UNC Finance Improvement and Transformation Project Update
Process Improvement Initiatives

The UNC Finance Improvement and Transformation (UNC FIT) Process Improvement initiatives implemented this past fiscal year for the areas of Contracts and Grants, Financial Aid and General Accounting are now in the monitoring and reporting phase. Key Performance Indicators (KPIs) are being reported monthly and follow-up on problem areas is occurring. The General Accounting Advisory Team has developed a Self-Assessment of Internal Controls document for the campuses to use in evaluating their internal control environment in preparation for the annual Certification to the Office of State Controller (OSC). A financial statement risk analysis has been completed and additional process areas have been identified for standards implementation over the next couple of years. These areas will be reviewed and risk-ranked with the Chief Financial Officers in July. The UNC FIT team continues to work closely with our State partners in this effort.

Monitoring and Follow-up
An Institutional Action Plan and Form has been developed for tracking repeated problem areas. The Plan requires a description of the issue, action plan for correction and a time line. An Associate Vice President at General Administration has been assigned responsibility for monitoring and following up on these issues.

Key Performance Indicators (KPIs)
Monthly Reporting of Key Performance Indicators continues. Campuses are reporting timely and consistently. Process owners and campus leadership are gradually recognizing the management value of these metrics. A draft consolidated Financial Dashboard was shared with the Chancellors and campus CFOs in April and discussed at the May Chancellor's Administrative Council meeting with positive feedback. The KPIs will continue to evolve over time and be a valuable monitoring tool for the UNC FIT standards and other areas of financial accountability.

UNC FIT/EAGLE - Next Steps
The team has completed a tiered risk assessment for the universities and identified control gaps in other process areas. These areas have been reviewed and endorsed by the General Accounting Advisory Team and will be further discussed and risk-ranked with the campus CFOs in July.

The General Accounting Advisory Team has also developed a Self-Assessment of Internal Controls tool for the campuses to use in providing the annual required internal control certification to the Office of State Controller (OSC). The implementation schedule allows some flexibility in the use of the tool in FY 2010 (campuses may opt to use the existing OSC tool), but requires all campuses to use the tool in FY 2011. All campus controllers had input into the development of this document and have been asked to forward it to their campus Internal Control Officer (ICO), if the controller is not the designated ICO. Briefing sessions were held with the Office of State Controller and the Office of State Auditor during the months of April and May.

Payroll Implementation

UNC Pembroke continues to successfully process payrolls with the UNC Shared Services Payroll solution for all employees. UNC Asheville and Western Carolina University (WCU) successfully transitioned their monthly employees to Banner payroll with the UNC Shared Services Payroll in April and both campuses are now fully live on Banner. The UNC FIT team is working with North Carolina A&T State University (NCA&T) and Winston-Salem State University (WSSU) in anticipation of a go-live date of July 2010. In FY 2011, the UNC FIT team will work aggressively with the remaining campuses to complete implementation of the UNC Shared Services Payroll on each campus.

Shared Services Center (SSC)
The SSC staff members continue to contribute to the development and further refinement of various back-end processes, including documentation of controls and reporting. The SSC Payroll Director and analysts have successfully supported several production payroll runs while also actively participating in many test runs and analyzing results for parallel payroll processing. Hiring for the fourth analyst is underway. The Cost Recovery Model has been finalized and rolled out to all the campuses.

Banner Bi-Weekly Payroll for Students and Temporaries
All three live campuses continue to successfully produce bi-weekly payrolls since implementing. UNCA will complete its student implementation in July and WCU will complete its transition to web-time entry in July. The HR, Payroll, Finance, and IT staff members from all of the campuses are continuing to review and refine their internal process flows and suggest enhancements to documentation. The UNC FIT Team is working with NCA&T and WSSU to implement bi-weekly payroll on each campus in July.

Banner Monthly Payroll for Permanent Employees
UNC Pembroke has successfully transitioned to the UNC Shared Services Payroll model. UNC Asheville and WCU have also successfully transitioned their permanent monthly employees to the UNC Shared Services Payroll model. The last major milestones for these campuses are working through their fiscal and calendar year-end processes. The UNC FIT team will provide support for these activities as needed.

The UNC FIT team is working with NCA&T to implement monthly and biweekly payrolls simultaneously. This will be a pilot for the dual implementation approach, and we will evaluate whether that model can be applied to some of the remaining campuses. Under the current schedule WSSU will complete its payroll migration with monthly employees in October. At that time, five of our nine campuses will be completely off of the State's Central payroll system.