

County Considerations

1. Additional configuration changes may be required before design is signed off.
2. Additional cascading changes from HPW design may cause changes in CTA, CBS, CRS, or SS.
3. Additional regression testing will be required.
4. Deferring the reporting analysis may be possible if the project can prioritize and sequence the timing for when specific reports are required for parallel and/or Go Live.

IV. System Customizations

Eleven required customizations have been identified to date; eight of the 11 are required for Go Live. System Requirement Specifications (SRS's) have been developed and approved for seven of the eight required for Go Live. Development and testing of the customizations are currently in progress.

Predecessors

- Each customization should have an SRS, design, development, testing, and migration to Production.

County Considerations

1. Ceridian requires the customizations to be ready for Production by 3/30, due to their QA change control requirements. County may feel rushed to test or accept very important and complex customizations.
2. To sufficiently test customizations for all functional scenarios, County expertise must be involved.
3. The Go-Live date is in jeopardy until there is clarity around the magnitude of the final customization still requiring an SRS.

V. User Training

Training is required for three primary groups of users:

- Central DAS staff – Central Payroll, DHR, and other DAS users must be trained on use of the system for their job functions
- User department payroll clerks and/or HR rep's – approx. 110 clerks require training for decentralized HR/Payroll functions
- Individual employees – approx. 2,000 more employees for time entry, and approx. 100 more supervisors for time approval)

Predecessors

- HPW BRD and related process flows are required to complete user procedures and/or training materials
- Adequate training materials are required to conduct effective end user training sessions

County Considerations

1. County needs to identify specific individuals for each user group to ensure system buy in.
2. County may have difficult time creating effective hands-on end user training with currently available environments.

VI. Parallel Test 1

Time entry for parallel test #1 is scheduled to begin 4/22. Entry of employee data changes is scheduled to begin 4/30. Employees are expected to continue their entry of hours into both Genesys and Ceridian during this two-week period. Central DAS users and end user departments will have seven days in which to enter the queued up employee changes from the Genesys system, prior to the running of payroll during the week of 5/6. Results will be reviewed the following three weeks, prior to Parallel Test 2.

Predecessors

- Finalizing the HPW BRD
- County documentation of process flows and training for payroll clerks
- Genesys data must be successfully converted (# I above)
- Changes entered into Genesys must be properly "queued up" (#2 above)
- Customizations must be successfully developed, tested, and migrated to Production (# IV above)
- Training must be completed; employee time entry and approval, and employee maintenance (# V above)

County Considerations

1. County must consider contingency plans in case CTA is not ready by 4/22.
2. County must consider contingency plan in case HPW is not ready by 4/30.
3. County should investigate existence of workarounds in case some of the customizations are not ready.
4. County should investigate if the three-week window between Parallel Test 1 payroll run and Parallel Test 2 start is sufficient.
5. County should consider if it has sufficient resources to continue the dual maintenance of employee data in Genesys and Ceridian throughout this time period.

VII. Parallel Test 2

Time entry for parallel test #2 is scheduled to begin 6/3. Entry of employee data changes will continue from parallel test #1. Payroll will be run during the week of 6/17. Results will be reviewed the following week, prior to the scheduled Go Live.

Predecessors

- Successful completion of Parallel Test 1
- Ongoing dual entry of hours into both Genesys and Ceridian
- Ongoing maintenance of employee data

County Considerations

1. County should consider creating contingency plans in case of significant issues with Parallel Test number 1.
2. County should consider if the one-week window between Parallel Test 2 payroll run and the Go Live sufficient.
3. County should consider if it has sufficient resources to continue the dual maintenance of employee data in Genesys and Ceridian throughout this time period.

APPENDIX – QA REVIEW AGENDA

Start	Finish	Topic	Participants		
			County	Ceridian	VK
8:00	8:30	Session Kick Off	Jerry Heer Mary Reddin Sponsors listed below Team members listed below	Kelly Nesemann Lisa Loveless Laura Acerbi Kevin Winter	Jim Paddock Tim Kreft
8:30	10:30	Project Scope & Project Management	Hugh Morris	Kelly Nesemann	Jim Paddock Tim Kreft
10:30	3:30	Individual Sponsor Meetings			
10:30	11:00	Rob Henken - Director DAS			Jim Paddock
10:30	11:00	Rick Ceschin - County Board Research			Tim Kreft
11:00	11:30	Dr. Karen Jackson - Director DHR			Jim Paddock
11:00	11:30	Greg Gracz - Director Labor Relations			Tim Kreft
11:30	12:00	Jerry Heer - Director Audit			Jim Paddock
11:30	12:00	Mary Reddin - Director IMSD			Tim Kreft
3:00	3:30	Scott Manske - Controller, DAS Fiscal Affairs			Jim Paddock & Tim Kreft
		Team Meetings			
1:00	2:00	Ceridian Team		Kelly Nesemann Lisa Loveless Laura Acerbi Kevin Winter	Tim Kreft
1:00	2:00	DAS Payroll Team	Bill Lochemes Jo-Ann Smith Felicia Dickerson Jennifer Stewart		Jim Paddock
2:00	3:00	IMSD Team	Mary Boomgard Mary Malone Tina Wetmore Fran Flanigan		Tim Kreft
2:00	3:00	DHR Team	Gloria Fritz Jean Mueller Patricia Perry-Wright		Jim Paddock
3:30	4:00	Prep for Wrap Up			Jim Paddock Tim Kreft
4:00	5:00	Session Wrap Up	Jerry Heer Mary Reddin		John Runte Jim Paddock Tim Kreft

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: October 23, 2007
To: Lee Holloway, Chairman, Milwaukee County Board of Supervisors
From: Jerome J. Heer, Director of Audits
Subject: Virchow, Krause Review of Ceridian Human Resources Information System (HRIS) Implementation

The Department of Audit engaged the firm of Virchow Krause and Company to conduct an agreed upon procedures review of the Ceridian human resources system implementation. The procedures conducted by VK addressed the current status of critical items from their March 2007 assessment of the project. A copy of their report is attached.

It is important to acknowledge that, as a result of the March 2007 report, the Ceridian project team was re-aligned and additional resources were committed to the implementation. These decisions have proven to be crucial in achieving significant progress over the last five months. Had the reconfiguration not occurred, the successes noted in the attached report would not have been achieved. Having said that, it is clear that challenges and risks are still present as the project moves into the critical phase of achieving a "go live" by the end of 2007. Several of the items identified by VK [e.g. project charter (3.1) and planning documentation (4.5)] will undoubtedly not be addressed prior to implementation. Rather, these observations can be used to inform our process for any future technology investments. Other observations by VK [e.g. contingency planning (6.8), testing (10.5, 9.4), training (4.1)] will need to be resolved to give County officials a greater level of confidence that the project will succeed by the end of 2007. The response by management clearly recognizes these priorities.

We have used the observations by VK and our own knowledge of the project to reach our own conclusions on the probability of a successful implementation by the end of 2007. Our opinion is that it is likely that the project will achieve the stated timeline of year-end. It is also our opinion that the next milestone of running a parallel test for the October 21 – November 3 pay period is less likely to yield substantial success. Indeed, later this week, the project team will make a decision about whether to handle the October 21 – November 3 pay period as a "go live" step in the implementation. This means that the next attempt at a "go live" would be the November 18 – December 1 payroll. Even this chance of success, however, is predicated on a heightened level of cooperation by all County employees and a continuation of extraordinary efforts by the Ceridian project team.

Lee Holloway, Chairman, Milwaukee County Board of Supervisors
October 23, 2007
Page Two

Please refer this report to the Committee on Finance and Audit. We apologize for the timing on this referral request but the timetable was driven by an effort to have a report that would coincide with critical decisions being made on the project.



Jerome J. Heer

JH/cah

cc: Milwaukee County Board of Supervisors
Scott Walker, Milwaukee County Executive
Rob Henken, Director, Department of Administrative Services
Scott Manske, Controller, Department of Administrative Services
Dennis John, Chief Information Officer, DAS-IMSD
Mary Reddin, Deputy Chief Information Officer, DAS-IMSD
Dave Arena, Director of Employee Benefits, DAS-Human Resources Division
Dr Karen Jackson, Director, DAS-Human Resources Division
Steve Cady, Fiscal and Budget Analyst, County Board Staff
Rick Ceschin, Research Analyst, County Board Staff
Delores Hervey, Chief Committee Clerk, County Board Staff
Jodi Mapp, Committee Clerk, County Board Staff

Milwaukee County



Ceridian Human Resources Information System (HRIS) Implementation

Agreed Upon Procedures Report

October 19, 2007

Prepared by Virchow Krause & Company, LLP

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I. Agreed Upon Procedures Project Overview

Background

Milwaukee County's implementation of the Ceridian Human Resources Information System (HRIS) is approaching its go-live date. The County's Department of Audit requested Virchow Krause & Company, LLP's (VK) services to conduct an independent, agreed upon procedures review to assess the current status of the project against an agreed-upon set of evaluation criteria. These evaluation criteria were defined by the County so it could determine whether or not the one day project assessment report recommendations, contained in the Virchow Krause report dated March 29, 2007, have been addressed by the HRIS project team

This document represents VK's findings from the agreed upon procedures review. The areas covered within this review as well as the evaluation criteria used to review each procedure have been established by the HRIS project team and management of Milwaukee County.

This report is intended solely for the use of Milwaukee County, and should not be used by those who did not agree to the procedures and those parties that did not take responsibility for the sufficiency of the procedures for their purposes. As noted in the contract, VK's engagement cannot be relied upon to disclose errors, fraud, or illegal acts that may exist associated with HRIS project team representations.

Approach

The first phase of the HRIS Agreed Upon Procedures Project began with documenting a draft set of evaluation criteria for Milwaukee County to consider for the review. Once a final set of evaluation criteria had been documented and finalized, the evaluation criteria was incorporated as an addendum to the engagement letter and accepted by the Department of Audit on Friday, October 5, 2007. The addendum to the contract specifically defined the twelve agreed upon focus areas, evaluation criteria, and evidence and documentation collection list.

The twelve agreed upon focus areas evaluated as part of this agreed upon procedures review, included:

1. Project Oversight and Ongoing QA
2. Work Plan Management
3. Functional Scope
4. User Training
5. Communication Management
6. Issue and Risk Management
7. Parallel Testing & Data Conversion
8. Functional and Customization Testing
9. Integration Testing
10. Performance and Stress Testing
11. Post-Implementation Operations
12. Post-Implementation Vendor Management

VK's second phase of the project entailed the actual assessment of the HRIS Project against the agreed upon procedures and twelve evaluation criteria. VK conducted several interviews with IMSD and HRIS Project Team members during October 1st – October 15th to perform the agreed-upon procedures assessment. The findings and results of these interviews are contained within Section II of this report. These findings were presented to Milwaukee County on Wednesday, October 17th and Thursday, October 18th.

The following tables below represent the detailed activities, tasks, and deliverables for the HRIS Agreed Upon Procedures Project.

Step 1 – Planning and Agreed-Upon Procedure Preparation	
<p>Purpose: Build the project plan and document evaluation criteria for the agreed-upon procedures review. These evaluation criteria will explore whether or not the recommendations, contained in the Virchow Krause’s report dated March 29, 2007, have been addressed by the HRIS project team.</p>	
<p>Tasks</p> <ul style="list-style-type: none"> • Finalize project work plan and meeting calendar • Establish initial set of evaluation criteria for consideration during “Management Agreed Upon Procedure” working session • Execute the "Management Agreed Upon Procedure" working session to review, add, and modify to the initial evaluation criteria • Document follow-up from Management working session and provide evaluation criteria in arrangement letter addendum • Prepare document and evidence collection list 	<p>Key Deliverables</p> <ul style="list-style-type: none"> • Planning Deliverables • Initial List of Evaluation Criteria for Management Input • List Identifying Agreed-Upon 12 Procedure Evaluation Criteria Presented in Addendum to Engagement Letter • Document and Evidence Collection List

Step 2 – Execute Agreed-Upon Procedures	
<p>Purpose: Execute the agreed-upon procedures leveraging the evaluation criteria agreed to within step one above.</p>	
<p>Tasks</p> <ul style="list-style-type: none"> • Prepare interview questions • Conduct interviews • Document results • Management checkpoint • Prepare exceptions list and review with HRIS Team • Obtain Management's Assertion • Build the Agreed-Upon Procedures Report <ul style="list-style-type: none"> - Write report - Internal review - Review report with client - Revise report, if necessary 	<p>Key Deliverables</p> <ul style="list-style-type: none"> • Interview Questions and Interview Execution • Initial Evaluation Results • Exception List • Management’s Assertion • Agreed-Upon Procedures Report.

II. Evaluation of HRIS Project

This section of the HRIS Agreed Upon Procedures Report identifies VK's assessment findings and notes resulting from the HRIS Agreed Upon Procedures Project. The twelve key focus areas, as well as the evaluation criteria, identified below were established by the HRIS project team and management of Milwaukee County. VK scored each evaluation criteria on the following three point scale:

Score		Definition
Utilized		Best practice is recognized, is implemented, and is well understood
Recognized		Best practice is recognized and understood but is not fully implemented
Not Verified		Auditable evidence was not available to verify all aspects of test area

Project Best Practices Areas of Assessment		Document & Evidence Collection List	Assessment	Findings and Notes
1 Project Oversight and Ongoing QA				
1.1	Steering Committee is comprised of key stakeholders and they participate regularly	Steering Committee Agendas and Meeting Notes	Utilized	<p>Steering Committee (i.e. HRIS Implementation Operating Committee) meets on a bi-weekly basis, including: 6/12, 6/26, 7/10, 7/24, 8/9, 8/21, 9/11, 9/25, and 10/9.</p> <p>HRIS IOC consists of key project stakeholders, including:</p> <ul style="list-style-type: none"> - Meeting Chair: Rob Henken - Oversight Members: Jerry Heer and Wendy Kraly - Members: David Arena, Rick Ceschin, Dr. Karen Jackson, Scott Manske, Dennis John, Sushil Pillai, Mary Reddin, and Cindy Archer <p>Meeting agenda and status reports are prepared in advance and meeting minutes are well documented.</p>

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
1.2	Steering Committee role is well-defined and executed (and accomplish goals and objectives for providing project direction and guidance)	Steering Committee Agendas and Meeting Notes	Utilized	Objective of IOC is to "Identify operational issues and direct performance solutions related to implementation of the Ceridian product." IOC meetings are well structured to cover project status updates, items requiring decision, and action items. Steering Committee expectations defined during 6/12 meeting.	
1.3	Weekly Operating Committee exists to deal with risk and issue resolution and management	Weekly Operating Committee Agendas and Meeting Notes	Utilized	Several operating committees exist to deal with project management and issue/risk resolution, including: <ul style="list-style-type: none"> Daily 8:30 meetings consisting of project team members and Ceridian Leadership meetings on a weekly basis consisting of project manager and team leaders Governance meetings on a weekly basis consisting of project manager and MIKE County PMO Manager Personnel Committee on a monthly basis with Finance and Audit members 	
1.4	Project success measurements are defined and tracked	Project success criteria	Recognized	No formal project success measurements are documented and tracked, but the team tracks to project plan, issues list, testing results and implementation timeline	
2 Work Plan Management					
2.1	Single project plan	Project Plan	Recognized	No single project plan exists, however, project plans for CBS, CRS, and HPW-CTA-SS are managed solely by project manager	
2.2	Project implementation timeline clearly defined and understood	Communications and Project Plan	Utilized	Project plans identify implementation timeframe as well as various monthly calendar snapshots maintained by team	
2.3	Project plan contains phases, tasks defined at team level, expected deliverables, milestones, and dependencies		Utilized	Project plans identify implementation timeframe as well as various monthly calendar snapshots maintained by team	
2.4	Estimating assumptions understood and documented		Recognized	Project plan is structured around a duration-based approach. Subsequently, estimating assumptions are	

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
2.5	Estimates and schedules prove accurate			Recognized	understood at a high-level. Project plan schedule appears to be accurate and up-to-date through early October. Difficult to assess accuracy of estimates given duration-based plan and percent complete tracking.
2.6	Project plan is regularly monitored and actuals are tracked to plan	Project Plan Updates and Versions		Recognized	Project plan is regularly monitored and updated by project manager on a weekly basis. Project plan actuals are not tracked on an hourly basis but on percent complete basis.
2.7	Process in place to diagnose and resolve work plan deviations			Recognized	Project Manager regularly updates project plan to identify and manage any deviations. Project manager communicates and escalates deviations to IOC through status reporting. Change orders are also incorporated into project plan.
2.8	Proper resources are available to support the scope			Not Verified	VK is unable to verify resource availability. Project plan is duration-based and tracked at a percent complete. Project plan estimates at a resource level are neither maintained nor accurate. According to the HRIS Project Management Team, the team has a very good handle on resource availability and requirements given the number of operational meetings and frequency of resource discussions.
3 Functional Scope					
3.1	Project charter exists with clearly defined and realistic scope	Project Charter		Not Verified	No formal project charter was identified. A variety of project plans and presentations serve this purpose at a high level, including project roles and responsibilities, communication, timelines, and over project plan. Other components of a project charter such as project goals/objectives, intended project scope, and criteria for project success were not identified in the documentation.
3.2	Core requirements for HPW (HR, Payroll, Web) are identified and documented	HPW Business Requirements Document		Utilized	Requirements documents have been developed and signed by Milwaukee County representatives. However, some

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
3.3	Appropriate level of input and participation by DAS user community around HPW requirements	(BRD) Sign off of HPW Business Requirements Document (BRD)	Recognized	Recognized	were signed with hand-written comments. All requirements and design documents were signed-off, but some had signatures from executives only.
3.4	HPW requirements are driving configuration, customizations, testing, and implementation activities	HPW Business Requirements Document (BRD)	Recognized	Recognized	Requirements documentation drove the configuration, customization, and unit testing activities. There are several separate testing activities currently in progress, but no overall test plan was identified.
3.5	Core requirements for Professional Services (PS) customizations are identified and documented	PS SRS (11 customizations)	Utilized	Utilized	Software Requirements Specification & Design Packages (SRS's) exist for each customization, which include detailed requirements, calculations, use cases, and other relevant information.
3.6	PS requirements are driving configuration, customizations, testing, and implementation activities	PS SRS (11 customizations)	Utilized	Utilized	The SRS's are driving Ceridian's development efforts and the joint testing efforts between Ceridian and the County.
3.7	Reporting requirements have been developed and signed off by the end users	Reporting BRD and/or System Requirements Specifications (SRS)	Recognized	Recognized	A Business Requirements Document (BRD) for Ceridian Payroll Reports, signed-off by the County, provides information regarding standard payroll reports. However, the team is currently conducting additional analysis on potential additional reports and/or queries. It is assumed that additional reporting requirements will be addressed post Go Live.
3.8	Scope Management process has been developed	Change Control Plan	Utilized	Utilized	The project team is using the PMO's defined change control process to address changes in scope, based on the requirements documents and sign-offs.
3.9	Scope Management process is being followed	Change Control Documentation	Utilized	Utilized	Project Change Control Request Forms are being used to document changes in requirements or design.
3.10	New requirements and changes are minimal	Issues List, Change Control Documentation	Utilized	Utilized	Requirements and/or design changes appear to be minimal, based upon the documentation provided by the County. The Milwaukee County Open Items List highlights those items requiring design changes, as well as Critical Go Live items.
3.11	Requirements documentation of system design has been updated when testing results change the design		Utilized	Utilized	Project Change Control Request Forms are being used to document changes in requirements or design, including those changes identified through testing.

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
4 User Training					
		Training Plan	Not Verified		
4.1	Well defined training plan exists addressing requirements, training timeline, and other critical areas	Training Plan	Not Verified		No formal training plan was identified. A variety of project plans and training material serve this purpose at a high-level.
4.2	Just in Time (JIT) training has been employed on the project to-date	Training Schedule	Utilized		Multiple training sessions have occurred. Most recent HPW-CTA training sessions were in late August. Continual parallel testing efforts have also re-enforced HRIS training.
4.3	Project team has adhered to training plan and schedule		Recognized		Project team tracking training progress against project workplan. Training participant lists are being maintained. Approximately 75% of 120 HR/payroll field users have participated in training to-date. Remaining end user training will be handled via train-the-trainer approach, occasionally offered refresher training, and/or new user orientation training sessions.
4.4	Training material addresses system functionality as well as other change management components (e.g. business impacts, new process and flows, standard operating procedures (SOPs), and support)	Training Material	Recognized		Training material adequately addresses system functionality. All training material and execution of training activities have been carried out by end users to influence change management and buy-in. Training material does not adequately address change management components. Project team expecting Central HR and Central Payroll to handle "to-be" processes documentation and standard operating procedures (SOPs). Central HR and Central Payroll have not completed this material to-date.
4.5	Existence of well-defined "as-is" and "to-be" process flows for all system/business areas	Process Flows	Not Verified		"As-is" process documentation and flows have been developed. Central HR and Central Payroll will be developing "to-be" processes documentation. Central HR and Central Payroll have not completed this material to-date.

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment		Findings and Notes	
4.6	Effective utilization of process flows as an input to testing, training, user procedures and change management activities	Training Material and Procedures	Not Verified	No evidence of "to-be" process flows being utilized for testing, training, user procedures, and change management activities.	According to the HRIS Project Team, however, the training performed by Central HR and Payroll incorporated the differences between the current world (Genesys) and future world (HRIS) into the training curriculum. Additionally, HRIS Project Team believes the "as-is" process has been sufficiently tested through the parallel testing efforts.		
4.7	Process measures are in place to detect impact of implementation on process performance	Performance Metrics	Not Verified	No evidence of documented metrics exists that allow management to understand the impact of training and the new system on Central HR and Payroll processes and operations.	According to HRIS Project Team, many manual processes will be automated via HRIS and subsequently process metrics are may not be necessarily required (given there will be 100% accuracy and complete no more manual processing).		
5 Communication Management							
5.1	Project communication plan is well-defined	Communication Plan	Recognized	An outdated 2006 HRIS communication plan exists ("HRIS Communication PlanMB.xls"). Additionally, the Communication Plan predominantly focuses on only user communication and outreach efforts. The plan does not address communication and outreach efforts to the project team and sponsors. A variety of project plans, status reports, Ceridian Communicator newsletters, and meetings (see meeting structure identified in Section 1) identify a communication process is in-place, however.			

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
5.2	Change management plan has been defined	Change Management Plan	Not Verified	No formal change management plan was identified that defines a methodology/approach re: how the project team will successfully manage Milwaukee County from Genesys to HRIS. A variety of project plans, status reports, Ceridian Communicator newsletters, meetings, and training serve this purpose at a high-level.	
5.3	High confidence level of Going Live within user community		Recognized	HRIS project team has stated that the system will go-live before January 1 st 2008. No formal announcements re: the project team's recent timeline have been communicated. According to project team, the user community can sense the reality of the upcoming "go-live" timeline given parallel testing efforts and project team requests to keep paper time reports.	
5.4	High confidence level that the organization can grasp the system design and effectively utilize the new application		Recognized	Project team regularly meets with cabinet members, project sponsors, Central HR, and Central Payroll to assess confidence level re: implementation and HRIS adoption. According to project team, some end user concerns around readiness exist. No formal end user surveys have been conducted by project team to-date.	
5.5	Project change management process in place (rqts, design, dev, test, deploy, prod) has been utilized		Recognized	While components of change management best practices have been followed throughout project (e.g. requirements sign-off, parallel testing involving end user community, users having ownership with execution of training activities, Ceridian Communicator, etc.), project team has not adopted, defined, and adhered to a project change management plan or process.	
5.6	Project champions and sponsors within the user community exist		Utilized	According to project team, project advocates and sponsors exist across all levels. Project team has periodic meetings with project advocates and sponsors.	
5.7	Regular status reports are completed	Communication	Utilized	Project manager provides regular status reports to users, project team, IOC, PMO manager, cabinet team members, personnel committee, and project leadership team.	
5.8	Project information is consistently communicated at all levels		Utilized	Project manager provides timely and upfront communication to project team and stakeholders.	

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
5.9	A central project library exists and is accessible by all	Project Directory or Shared Drive	Utilized	Project team utilizes a project shared drive for knowledge management and sharing.	
6 Issue and Risk Management					
6.1	Issue management process is in place and utilized	Issue Management Plan	Utilized	Project team manages a single project issues list which contains industry best practice characteristics such as description, status, priority, owner, area/module, issue type, target completion dates, comments, etc.	
6.2	Escalation process to appropriate stakeholders is in place - Effective use of Operating and Steering Committee Teams	Issue List	Utilized	Project manager appropriately leverages various team (IOC, daily 8:30 operational meetings, leadership meetings, governance meetings, etc.) to review and manage project issues.	
6.3	Resources are available to make critical decisions		Utilized	Project manager has project team members and sponsors available on a frequent basis (weekly or bi-weekly) for the resolution of key project issues. "Key Issues/Challenges" are frequently reviewed on status reports.	
6.4	Issues are reviewed frequently and resolved in a timely fashion		Utilized	Project issues are maintained on a daily basis. Additionally, the operational committee reviews issues on a daily basis.	
6.5	Risk management process is in place and utilized	Risk Management Plan	Recognized	No formal Risk Management Plan exists. However, a high-level risk management process is in-place. A variety of vehicles, including status reports, issue lists, and project team memorandums serve this purpose at a high-level.	
6.6	Risk list exists and is up-to-date	Risk List	Recognized	No up-to-date Project Risk List exists. A formal, documented risk management assessment was identified ("Risk Assessment - March 2007.doc") but has not been updated or utilized since March 11, 2007. A variety of other vehicles, including status reports, issue lists, and project team memorandums serve this purpose at a high-level.	
6.7	Qualitative analysis conducted to define impact, probability of risks, and mitigation activities		Recognized	No formal project risk list was identified. Extremely high level qualitative analysis of risks is done on issues lists, status reports, and memorandums.	
6.8	Contingency plan developed in the event objectives not met		Not Verified	No formal Contingency Plan was identified. A variety of other vehicles, including status reports, issue lists, and	

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
					memos serve this purpose at a high-level. As of "Assessment of the Second Parallel Testing and Implications for "Go Live" memorandum (dated 10/9), the project team needs to complete a "Go Live" Contingency Plan.
7 Parallel Testing & Data Conversion					
7.1	Evidence of documented parallel testing plan and approach	Parallel Test Plan	Recognized		No formal overall test plan was identified, but the team has conducted a series of parallel tests, using a number of tools to compare and validate results between old versus new systems.
7.2	Confirm which functions are included in the Parallel Test: time collection & payroll only, or HR also?	Parallel Test Plan	Utilized		Parallel testing has included human resources, payroll, and time collection functions (HPW and CTA systems). The Ceridian employee master file was converted in July, 2007, and has been maintained in a parallel mode with the current Genesys system since the conversion.
7.3	Appropriate levels of testing and user sign-off	Test Results	Recognized		No formal overall test plan was identified, but several individual test plans and supporting documentation were identified for those items being tested within the parallel tests. No formal sign-offs of parallel test results were identified.
7.4	Appropriate processes and tools to compare results of Parallel Test (old vs. new)	Testing / Comparison Tools	Utilized		A variety of tools are being used to compare data between the old and new systems, including Microsoft Excel with lookup tables, Microsoft Access tables, and Microsoft SQL tables and supporting queries.
7.5	Confirm that the data conversion process is being tested via the Parallel Test	Parallel Test Plan	Utilized		Both the employee master file data conversion and the YTD/QTD balances conversion are being tested in the parallel tests. The employee master file was actually converted in July, 2007, and has been maintained in a parallel fashion along with the Genesys master file ever since.

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
7.6	Confirm which specific Earnings and Deduction types are being tested in the Parallel Test	Parallel Test Plan, Test Results, List of Earnings & Deduction Types	Recognized	All Pay Codes (earnings) and Deduction Codes have been unit tested within a variety of testing activities. The most commonly used earnings and deductions are being tested in the Parallel Test. However, no evidence was provided that indicates whether ALL earnings and deduction types were triggered in the Parallel Test (i.e. there could be a specific earnings type for which no employees had any hours or earnings for the Parallel Test period).	
7.7	Evidence of effective test environment maintenance and control	Test Environment / Change Control	Utilized	All parallel testing is being performed within the LIVE Ceridian environment, which is subject to formal change control processes at Ceridian's facilities. A separate test environment was also established for the testing of the PS Customizations.	
7.8	Evidence that parallel testing issues are appropriately documented and managed	Testing Issues List	Recognized	Parallel test issues are being documented in a variety of formats, including Excel-based comparisons, SQL-based comparison queries, and other formats. However, no master list of parallel test issues was identified (the overall Open Items List is possibly being used for this purpose?). Latest parallel run: 5800 employees total, 4800 submitted time, 4400 submitted time correctly, 1100 had discrepancies. Issues were caused by Overtime calculation differences, incorrect benefit deductions, Injury Pay differences, and general data entry errors.	
7.9	Evidence of appropriate criteria for "Go / No Go" decision	Go / No Go Decision Criteria	Recognized	Go / No Go decision criteria were verbally discussed, but no formal documentation or metrics exist. Consensus among project team was that the team should continue with Go Live assuming 1) all discrepancies are identified with causes understood, and 2) the resulting required adjustments are manageable.	

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
8 Functional and Customization Testing					
8.1	Evidence of documented functional and customization testing plan and approach	Test Plan	Recognized	No formal overall test plan exists, but several individual test plans and supporting documentation were identified. Test plans for each customization are driven by the respective SRS document.	
8.2	Existence of test scripts to facilitate functional and customization testing activities	Test Scripts	Recognized	Test plans and scripts were identified for the customizations, but additional plans or scripts were not identified for overall testing and general test conditions.	
8.3	<p>Test scripts include all day to day processing, special process, and ad hoc situations. Testing takes into account the most complicated situations that the County encounters:</p> <ul style="list-style-type: none"> - All Earnings & Deduction types - All logic "branches" for Earnings & Deduction calculations - Monthly, Quarterly, Annual Processing; e.g. tax reporting, W-2's, etc. - Are tax calculations being validated (Federal, State, FICA, etc.)? - Are taxable grosses being validated, based on pre-tax deductions? - Imputed Income (tax on employer-provided excess life insurance coverage) - FLSA Overtime - all possible combinations tested? 	Test Scripts and Scenarios, Test Plan, Test Results	Recognized	The County is relying upon the Parallel Test for the majority of its testing. Detailed specifications, test conditions, test data, expected results, and automated comparison tools are being used to test the PS Customizations (custom programming changes by Ceridian). The most common test conditions and scenarios are being tested in the Parallel Test and other supporting test activities. The team is using all electronically available data to validate testing results. Some data validation is also being performed manually by Central Payroll and HR staff. However, no overall test plan and global test conditions were identified. Also, the team has deferred the testing of some components until after Go Live, including year-end processing and imputed income calculations. The risk exists that a specific condition or calculation is not being tested by the Parallel Test or other spot testing activities.	
8.4	Customization Testing - evidence of test scripts that are based upon the agreed upon specifications (SRS)	Test Plan, Test Scripts	Utilized	Individual test plans, scripts, and tools have been developed for the testing of each customization, based on the specifications.	
8.5	Evidence of testing of all required Reports: standard batch reports and ad hoc queries	Test Plan, Test Scripts	Recognized	Standard reports are being tested within the Parallel Test process, and are being used to validate results. However, analysis is currently in progress regarding potential additional reports.	

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
8.6	Evidence of testing of Application Security - all levels	Test Plan, Test Scripts	Recognized	System security continues to be tested by virtue of the ongoing Parallel testing. However, no formal documentation or test plans were identified.	
8.7	Appropriate levels of testing and user sign-off	Test Results	Recognized	Formal testing sign off was identified for specific HR-based testing (Self-Service and Workflow). However, no formal sign-offs of the parallel testing or other tests were identified.	
8.8	Evidence of effective test environment maintenance and control	Test Environment / Change Control	Recognized	Two primary Ceridian environments were identified: LIVE for the live employee master file data and ongoing parallel testing, and PSTEST for the testing of customizations. Ceridian uses standard environment maintenance and change control processes within their data centers.	
8.9	Evidence that functional and customization testing issues are appropriately documented and managed	Testing Issues List	Recognized	Testing issues are being documented within separate testing documents and within the overall Open Items List, but no overall log of testing issues was identified.	
8.10	Evidence of appropriate criteria for "Go / No Go" decision	Go / No Go Decision Criteria	Recognized	Same as Section 7 above: Go / No Go decision criteria were verbally discussed, but no formal documentation or metrics exist. Consensus among project team was that the team should continue with Go Live assuming 1) all discrepancies are identified with causes understood, and 2) the resulting required adjustments are manageable.	
9 Integration Testing					
9.1	Evidence of documented integration testing plan and approach	Test Plan	Recognized	Three of the PS Customizations are system interfaces: HPW to CRS, HPW to DefBen, and CBS to DefBen. As such, they have been designed, developed, and tested as part of the overall Customization development process. However, no formal Integration Test plan was identified.	
9.2	Existence of test scripts to facilitate integration testing activities	Test Scripts	Recognized	Test scripts and documentation were identified for the interfaces that were developed as part of the PS Customizations, but other test scripts for additional interfaces were not identified.	

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
				Utilized	
9.3	Adequate documentation regarding all system interfaces: internal vs. external, data elements / layouts, triggers, batch vs. real-time, frequency, etc.	Interface Documentation			Detailed design and specification information is provided within the SRS documents for the three interfaces developed as part of the PS Customizations. In addition, several interface data mapping documents were identified. The HPW Interface Business Requirements Document also includes information regarding system interfaces.
9.4	Evidence that all interfaces have been tested (either in Parallel Test or in separate Integration Test)	Test Plan, Test Results		Not Verified	Unable to confirm if all system interfaces have been fully tested. No overall integration test plan was identified.
9.5	Evidence of coordination with third parties for testing of external interfaces	Test Plan, Test Results		Unknown	TO BE DETERMINED
9.6	Appropriate levels of testing and user sign-off	Test Results		Recognized	Same as Section 8 above: Formal testing sign off was identified for specific HR-based testing (Self-Service and Workflow). However, no formal sign-offs of integration testing were identified.
9.7	Evidence of effective test environment maintenance and control	Test Environment / Change Control		Recognized	Same as Section 8 above: Two primary Ceridian environments were identified: LIVE for the live employee master file data and ongoing parallel testing, and PSTEST for the testing of customizations. Ceridian uses standard environment maintenance and change control processes within their data centers.
9.8	Evidence that integration testing issues are appropriately documented and managed	Testing Issues List		Recognized	Same as Section 8 above: Testing issues are being documented within separate testing documents and within the overall Open Items List, but no overall log of testing issues was identified.
9.9	Evidence of appropriate criteria for "Go / No Go" decision	Go / No Go Decision Criteria		Recognized	Same as Section 8 above: Go / No Go decision criteria were verbally discussed, but no formal documentation or metrics exist. Consensus among project team was that the team should continue with Go Live assuming 1) all discrepancies are identified with causes understood, and 2) the resulting required adjustments are manageable.

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
10 Performance and Stress Testing		Test Plan		Utilized	
10.1	Evidence of documented performance, stress, and load testing plan and approach			Utilized	System performance testing was conducted as documented within the "Ceridian for Milwaukee County, Application Profile, Infrastructure" document (8/22/07). A number of issues were identified, but their status and resolution are unclear. The maintenance of employee data continues to be stress tested as the Ceridian database continues to be maintained in parallel with the Genesys system.
10.2	Test environments and architecture mimic production	Test Environment		Utilized	The current Parallel tests are being performed in the LIVE environment, in which the County will continue to process following the actual Go Live.
10.3	Existence of test scripts to facilitate testing activities	Test Scripts		Utilized	The document discussed above (Ceridian for Milwaukee County, Application Profile, Infrastructure), includes documented test scripts that were used in the tests.
10.4	Test scripts cover likely system stress and load demands	Test Scripts and Scenarios		Recognized	The testing discussed above was focused on individual transaction performance and response times. Formal stress testing with multiple concurrent users was not documented. However, the ongoing parallel test activities have simulated a production environment, as all user departments, HR, and Central Payroll have maintained the employee database in the Ceridian LIVE environment, in conjunction with the current Genesys database.
10.5	Evidence that system performance testing conforms to agreed upon Service Levels (based on SLAs)	Test Results		Not Verified	No evidence of formal Service Level Agreements was identified, other than the required 99.5% system uptime discussed in the Ceridian Hosted Services agreement. No transaction performance requirements were identified.
10.6	Appropriate levels of testing and user sign-off	Test Results		Recognized	Same as Section 9 above: Formal testing sign off was identified for specific HR-based testing (Self-Service and Workflow). However, no formal sign-offs of performance testing were identified.
10.7	Evidence of effective test environment maintenance and control	Test Environment / Change Control		Recognized	Same as Section 9 above: Two primary Ceridian environments were identified: LIVE for the live employee master file data and ongoing parallel

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
10.8	Evidence that performance and stress issues are appropriately documented and managed	Testing Issues List	Recognized	testing, and PSTEST for the testing of customizations. Ceridian uses standard environment maintenance and change control processes within their data centers. Same as Section 9 above:	
10.9	Evidence of appropriate criteria for "Go / No Go" decision	Go / No Go Decision Criteria	Recognized	Testing issues are being documented within separate testing documents and within the overall Open Items List, but no overall log of testing issues was identified. A number of issues were documented within the document "Ceridian for Milwaukee County, Application Profile, Infrastructure" (8/22/07), but their status and resolution are unclear. Same as Section 9 above: Go / No Go decision criteria were verbally discussed, but no formal documentation or metrics exist. Consensus among project team was that the team should continue with Go Live assuming 1) all discrepancies are identified with causes understood, and 2) the resulting required adjustments are manageable.	
11 Post-Implementation Operations					
11.1	Program Operations & Help Desk Support structure have been established	Organization Chart	Recognized	Post-implementation operations and help desk support structure is defined at an organizational chart level (see Ceridian HRIS Support.doc – Dated October 2, 2007). The "Ceridian HRSI Support.doc" is drafted but not complete. Document still requires roles and responsibilities matrix.	
11.2	Production Operations & Help Desk Processes have been defined	Post-Implementation Support Plan	Recognized	Project manager has stated that all areas have a shared vision and understanding of roles and responsibilities. Help Desk processes are more thoroughly defined identifying 4 help desk support tier levels, help desk ticket tracking reports, and individual support contacts. Help Desk processes and functions are defined in "IMSD Service Desk Process Manual – 10/11/2007". The "Ceridian HRSI Support.doc" is drafted but not complete. Document still requires further definition on processes and procedures.	

Project Best Practices Areas of Assessment		Document & Evidence Collection List		Assessment Findings and Notes	
11.3	Evidence of process to open, manage, track, and close issues reported to help desk	Help Desk Tracking System	Utilized	Milwaukee County will utilize internal Help Desk support tools and functions.	
11.4	A readiness assessment of the Operations & Help Desk has occurred	Cutover Checklist	Recognized	An early, incomplete draft of cutover checklist, "Proj Checklist - Go Live.xls" is defined. According to HRIS Project Team, Help Desk has been operational since CTA went live in 2006. All "Go-Live" requirements - support, help desk, Ceridian support, field and Central responsibilities, express checks, treasurer processes, have been documented.	
11.5	End user request management process has been defined	System Enhancement Management Plan	Recognized	Enhancements will be communicated to Central HR and Central Payroll who will relay them to HRIS project team. No formal documentation exists on process, however. Project manager has stated that all areas have a shared vision and understanding of roles and responsibilities.	
11.6	Establishment of User Administration procedures and processes	Security Plan	Recognized	No formal documentation exists on process. Project manager has stated that all areas have a shared vision and understanding of roles and responsibilities.	
11.7	Project methodology for transition exists	Cutover Checklist	Recognized	An early, incomplete draft of a cutover checklist, "Proj Checklist - Go Live.xls" is defined. Project team does not have a current inventory of deferred items requiring attention post-implementation, however, HRIS Project Team has stated that the change control process and issues list identify some of the deferred items.	
<p>Note that project team also does has a testing checklist or milestone timeline outlined in "October 2007 - November 2007 POA.doc" and "Parallel Processing Plan for Central HR.doc".</p>					
12 Post-Implementation Vendor Management					
12.1	Milwaukee County has appropriate level of visibility	Contract and RFP	Utilized	Ceridian representatives participate in daily 8:30 am	

Project Best Practices Areas of Assessment		Document & Evidence Collection List	Assessment	Findings and Notes
	and communication with Ceridian			operating committee calls. According to project team, attention to Ceridian's ongoing support obligations will need to be visited within upcoming weeks but Ceridian is obligated to provide 30 days of post-implementation support.
12.2	SLAs and maintenance agreements are communicated and understood between County and Ceridian		Recognized	SLAs and responsibilities defined in RFP/contract. Ceridian's Tier 4 Help Desk support structure and contacts are not defined in current draft of "Ceridian HR Support.doc" (October 7, 2007). According to project team, attention to the SLAs and Ceridian's ongoing support obligations will need to be looked into further within upcoming weeks.
12.3	Disaster Recovery Plan has been developed and is understood	Disaster Recovery Plan	Recognized	Ceridian's Disaster Recovery responsibilities are defined in RFP/contract and "Ceridian Disaster Recovery/Business Continuity Program" (dated 04/26/2004). According to project team, attention to the Ceridian's Disaster Recovery Plan and services will need to be looked into further within upcoming weeks.

III. Key Finding / Conclusion

Management requested and executed this agreed upon procedures review to help provide insight and input into the County's Go / No Go decision process as the County is nearing a decision to go live with HRIS. The detailed findings and how the findings will be used in a Go / No Go decision making process is the responsibility of County Management and the Governance Structures that guide such decision making within your environment.

Best Practice area 7.9 should be contemplated in a strategic fashion by Milwaukee County.

7.9	Evidence of appropriate criteria for "Go / No Go" decision	Go / No Go Decision Criteria	Recognized	Go / No Go decision criteria were verbally discussed, but no formal documentation or metrics exist. Consensus among the HRIS project team was that the team should continue with Go Live assuming 1) all discrepancies are identified with causes understood, and 2) the resulting required adjustments are manageable.
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Although the County currently recognizes aspects of the Go / No Go best practice, the necessary level of detail and documentation was not evident during our review. We would expect a formal and documented Go / No Go set of criteria to establish the framework with which the County would make the Go / No Go decision.

Management at the County responsible for making the Go / No Go decision and the various Governance Structures involved with oversight for the project should agree and document the Go / No Go criteria associated with the specific risk profile that meets the County operating style. For example, the Go / No Go criteria should be documented and Management's position clearly defined around such best practices as:

- **Finding: 6.8** - Contingency plan developed in the event objectives not met.

Consideration: The Management in Milwaukee County should have a formal position surrounding the lack of formal and documented contingency plans prior to the Go / No Go decision process. The formal position should take into account the County's tolerance for risk. If relatively conservative relative to risk, the County may adopt a position that a formal and documented contingency plan is a "must have" prior to go live. If the County is more open to risk, they may choose to adopt a formal position that HRIS can Go Live without a documented contingency plan.

- **Finding: 8.3** – Test scripts include all day to day processing, special process, and ad hoc situations. Testing takes into account the most complicated situations that the County encounters.

Consideration: The Management in Milwaukee County should have a formal position surrounding whether each and every complicated test situation must be tested prior to Go Live. The formal position should take into account the County's tolerance for risk. If relatively conservative relative to risk, the County may adopt a position that each complicated scenario is inventoried, documented and tested with evidence of a successful test. If the County is more open to risk, they may choose to adopt a formal position that HRIS can Go Live without testing each complicated scenario relying on the HRIS project team and Ceridian's packaged product to deliver successful results.

These two example findings and considerations serve only as an example of the structured process we would expect to see for significant Go / No Go decisions involving critical software applications.

We would expect the County to have many other considerations including discussions surrounding the risks of not going live when evaluating the various Go / No Go criteria. Finally, it is important to note that when evaluating and testing the project best practices that were audited as part of this project, many of the audited items may have significantly less impact on the Go / No Go decision. For example, a documented project charter would not be an example of an audited item that would be considered a "high impact" item relative to deciding Go / No Go. The County Management team and HRIS project team's are likely the right team to identify and prioritize the "high impact" items.

**COUNTY OF MILWAUKEE
INTER-OFFICE COMMUNICATION**

DATE: October 23, 2007

TO: Jerome J. Heer, Director of Audits

FROM: Rob Henken, Director, Department of Administrative Services *RH*
Dennis John, Chief Information Officer, DAS - IMSD *DJ*

**SUBJECT: RESPONSE TO VIRCHOW KRAUSE AGREED UPON PROCEDURES
AUDIT OF CERIDIAN HRIS IMPLEMENTATION**

Background

In March 2007, the Department of Audit and Department of Administrative Services (DAS) retained Virchow Krause & Company (VK) to conduct a one-day project assessment of the implementation of the Ceridian Human Resource Information System (HRIS). The March Assessment Report addressed the likelihood of meeting the July 1 implementation date, the sufficiency of resources and the quality of the project management tools and techniques. The assessment concluded that successful implementation was improbable in July and that several project management tools and techniques warranted better focus.

After digesting the results of that assessment, the HRIS management and project team developed recommendations to re-plan the project, enhance the open communication plan and contract for additional high-level management and implementation resources. The project team believes that these strategies have helped to place the project back on track for a successful implementation in 2007. These efforts have been made possible only with strong contributions from the entire project team of County, contractor and Ceridian resources, including high level program management and implementation resources and IMSD's project management officer.

On October 19, the Ceridian management team received a follow-up report by VK assessing the current status of the project against an agreed-upon set of evaluation criteria. The VK auditors reported significant progress since their initial report in late March and verified the successful re-engineering of the overall project. As expected, the auditors also pointed out some areas of concern, which are addressed in this memorandum.

The HRIS management and project team want to express appreciation for the opportunity to work with the Department of Audit and the VK audit team to conduct this latest review. We credit the auditors for working with as little intrusion as possible on the time of busy project resources and for welcoming and incorporating feedback.

Agreed Upon Procedures Report - Response

VK utilized the recommendations of the March Audit to determine best practices against which to benchmark project implementation for the October Audit. Thus, the Agreed Upon Procedures Audit is a way to determine whether the recommendations of the March Assessment Report have been addressed. The premise is that the project management best practices are critical to successful implementation of large projects. We strongly support that premise. The agreed upon evaluation criteria represent important tools in project management practices.

We are pleased to note that Virchow Krause's October Agreed Upon Procedures Report finds significant evidence of project management best practices in several key areas, including areas that were found lacking in March. The report notes that key stakeholders actively participate in the Implementation Oversight Committee with well-structured meetings, decisions and action items. It states further that the project plan contains phases, deliverables, milestones, dependencies and tasks defined at the team level, and that requirements are driving configuration, customization, testing and implementation activities. The report also cites the multiple training sessions that have occurred and the variety of tools used to compare data between the old and new systems.

While we are proud to recognize accomplishments in those areas, we also wish to address areas where Virchow Krause reports that auditable evidence was not available to verify that project management best practices are being utilized.

As general background for our responses, we point out that when we re-started the project, we made conscious decisions on how to execute the project for completion in 2007. Based on those decisions, we decided to be extremely detailed on items on the critical path, and we believe that for virtually all such items, best practices were recognized, implemented and documented. In certain other areas outside of the critical path, while best practices were recognized and in most instances followed, they were done so in the absence of formal documentation.

The following offers a management response to areas of concern identified in the VK assessment that we consider to be critical areas, including our assessment of the concerns and how we plan to address them.

2.8 Proper resources available to support the scope.

The VK assessment indicates an inability to verify resource availability to support the project. We would respond that while the resource level estimates on the project plan are not currently updated, the project plan itself is current and updated and we use it to drive the timely completion of project tasks. At the daily meeting, the project team reviews current assignments, available resources and workload, and directs priorities. This is our method of ensuring that sufficient resources are available to support the tasks to completion.

3.1 Project charter with clearly defined and realistic scope.

The VK assessment states that no formal project charter was identified, though it also notes that a variety of project plans and presentations serve this purpose at a high level. We strongly support the position that a Project Charter is critical to *initiate* a large project, but also concur with the VK statement in the “Key Finding /Conclusion” section that at this point in time, a documented project charter would not be considered a high impact item relative to deciding Go/No Go.

The project does have documented elements of a Project Charter in the “Transition / Implementation Statement of Work” section of the Ceridian contract. This document includes project objectives, scope of work, risk management approach, roles and responsibilities, high level timeline and change control procedure. During the project restart, we decided that the completion of a formal updated project charter document was not necessary nor appropriate given the advanced stage of the project.

4.1 Well-defined training plan addressing requirements, training timeline and other critical areas.

4.5 Well-defined “as-is” and “to-be” process flows for all system/business areas.

4.6 Effective utilization of process flows as an input to testing, training, user procedures and change management activities.

The VK assessment is correct in noting the lack of a formal master training plan and formal documentation of “as is” and “to be” process flows. However, we would respond that the project team built the “as-is” and “to-be” processes into training materials. It was believed that this would provide the best value for employees. With “as-is” and “to-be” documentation right in the training materials, employees have the best opportunity to understand how to succeed at their work in the new environment, as well as materials to retrain backups or train new staff.

We would also note that while a separate, formal training plan is not in place, project leadership put significant emphasis on communicating all the components of a training plan with field and central payroll clerks and HR managers both in writing and in meetings. The project team consistently communicated the components of a training plan, including what the training would cover, when it would occur, how the training would be conducted and the level of participation required for their departments. This was communicated to field payroll clerks before training was conducted and assessed with them after training. In spite of the level of communication, there were departments that did not immediately take full advantage of training. For these departments, the project team conducted follow-up personalized training sessions to bridge the knowledge and capability gap.

4.7 Process measures to detect impact of implementation on process performance.

VK auditors stated that they found no evidence of documented metrics that would allow management to understand the impact of training and the new system on Central HR and Payroll processes and operations. We would point out that training was conducted by County employees to take advantage of their knowledge of departments and procedures. The added expertise they developed will remain as a resource in the County when the contractors depart. Our metric to assess this training was solicitation of feedback from field payroll clerks and HR managers.

Because there has been significant communication at the department head level about both automated and manual processes, we have confidence that department managers recognize and are planning for the impact of HRIS implementation. In addition to frequent field visits by the project team, stakeholders on the Implementation Oversight Committee (IOC) have met with managers of major departments within recent weeks to assess their readiness and identify any needs for further assistance. This has not been a documentation process so much as an iterative communication process building toward overall readiness. Our metric for assessing whether departments are ready to address systems impacts has been their feedback to the project team.

5.2 Change Management Plan

VK auditors noted the lack of a formal change management plan. The Change Control procedure is documented in Exhibit 1 of the Transition/Implementation Statement of Work, which is part of the Ceridian contract. We chose to continue to use Ceridian's change control process based on our experience with it. The purpose of this process is to manage changes to project scope that could materially affect the success of the project. All change requests are tracked from start to finish on the Project Change Request Log.

At a higher level, change management is a structured approach to change that enables the transition from current state to future state. The management of change during a system implementation includes: communicate vision and roll-out; manage the human landscape plus maintain momentum; and solidify ground made. We accomplish these objectives via the Ceridian Communicator and the reports, meetings and messages from project sponsors on the IOC. The process changes are included in training documentation and the cultural changes are brought into acceptance in departmental management meetings. Evaluation and recognition reinforce the changes. Our processes reflect focused attention to each of these areas, without a separate document.

6.8 Contingency Plan

The VK assessment correctly noted the lack of a formal Contingency Plan. To date we have verbally communicated preliminary contingency plans to the IOC and department heads. Contingency plans were not formally documented when the project was in an earlier phase, in order to prevent those contingencies from becoming reality. However, as we now approach a stage closer to Go Live, we will be documenting a formal Readiness Assessment (which includes Technical and Organizational Assessment and Contingency Plans) with the IOC. This is anticipated to occur within the next week. The documented Readiness Assessment will be shared with officials and department heads for their information and support.

9.4 Test all interfaces

The only interfaces that have not been tested to-date are the ones related to Ceridian Recruiting System and DefBen (a Genesys module for Retirement) since these are neither live nor a priority at this point. They are unit tested but not parallel tested. All other interfaces are tested.

Testing was an extremely high priority after project restart. We converted from sample testing to

testing 100%. This required the use of automated tools to identify discrepancies, which could be audited and verified. Central HR and Payroll validated the manual verification process. The rationale for this approach was to gain their insight on system performance and to give them a better understanding of the system and the audit process that they can follow for auditing day-to-day operations in the future.

10.5 System performance testing conforms to agreed upon Service Levels

System performance testing was conducted and documented in the "Ceridian for Milwaukee County: Application Profile: Infrastructure 08/27/07." It included individual test scripts and focused on transaction performance and response time. In addition, IMSD is testing kiosks and timeclocks.

Key Finding / Conclusion

We appreciate and take very seriously the identification of the need to formally document and assess the criteria for the Go/No Go decision. We are now developing a Readiness Assessment Document for consideration by the IOC. The Readiness Assessment will include Technical Readiness (Ceridian customizations and configuration), Organizational Readiness (employee participation, and central and field HR and payroll processing) and Contingency Plans. The project team and IOC will evaluate readiness by evaluating the completeness of and risk associated with high impact areas identified in the VK Audit Report, i.e., post implementation process documentation, training, testing (including audit and verification) and participation.

Summary

The Audit Department and Virchow Krause outside "snapshot" is much appreciated and has already been invaluable in preparing for full Ceridian implementation.



Rob Henken, Director
Department of Administrative Services



Dennis John
Chief Information Officer, DAS-IMSD

cc: County Executive Scott Walker
Karen R. Jackson, Ph.D., Director of Human Resources
Dennis John, Director, IMSD
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