Assessment of Payroll and Employee Benefits
2011 – 2012

Expected Outcomes: Reduce Payroll Error
Improve the efficiency of the payroll process and reduce the incidence of payroll related errors.

Assessment methods

Method: Comparison of Time Submissions Documents
Compare time submission documents to confirm that all departments/employees are using consistent, University approved methods to collect time, report time accurately (true working hours are submitted rather than scheduled hours), and that all departments/employees are using proper pay calculation rules to figure employees’ payroll.

Findings:
After a review of approximately 500 time sheets/records analyzing 10388 hours of reported work time over 2 separate pay periods, and comparing manual time collection records with those captured electronically, it was determined that we use inconsistent timekeeping methodology, and that the calculation process utilized is mostly manual and error prone. Time records analyzed indicate that 98% of employees completing manual time sheets come and go at exactly the same time every day resulting in, on average, an extra 15 minutes per week added to those employees’ timecards. The calculation of time worked and the data entry process to enter paper time entries into the payroll system are both done manually. During review of the time records, there was a .33% error rate in time entered manually, resulting in overpayment to employees.

Method: Use of Subject Matter Focus Groups
Use focus groups and interviews with subject matter experts throughout the University to determine if the timekeeping process used is efficient, consistent and accurate, and to determine the amount of time being spent to process time.

How did you use findings for improvement?
As a result of the focus groups and interviews, it was determined that the timekeeping process used by many departments is very labor intensive and contains redundant steps that increase the chance for human error. Some timekeepers inconsistently apply calculation rules to time due to misunderstanding of those rules. To correct these issues, we are implementing Kronos, an automated timekeeping system, to capture and calculate time. The system has been configured with approved Auburn University collection methodology as well as regulatory requirements to ensure proper capture and calculation of pay. During the implementation process, timekeepers, supervisors and managers are being trained on use of the system and proper timekeeping rules. Implementation is ongoing, with new departments being added constantly. This is an ongoing project and should be completed late 2013 or early 2014.

Additional comments: None
**Expected Outcomes: Voluntary Retirement Plan Compliance and**
Ensure compliance with the Pension Protection Act (PPA) in the University’s voluntary retirement plans, that administration of the voluntary retirement plans among vendors is standardized to simplify administration and that Auburn is meeting its fiduciary responsibility regarding plan oversite.

**Related typical general education outcomes:** None

**Assessment methods**

**Method: External Review**
Review by an external consulting agency/legal counsel will confirm plan compliance by comparing Auburn’s plan documents with legal resources and benchmarking standards. This firm will also review administrative practices among participating vendors for consistency and compliance. Finally, this review will ensure that Auburn is meeting its fiduciary responsibilities for the plans.

**Findings:**
Upon review of the plan documents, it was determined that the documents, plan provisions and administrative processes needed to be updated in order to comply with the PPA and fiduciary requirements and to standardize administration among the vendors. The consulting firm presented their findings and recommendations to us for consideration for implementation.

**How did you use findings for improvement?**
As a result of the external review, Auburn’s plan documents and administrative processes have been revised/redesigned to reflect compliant standards and provisions. And participant rules/processes have been modified to make the plan easier to understand and offer more advantage to participants to ensure that they are meeting their retirement goals. All employees were required to re-enroll in the plans effective 1/1/12 under the new plan rules. Inconsistencies in vendor practice of plan rules were identified, so those practices are being reviewed and updated for consistency with the plan documents. The number of investment alternatives offered by providers was reduced to simplify enrollment decisions and to simplify the fiduciary responsibility for monitoring investment fund performance within all plans.

**Additional comments:** The initial review began in 2007 with some immediate changes taking place beginning at that time. The project was renewed in early 2011 with most of the changes taking place in fall 2011 or to be effective 1/1/12. The review of vendor administrative practices for consistency and the update of participant education is ongoing.