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Quality In Everything We Do

Meeting with Chancellors

University of North Carolina

April 28, 2008

Keep Us Out of Trouble….
Make the Organization Better….

► Keep Us Out of Trouble….

  ► Outcome 1:   High level risk assessment

  ► Outcome 2:   Review staffing and report on current state of organization capacity

  ► Outcome 3:   Evaluation of Key Personnel Critical Competencies

  ► Outcome 4:   Understanding of Key Process and Process Documentation

► Make the Organization Better….

  ► Outcome 5:   Gap Analysis and Best Practices Recommendations

  ► Outcome 6:   Leadership Assessment Instrument for People

  ► Outcome 7:   Shared Services Recommendations

UNC Operational Assessment

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Risk Assessment

► Risk Assessment Methodology
  ► 2 day meetings were conducted at each campus
  ► Goal was to identify high risk processes based on discussion with campus and review of internal audit reports
  ► Focus of discussion was around what are the current process and technology issues

► Areas for review at each institution:
  ► General Accounting / Financial reporting
  ► Budgeting
  ► Accounts Payable / Cash Disbursements
  ► Accounts Receivable / Cash Receipts
  ► Payroll
  ► Taxes
  ► Procurement
  ► Fixed Assets
  ► Contracts & Grant Accounting
  ► Financial Aid
  ► Internal Audit
  ► IT: Entity, Operations, Organization

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Risk Assessment Findings

► Risk of each processes was ranked from 1 to 4 (1 representing lowest risk)

► 18% of campuses processes were ranked 1: internal controls were represented as being in place

► 11% of campuses processes were ranked 4: internal controls were represented as being poor, resulting in higher risk and need for immediate remediation

► 71% of campuses processes were ranked 2 or 3: internal controls were represented as being in place but not optimal, resulting in opportunity for improvement

► Common themes:

   ► Process: Lack of formal policies and procedures, reconciliations, checklists and templates

   ► People: Lack of adequate staffing and training of personnel, difficulty in hiring qualified staff

   ► Technology: Poor use of Banner, lack of understanding of ERP system, lack of functional reporting in Banner

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Process and Technology Assessment

► Based on the Risk Assessment, the following processes assessed:

   ► Contracts and Grants

   ► General Accounting, Budgeting and Reporting

   ► Purchase to Pay

   ► Payroll

   ► Financial Aid

► For each process under review, the UNC and E&Y Team identified a benchmark campus and 4 to 5 high-risk campuses

► Information technology functionality within the Banner system and reporting issues were reviewed for each process

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Process and Technology Assessment

Process	Benchmark Campus	Campuses Assessed
Contracts and Grants	UNC-W	ECU, ECSU, NCCU, UNC-C, WSSU and General Administration
General Accounting, Financial Reporting and Budgeting	UNC-G	ECSU, FSU, NCCU, UNC-C, UNC-P and General Administration
Purchase to Pay	ASU	ECSU, FSU, NC A&T, UNC-P
Payroll	WCU	FSU, NCCU, NC A&T, UNC-A, UNC-P and General Administration
Financial Aid and Student Receivables	UNC-G	ECU, ECSU, FSU, NCCU, WSSU

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Process and Technology Assessment

► Deliverable for each process includes:

    ► One set of benchmark documentation including flowcharts, key risks and controls

    ► A listing of leading practices identified at campuses （use of ERP system, standard Banner Reports, template and standard checklists, reviews, etc.）

    ► Gap Analysis （current vs. leading practice）

    ► Leading practice recommendations that are applicable for all campuses

    ► Detailed findings and recommendations for the campuses assessed

        ► Each campus was assessed against a set of leading practices

        ► Assessment based on whether the campus performs the leading practice, partially performs the leading practices or does not perform the leading practice

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Capacity Review

► Standard data metrics and staffing levels based on volume of transactional activity developed for each process to be used as a benchmark for staffing needs

  ► Example of data gathered：

    ► Number of personnel

    ► Level of personnel（EPA v. SPA, band or grade of personnel, salary of personnel by position, etc.）

    ► Key duties of each position

    ► Level of overtime, if significant

    ► Specific volume data based on process（number of contracts & grants, invoices processed, expenditure dollars, etc.）

► Based on a number of data metrics and analyses of campus staffing by process, each campus' staffing levels by process were compared against the median

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Competency Review

▶ Identified 14 key positions and conducted 35 interviews with at least 2 individuals in each key position

▶ Drafted standard competency models for each key positions identified

▶ Validated standard competency models with each interviewee

▶ Delivered draft competency models to UNC for initial review

▶ Developed Assessment Tool for Competency model for each key position

▶ In the process of conducting facilitated sessions with the current employee for each key position to validate applicability of competencies

   ▶ First session is scheduled for May 6 with "Head of Accounting" position

▶ Based on finalized competency models, conduct training on assessment process and tool

▶ Assessments to be performed by UNC personnel

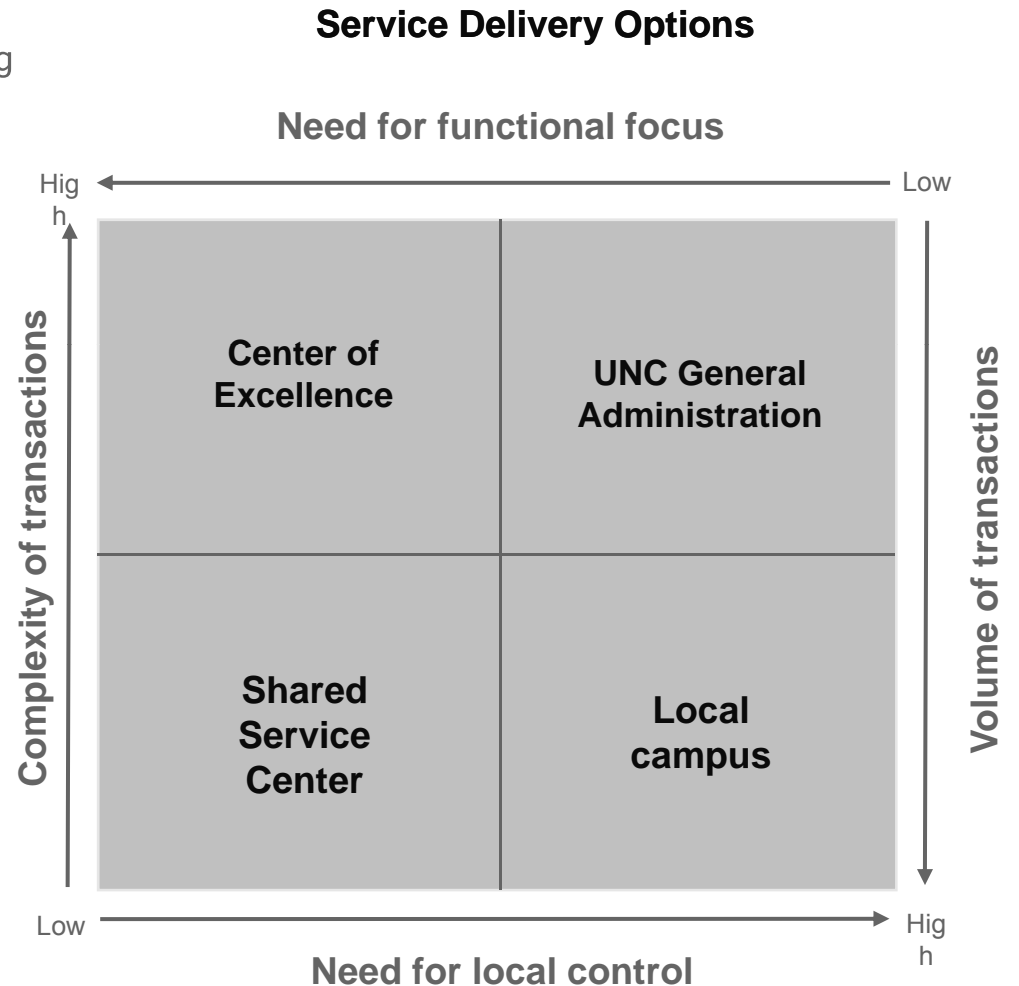▶ Data collected will drive development of reports and leadership assessment tool

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Finance Transformation Design Considerations

► Development of future design using leading practices from:

  ► UNC Campuses

  ► Other Universities

  ► Governmental and State

  ► Industry

► Key Considerations:

  ► Complexity of transactions

  ► Volume of transactions

  ► Need for campus control

  ► Closeness to customer

  ► Functional focus area

Service Delivery Options

Need for functional focus

High ←		Low

Complexity of transactions (vertical axis)
Volume of transactions (right vertical axis)

	Center of Excellence	UNC General Administration
	Shared Service Center	Local campus

Low ——————————— High

Need for local control

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Next Steps

▶ Reports on process and technology review to be completed by April 30

▶ Capacity review to be completed by April 30

▶ Competency review in process to be completed by

▶ June 30

▶ First draft of the finance function future vision to be completed by April 30

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