



Middlesex County and
Local Municipalities

Payroll Service Delivery Review

Final Report



September 24, 2020



Middlesex County and
Local Municipalities

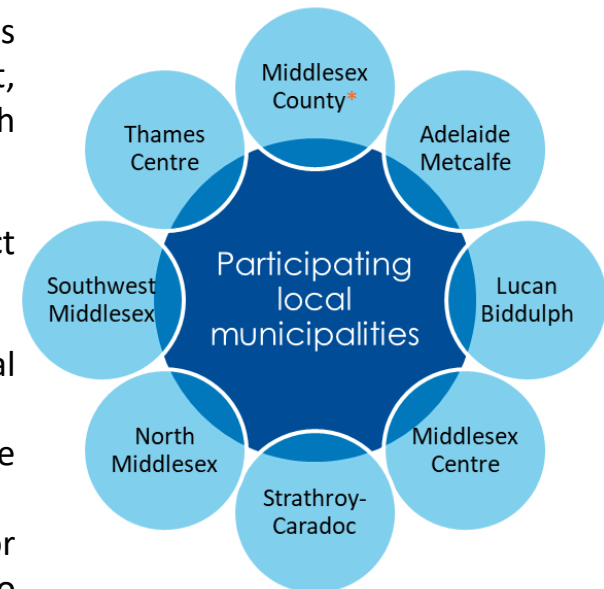
→ Public-facing Final Report

→ Contents

1. Executive Summary
2. Project Overview
3. Project Context and Methodology
4. Current State Summary
5. Future State Recommendations
6. Implementation Considerations

Project Background and Summary

- Middlesex County and participating local municipalities have been working collaboratively over the years in an effort to review existing service delivery mechanisms to develop efficient and effective services for our residents, businesses, and visitors. Through these opportunities to connect with one another, various collaborative initiatives have been identified. The Payroll Services Delivery Review is a result of these efforts to improve overall service delivery, and to work better together.
- Middlesex County and its local partner municipalities identified payroll services to be reviewed as part of the Government of Ontario's Municipal Modernization Program (MMP). Payroll services are critical to support municipal operations, staff, and management teams, and to ensure financial accountability and reporting to municipal leadership and Council.
- Opportunities to modernize payroll systems and processes across partners were identified to improve upon quality, risk management, reporting, and overall effectiveness, efficiency and experience, with additional potential to determine new ways to collaborate as peers.
- The partners (via Middlesex County) engaged Optimus SBR to conduct an unbiased, objective, third-party review.
- At its conclusion, the review provided the participating local municipalities with opportunities to:
 - Streamline and improve the effectiveness and efficiency of the payroll services;
 - Identify ways to enhance the client experience, reduce or streamline costs, and increase reporting capabilities to management and Council; and,
 - Work in a new collaborative model to achieve shared goals.



Project Background and Summary

- To assess the Current State of the payroll service delivery across all participating local municipalities, Optimus SBR used the following methodologies/tools:
 - Optimus SBR's Service Delivery Review Framework;
 - Payroll Service Capability Model;
 - Jurisdictional Scan to understand payroll practices and lessons from other organizations;
 - Focused engagement with key internal stakeholders at all participating municipalities; and,
 - Working sessions with key stakeholders at all participating municipalities.
- The Current State Assessment highlighted strengths and areas of improvement for each municipality and provided insights to develop two types of Future State Recommendations:
 - Recommendations specific to each participating local municipality; and,
 - System-level recommendations that are applicable across all participating local municipalities.
- The participating local municipalities have shown a strong commitment to move forward with the following broad Future State Recommendations:

1

Establish a
**collaborative
service
procurement and
delivery model**

2

Share payroll
**policies and
procedures** to
promote adoption
of best practices

3

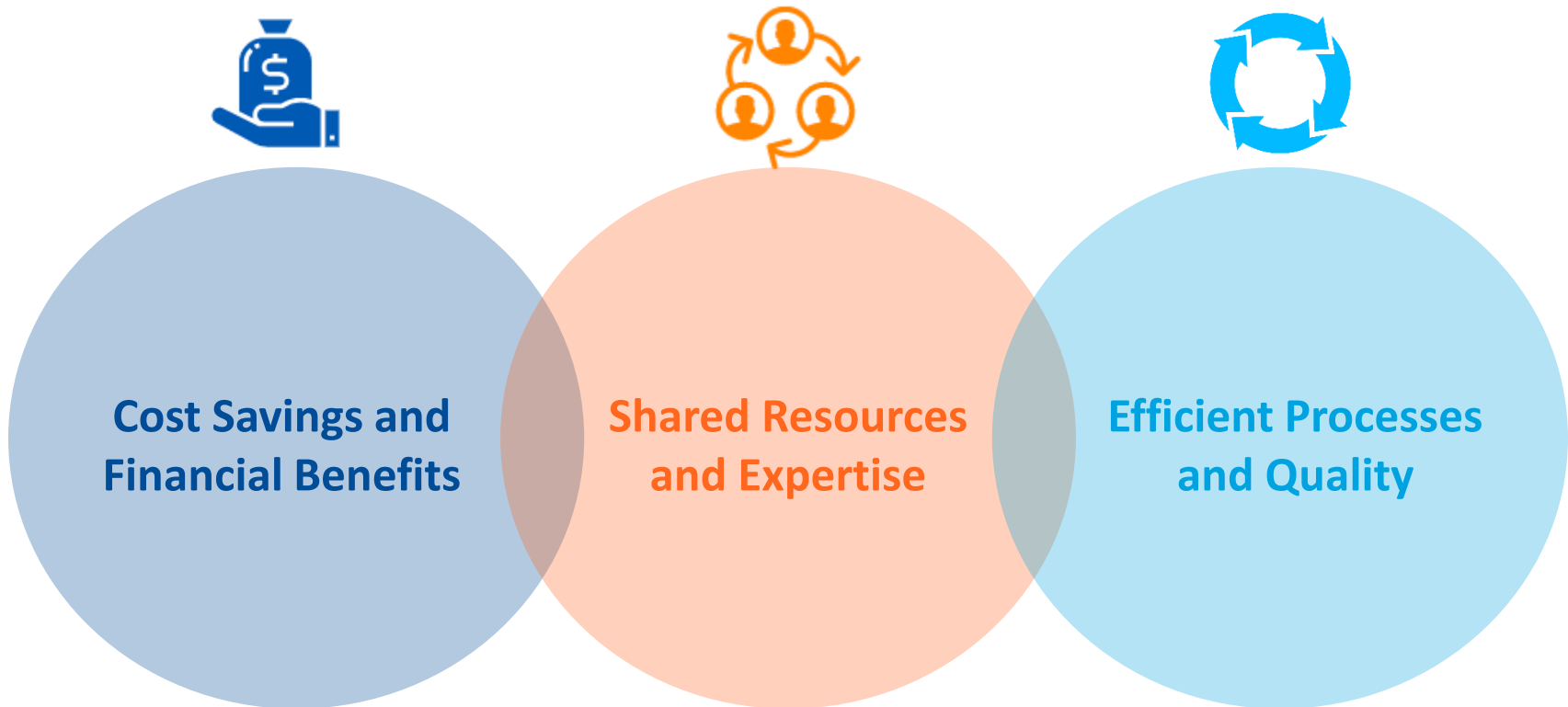
**Coordinate and
jointly purchase
employee benefits
plans** across
municipalities

4

Develop common
**Key Performance
Indicators** (KPIs)

Project Background and Summary

- This review also provided participating municipalities with an Implementation Plan, including a suggested timeline, to support the transition to the future state model.
- The following are the expected collective outcomes and anticipated benefits that can be achieved upon successful implementation of the broad recommendations:



→ Payroll Service Delivery Review



Project Overview

Project Mission and Success

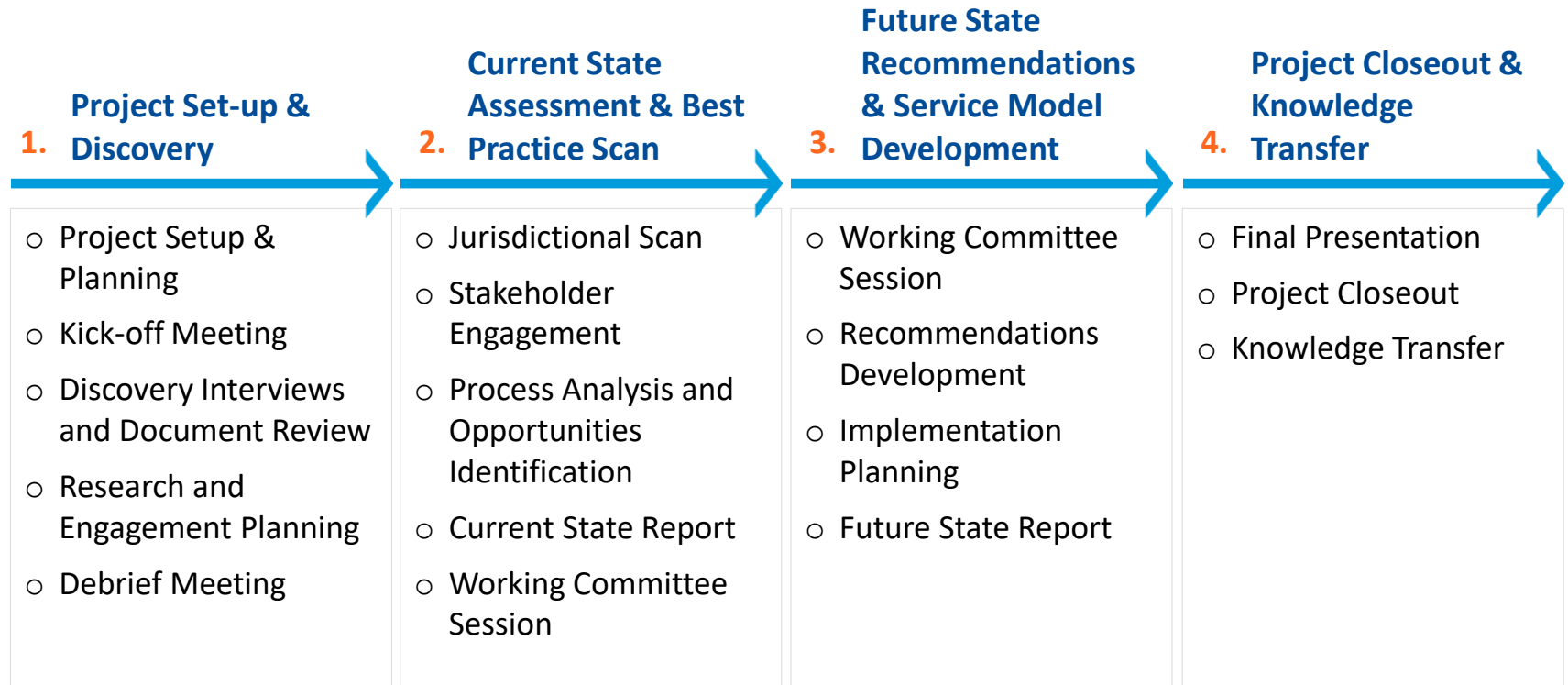
→ Project Mission

- To conduct a service delivery review for payroll services for Middlesex County and participating local municipalities with a focus on improving efficiency and effectiveness.

→ Project Success

- Common understanding of the current state of payroll services across the County and participating local municipalities.
- Development of a future state payroll model that enhances efficiency and effectiveness of payroll services.
- Actionable recommendations on the processes, roles, responsibilities and systems required in the future state model.
- Clear roadmap for implementation of the future state model.
- Engagement and buy-in from payroll staff and leadership involved in the process to support implementation.

Project Approach and Timelines



Key Deliverables

June 2020

Research and Engagement Plan

Current State Assessment Report

Future State Recommendations and Implementation Considerations

Final Presentation

Milestones

June 18

July 28

August 20

September 16

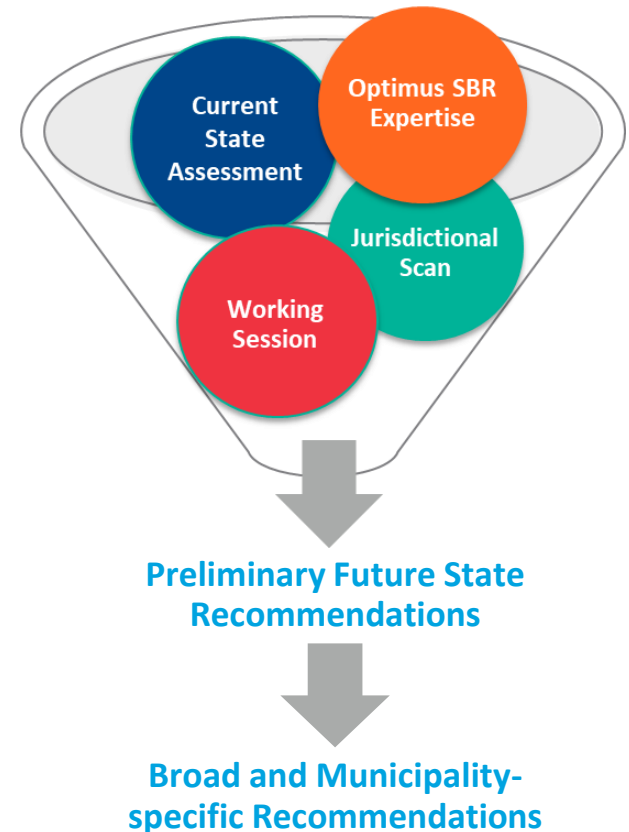
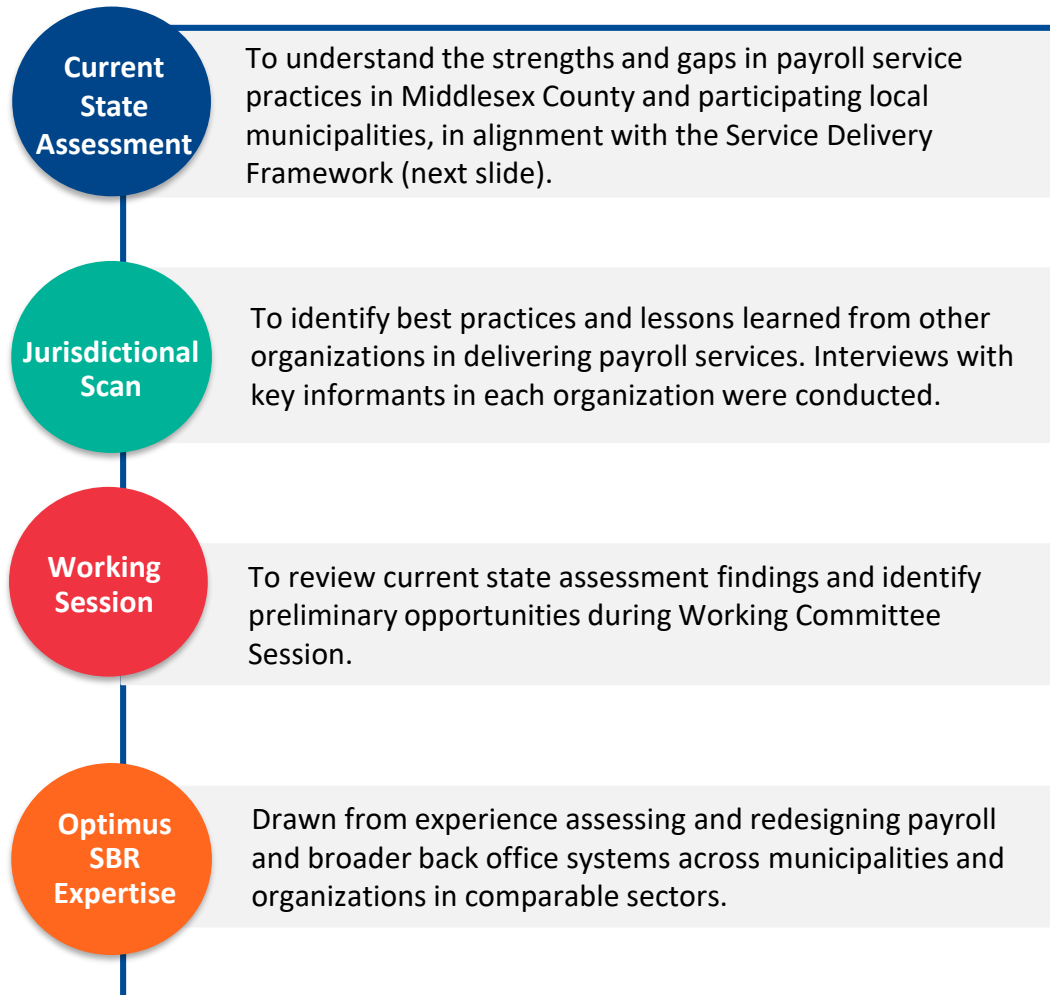


→ Payroll Service Delivery Review

Project Context and Methodology

Overview

Recommendations were developed based on information gathered during the Working Session with participating local municipalities, as well as drawing from findings from the Current State Assessment, a high-level jurisdictional scan to understand payroll practices and lessons from other organizations, and Optimus SBR's expertise and experience.



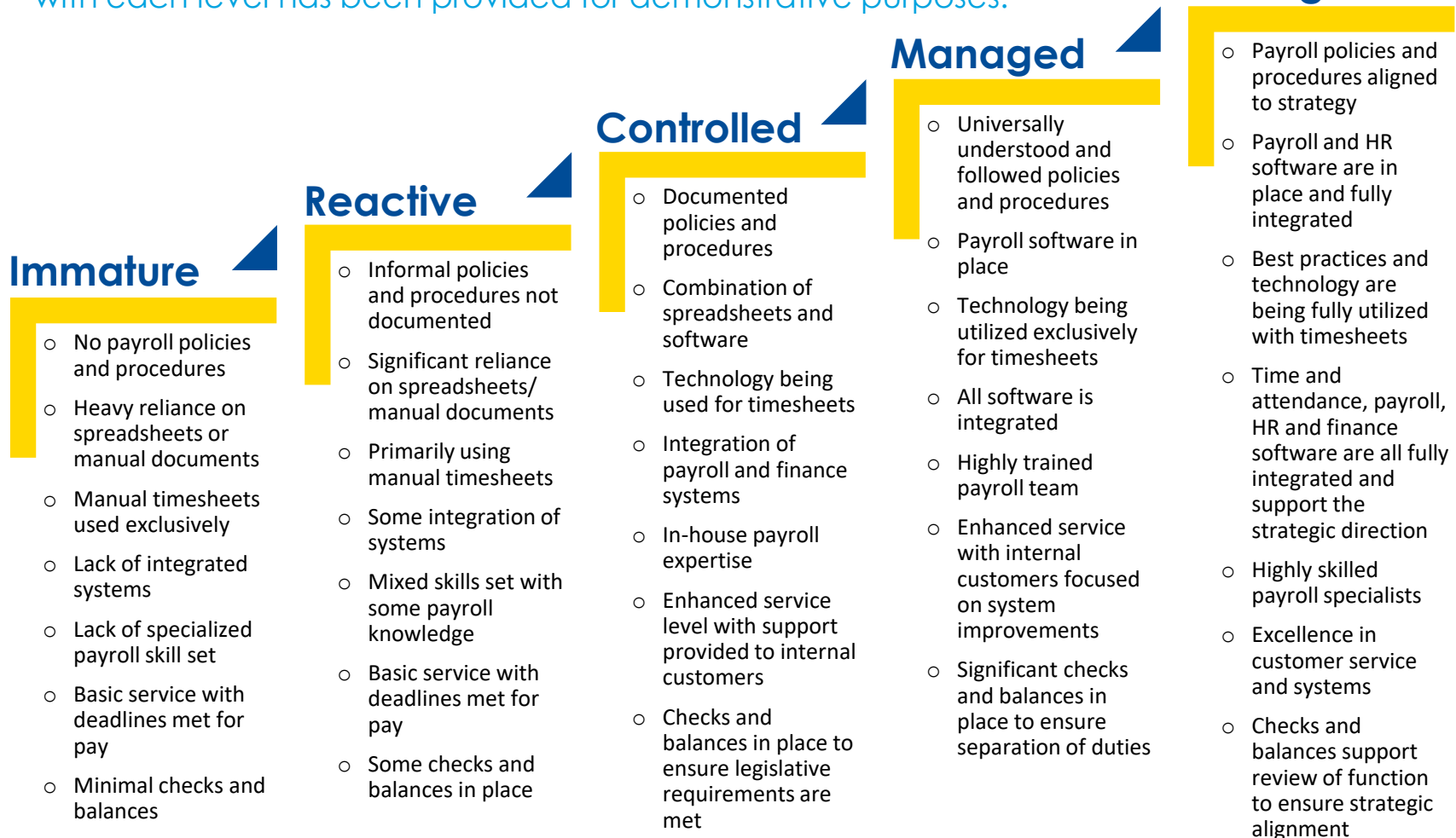
Service Delivery Review (SDR) Framework

The SDR Framework was applied to assess the current state of payroll service delivery of each participating local municipality and to structure our recommendations, aiding the review team in identifying common themes.



Payroll Service Capability Model

This capability model was used to assess payroll service delivery across all participating local municipalities in a structured and objective way. While the capabilities of an organization can be at different stages of capability and not all capabilities may fit under the same level, a high-level description of the most common criteria and trends associated with each level has been provided for demonstrative purposes.



Continuous Improvement

Each participating local municipality assessed within the Current State Assessment has been considered as an individual entity and is not being compared to other participating municipalities within the review because of their varying sizes, complexities, and other factors that limit their comparability.

- It is anticipated that each municipality will have unique goals in terms of their target future state based on their individual situation and complexity, and accordingly, will require different investments and approaches to achieve those goals.
- Across all participating local municipalities, a few principles apply:
 - Capability stages can be advanced through building internal capacity or establishing partnerships for shared services, where economies of scale can be achieved.
 - Not every municipality needs to achieve the highest level – solutions must be appropriately-sized for each respective municipality.
 - Advancement along the capability curve requires iterative improvements to core payroll service capabilities. That is, thoughtful planning is required to move from one stage to another, with constant evaluation of the effectiveness of interventions.





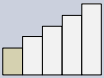
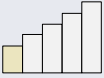
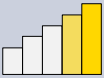
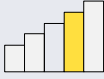
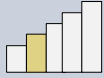
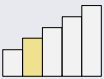
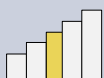
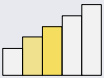
→ Payroll Service Delivery Review

Current State Summary



Capability Assessment Summary

This slide provides a high-level summary of the payroll capability assessment for the 8 participating local municipalities under review.

| Municipality | Capability Level | Rationale |
|---------------------|--|---|
| Adelaide Metcalfe |  Immature | There is a high dependency on manual processes with a lack of consistent and well-defined procedures and policies, and internal resources lack payroll expertise and capacity. |
| Lucan Biddulph |  Immature | The process is very manual with a lack of policies and documented procedures, and internal resources lack payroll expertise. |
| Middlesex Centre |  Managed / Strategic | The payroll is processed electronically and the systems and procedures used are efficient and customized as per the needs of the organization. The payroll staff is equipped with the right payroll expertise and competencies to deliver payroll services efficiently. |
| Middlesex County |  Managed | There is strong staff competency and good use of technology, with opportunities to further streamline parts of the process. |
| North Middlesex |  Reactive | Processes are inefficient due to limited system functionality, integration and digitization, and significantly manual activities. Processes are not formally documented, and resources lack specialized payroll expertise. |
| Southwest Middlesex |  Reactive | There is a high dependency on manual processes and a lack of system integration between payroll processing software and accounting software. |
| Strathroy-Caradoc |  Controlled | Systems are fairly integrated and there is minimal manual processing required. Payroll procedures are well-documented with controls in place, and staff is receiving specialized payroll training. |
| Thames Centre |  Reactive / Controlled | Although timesheet submission and approval, and tracking of entitlements are manual, there is some system integration, sufficient controls, and specialized payroll knowledge and expertise. |



→ Payroll Service Delivery Review

Future State Recommendations

Broad Recommendations

Summary of Broad Recommendations

The Future State Broad Recommendations that apply across most participating local municipalities are presented in the subsequent slides.

The following are Future State Broad Recommendations for consideration by all participating local municipalities within the Review:

- 1 Establish a **collaborative service procurement and delivery model** with peers to:
 - Consider opportunities to share purchases of tools and technologies, payroll-related services, and expertise, where each municipality can choose to participate in components important to them
 - Share in-house expertise, staffing, and other resources
 - Align and standardize (where possible) payroll policies, processes, and procedures
 - Drive implementation of collaborative payroll service enhancements
- 2 Share payroll **policies and procedures** to promote the adoption of best practices.
- 3 **Coordinate and jointly purchase employee benefits plans** across municipalities.
- 4 Develop common **Key Performance Indicators** (KPIs) to measure the performance of payroll operations.

Expected Outcomes

The following are the collective outcomes and anticipated benefits that can be expected upon successful implementation of the broad recommendations, with the assumption that all participating local municipalities will move to a “controlled” stage of capability, at minimum, and that those at or above “controlled” will move to at least the next level.

Cost Savings and Financial Benefits

- Increased buying power for technology, tools, services, and advice, leading to shared cost savings
- Reduced administrative burden as a collective for purchasing shared technology, tools, services, and advice

Shared Resources and Expertise, Enhanced Experience

- Clear structure, processes and accountabilities for sharing resources, documentation, and other assets
- Simplified format for communication, knowledge sharing, and continuous improvement
- Universal access to payroll expertise
- Increased access to relief staffing and ability to share people

Efficient Processes and Quality

- Harmonized policies, procedures, and processes where applicable, based on best practices
- Enhanced ability to audit and conduct quality assurance, reducing errors and correction time

Recommendation 1: Collaborative Service Procurement and Delivery Model

RECOMMENDATION OVERVIEW

Establish a collaborative service procurement and delivery model with peers to:

Overview:

- Consider opportunities to share purchases of tools and technologies, payroll-related services, and expertise, where each municipality can choose to participate in components important to them
- Share in-house expertise, staffing and other resources
- Align and standardize (where possible) payroll policies, processes, and procedures
- Drive implementation of collaborative payroll service enhancements

Under one governance body for the collaborative work (for ease, referred to as the “Collaborative Payroll Operations Group,” or CPOG), this model provides a structured opportunity for each municipality to determine what components of the model are best suited to their needs; this is not a one size fits all model, but rather it serves as a “menu” for options to share assets. The higher-level structural components of the model include:

- Shared purchasing
- Shared services
- Fee for service advisory

In addition to these structural components, it is recommended that this model also provides a format for sharing staffing resources, expertise/knowledge, policies, processes and procedures, measurement and continuous improvement strategies, and other relevant pieces.

Note: Details on these model components are provided on the subsequent slides.

Recommendation 1: Collaborative Service Procurement and Delivery Model

RECOMMENDATION OVERVIEW

What it is:

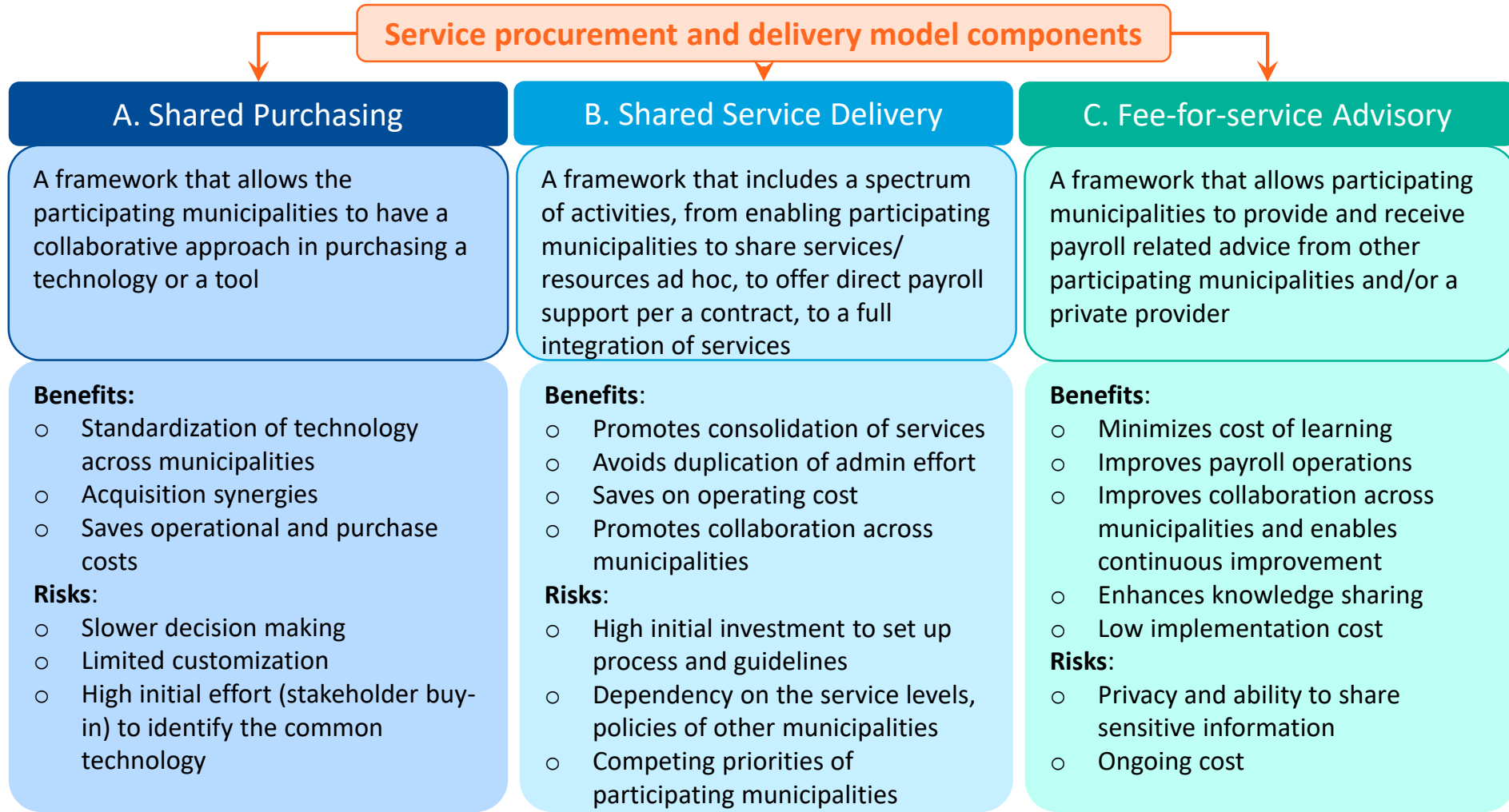
- A collaborative model for participating local municipalities to mutually benefit from sharing resources and knowledge
- A forum to simplify communication and sharing
- A body to own the implementation of service enhancements
- Managed like a committee with a mandate, program charter, regular progress updates and knowledge sharing, and accountabilities for facilitating, notetaking and other administrative duties
- Supported by leadership at each participating municipality
- A forum to continuously stimulate discussion about potential cost savings and efficiencies that could be realized by working in new ways together
- An opportunity to set standards for shared service or procurement agreements among peers
- A forum to quickly plan/organize and pursue shared purchasing opportunities
- A streamlined opportunity for participating municipalities to gain access to more mature resources quickly, as opposed to organically developing their own capabilities; and, an opportunity for more higher capacity participating municipalities to sell services and advice, and benefit from shared purchasing

What it is not:

- One size fits all model; each municipality has the option to choose what components they will participate in
- Owned by a particular municipality, although for administration purposes, one municipality might be lead
- A model for fully integrated payroll services across the participating local municipalities; each maintains control over their own operations and is able to opt-in/out of model components
- A one-time project; it is anticipated that this forum will initially focus on implementing future state recommendations, but it will evolve to be a resource/knowledge-sharing body over time

Recommendation 1: Collaborative Service Procurement and Delivery Model

The main structural service procurement and delivery model components will appeal to and benefit each municipality differently; each must have a clear goal in terms of what they want to achieve to determine how they want to collaborate with peers



Recommendation 1: Collaborative Service Procurement and Delivery Model

| RECOMMENDATION | POTENTIAL BENEFITS |
|---|---|
| <p>A. As part of the overall Collaborative Service Procurement and Delivery Model, develop and implement a shared purchasing framework for municipalities looking to buy technology/tools for payroll:</p> <p><i>Approach:</i></p> <ul style="list-style-type: none"> Interested participating municipalities should develop a strong understanding of their specific needs (the business requirements) from a technology and tools standpoint, with the intention of developing more mature payroll operations, then comparing those needs with other interested peers at CPOG. Where there is alignment, develop a collaborative approach to identifying the initial shortlist of specific technology or tool products that would achieve shared objectives; comprehensive research is needed to identify and evaluate the specific products, considering technical requirements and limitations as well. Negotiations should begin regarding savings to be drawn from group buying. | <ul style="list-style-type: none"> Saves one-time and ongoing operating costs Shared responsibility for training and knowledge sharing Improved collaboration across participating municipalities Standardization in technology use and process Ability to share staffing familiar with technology/tools |
| | MUNICIPALITIES LIKELY TO BENEFIT |
| <p><i>Implementation Considerations:</i></p> <ul style="list-style-type: none"> The group should strongly consider the complexities of implementing technologies and tools across multiple organizations; a dependency will be harmonized policies, processes and procedures for the impacted operations, and strong project and change management to ensure successful adoption. When evaluating options, consider the cost of purchasing the implementation support from the vendor as well. | <ul style="list-style-type: none"> Adelaide Metcalfe Lucan Biddulph Southwest Middlesex North Middlesex Thames Centre |

Recommendation 1: Collaborative Service Procurement and Delivery Model

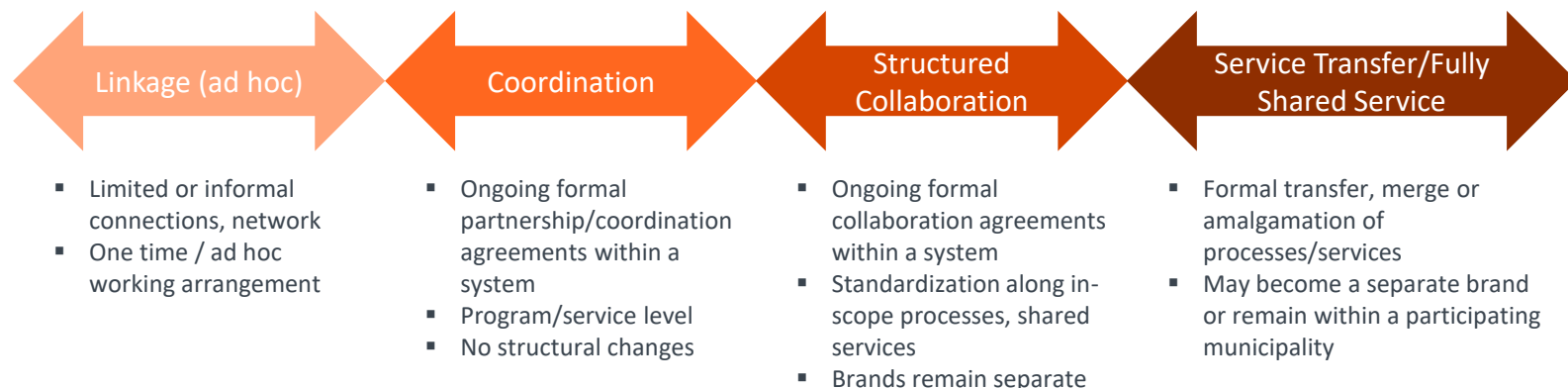
RECOMMENDATION

B. As part of the overall Collaborative Service Procurement and Delivery Model, develop and implement a **shared service framework across municipalities that consider the spectrum of shared service activities:**

Approach:

- Participating municipalities should identify where they have specific gaps in their service as a result of limits to staffing capacity, knowledge/expertise, or other factors, and assess options to fill those gaps.
- There are likely opportunities for relatively capable municipalities to provide direct shared services for those looking to achieve the “controlled” status on the capability curve; these participating municipalities should determine their willingness to provide this service and their requirements for doing so.
- Respective needs and offers can be brought to the CPOG for discussion and evaluation, and one or more agreements can be negotiated along the spectrum of activities:

Degree of Shared Service Integration



Recommendation 1: Collaborative Service Procurement and Delivery Model

| RECOMMENDATION | POTENTIAL BENEFITS |
|--|--|
| <p>B. As part of the overall Collaborative Service Procurement and Delivery Model, develop and implement a shared service framework across municipalities that considers the spectrum of shared service activities <i>(continued)</i>:</p> <p><i>Implementation Considerations:</i></p> <ul style="list-style-type: none"> ○ A shared service model will help reduce the variance in level of capability across municipalities which was represented through the capability summary curve, as it can increase access to resources/tools that may have been previously unattainable for a number of reasons. ○ When considering the level of integration of shared services: <ul style="list-style-type: none"> • Participating municipalities seeking services need to consider the potential impacts relative to their ability to control processes and quality, ability to access payroll staff quickly, ability of existing payroll staff to be redirected into appropriate functions, cost, and their risk tolerance as compared to the potential benefits of the change. • Participating municipalities considering offering shared services should assess their capacity (staffing and expertise) to be able to deliver successfully, the revenue required to breakeven/profit, licensing for any applicable technologies/tools, and the additional resourcing requirements to set up and maintain operations to ensure quality. ○ A rigorous project and change management approach is required regardless of level of integration. | <ul style="list-style-type: none"> • Quality assurance • Avoids duplication and encourages sharing of knowledge, processes, tools • Saves on operating cost and investments in capital • Promotes collaboration across municipalities, continuous improvement <p>MUNICIPALITIES LIKELY TO BENEFIT</p> <p>As a seeker of shared service:</p> <ul style="list-style-type: none"> • Adelaide Metcalfe • Lucan Biddulph • Southwest Middlesex • North Middlesex <p>As a provider/seeker of shared service:</p> <ul style="list-style-type: none"> • Middlesex Centre • Strathroy-Caradoc • Middlesex County • Thames Centre |

Recommendation 1: Collaborative Service Procurement and Delivery Model

| RECOMMENDATION | POTENTIAL BENEFITS |
|--|--|
| <p>C. As part of the overall Collaborative Service Procurement and Delivery Model, develop and implement a framework to procure payroll advisory services on a fee-for-service basis:</p> <p><i>Approach:</i></p> <ul style="list-style-type: none"> ○ Various options exist for fee-for-service advisory services, including options where peer municipalities provide advice, or a specialist/third-party vendor provides the service. ○ To determine the right-sized approach, each participating municipality should consider what (if any) gaps exist in their expertise and determine how much support might be required and in what topic areas. These themes can be brought to the CPOG to discuss alignment and potential opportunities to provide services as a local system. ○ It is anticipated that the municipalities that have more experienced or payroll-certified staff can provide these services to other participating municipalities looking to get advice on legislative, compliance or regulatory issues, if willing, and that third-party vendors can supplement any gaps. | <ul style="list-style-type: none"> • Relative ease of implementation and low cost • Minimizes cost of learning • Improves ability to be responsive to issues/risks • Improves collaboration across municipalities • Enhances knowledge sharing and capacity building • Provides opportunities for continuous improvement |
| <p><i>Implementation Considerations:</i></p> <ul style="list-style-type: none"> ○ Interested parties should develop an MOU to define the scope of services and fees associated; can have a pure fee-for-service model (i.e. time and materials billed), or a fixed price arrangement (i.e. set fee for a time period, with maximum limits for service use); it is worth noting that fixed price often drives more meaningful support, with a focus on capacity building. | <p>MUNICIPALITIES LIKELY TO BENEFIT</p> <ul style="list-style-type: none"> • Adelaide Metcalfe • Lucan Biddulph • Southwest Middlesex • North Middlesex • Thames Centre |

Collaborative Model Components

Each municipality has unique needs and will benefit differently from the proposed Collaborative Service Procurement and Delivery Model. The following table indicates which participating municipalities are most likely to benefit from each feature

| Overall Recommendation | Municipality | | | | | | | |
|--|--------------|----|----|-----|----|----|----|----|
| | AM | LB | MC | MCo | NM | SM | SC | TC |
| A. Shared purchasing for municipalities looking to buy technology/tools for payroll (i.e. buying the same tools) | ✓ | ✓ | | | ✓ | ✓ | | ✓ |
| B. Shared payroll services across municipalities (i.e. leveraging payroll services of some municipalities and/or those with capacity) | ✓ | ✓ | | | | ✓ | | |
| C. Accessing fee-for-service advisory supports (i.e. contracting another municipality or service provider for services) | ✓ | ✓ | | | ✓ | ✓ | | ✓ |
| Policy, process and procedure standardization | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Knowledge and expertise sharing | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Evaluation and continuous improvement | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Project and Change Management | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

AM - Adelaide Metcalfe; **LB** - Lucan Biddulph; **MC** – Middlesex Centre; **MCo** – Middlesex County; **NM** – North Middlesex; **SM** – South Middlesex;
SC – Strathroy-Caradoc; **TC**- Thames Centre

Recommendation 2: Share Policies and Procedures

RECOMMENDATIONS

Share payroll policies and procedures to promote the adoption of best practices.

Overview:

- To ensure all participating municipalities have access to leading practice and effective policies and procedures for activities that are common across all participating municipalities delivering payroll, a policy and procedure sharing process is recommended, with the overall objective of increasing access to the most effective and efficient policies, procedures and templates across all participating municipalities.

Approach:

- Create a centralized repository for policies, procedures, templates and other documents that might be useful for peers to leverage; each municipality can then assess and evaluate the options for the best documents to move forward for their own adoption, conducting additional research as required.
- The key policy components that could be included here may include employee pay periods, role(s) designated to run the payroll, and others; key procedures to include might be timesheet submission guidelines, direct deposit information and process, reporting, approvals, and others.

Implementation Considerations:

- Based on the needs and the capability level of each participating municipality, the policies and procedures can be customized.
- A rigorous project and change management approach is required for any process change.

POTENTIAL BENEFITS

- Improved quality of processes and procedures across participating municipalities, aligned to leading practices
- Improved knowledge sharing and better understanding and collaboration
- Increased efficiency and cost savings

MUNICIPALITIES LIKELY TO BENEFIT

- All municipalities

Recommendation 3: Purchase Employee Benefits Together

RECOMMENDATIONS

Coordinate and jointly purchase employee benefits plans across municipalities to increase the pool and reduce premiums.

Overview:

- In alignment with the recommendation to do group purchasing of technology and tools, it is recommended that the participating municipalities consider coordinating and jointly purchasing respective benefits plans. This will allow these municipalities to have a larger pool, enabling negotiation of a better price and help lower the premiums associated with the benefits plans collectively.

Approach:

- Leveraging the CPOG forum, bring existing benefits packages to compare and assess if there are products that are more ideal than others; supplement this analysis with a review of other benefits packages/offering.
- Determine which participating municipalities are interested in pursuing a more favourable package, and together determine the requirements of an ideal benefits provider based on the pool of staff to be included.
- Begin outreach to potential providers, compare offerings; negotiate to leverage group buying power. Select a provider and implement.

Implementation Considerations:

- Need to consider implications on any relevant unions/labour relations of changing benefits providers and packages, and costs to leave current contracts.
- A rigorous project and change management approach is required, with strong communication about rationale for change.

POTENTIAL BENEFITS

- Reduced costs for benefits
- Shared knowledge base for supporting benefits administration
- Increased pool of participants

MUNICIPALITIES LIKELY TO BENEFIT

- All participating municipalities

***Note:** It is important to gauge interest from the municipalities that might be interested in purchasing benefit plans together.*

Recommendation 4: Develop Common KPIs

RECOMMENDATIONS

Develop common Key Performance Indicators (KPIs) to measure the performance of payroll operations.

Overview:

- The participating municipalities should develop a common set of KPIs to measure the performance of payroll operations, with the intention of identifying key areas for improvement on an ongoing basis. It is recommended that there is a common set of KPIs to be monitored at the CPOG level, but that each participating municipality will also likely measure unique KPIs based on their needs.

Approach:

- Inventory the existing payroll KPIs that are measured across participating municipalities; determine which KPIs provide the most value and prioritize the top 3-5, considering the ability of all participating municipalities to measure against them using existing data and processes.
- Some of the common KPIs that can be applied include:
 - Number of off-cycle manual payments per payroll FTE
 - % of payroll payments that are manual payments
 - Operating cost per payroll direct deposit and cheque
 - Number of payroll direct deposits and cheques per payroll FTE

Implementation Considerations:

- Develop a reporting schedule with clear accountabilities, timelines and processes for leveraging insights and translating them into initiatives to improve payroll across the network.

POTENTIAL BENEFITS

- Improved decision making related to payroll operations
- Helps evaluate the performance of payroll processes
- Helps track the progress and growth on the payroll capability curve
- Provides insight into common issues across participating municipalities to be addressed

MUNICIPALITIES LIKELY TO BENEFIT

- All municipalities



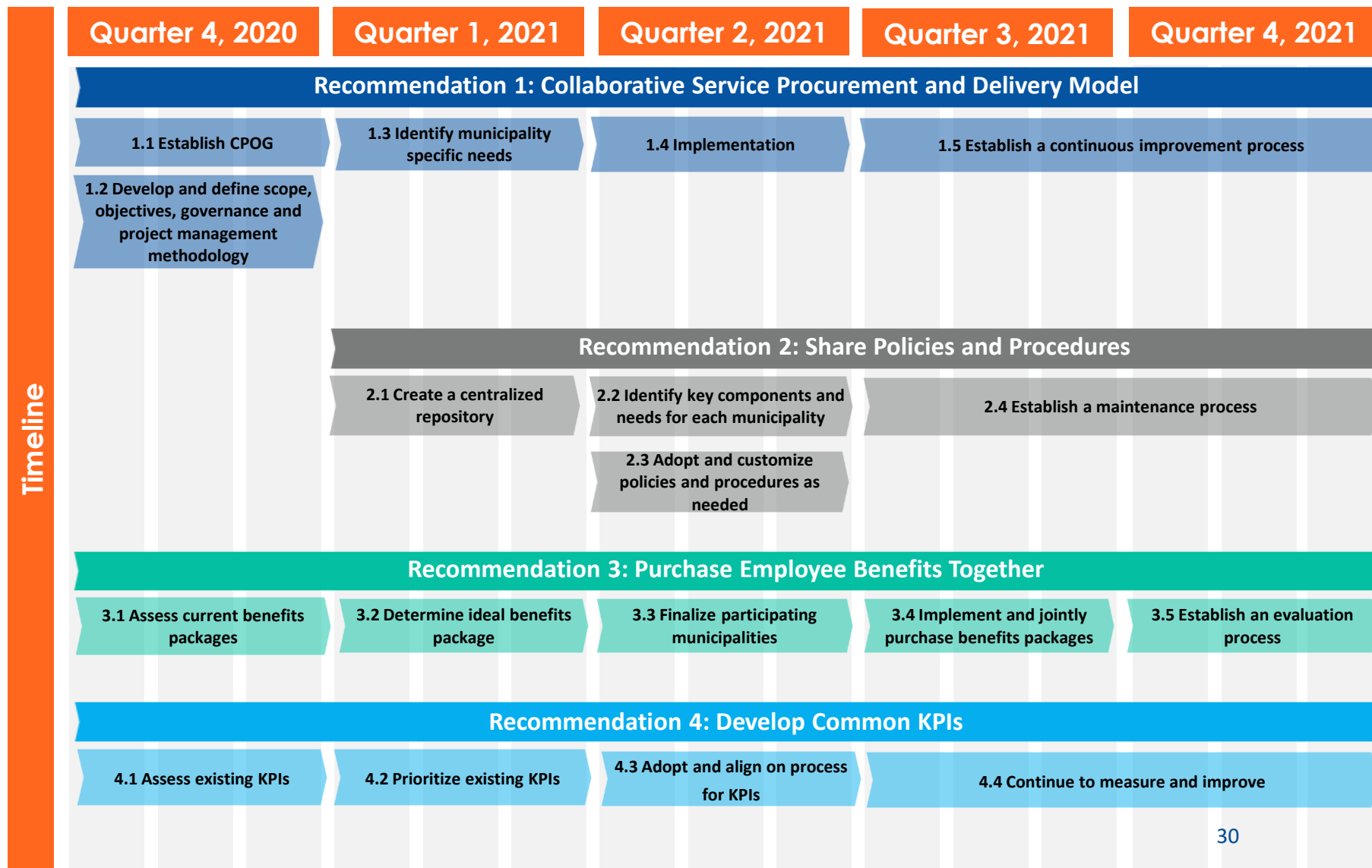
→ Payroll Service Delivery Review

Implementation Considerations

Implementation Timeline

The anticipated timeline for implementation of the recommendations is outlined below

(Note: this timeline is dependent on internal and external factors and the impact on the business)



→ Payroll Service Delivery Review



Appendix

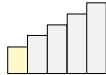
Service Delivery Review (SDR) Framework

The SDR Framework was applied to assess the Current State of each participating local municipality and to structure our recommendations, aiding the review team in identifying common themes. The summary of the Current State Assessment findings for each participating local municipality is shared on the subsequent slides.



Adelaide Metcalfe

Capability Level



Governance

Immature – There is high dependency on manual processes with lack of consistent and well-defined procedures and policies, and internal resources lack payroll expertise and capacity.



Client Experience

Paystubs are paper-based and are not consistently received in a timely manner. Though it has improved recently with recent administration changes, there are significant opportunities to digitize and send electronic paystubs via email.



Process

Lack of clearly defined and communicated policies and procedures sometimes lead to confusion and inefficiency among employees. There are key opportunities to automate tasks that are currently completed manually.



Cost

Costs appear to be appropriate and generally efficient.



Technology

Limited utilization of the features of current technology results in manual activities and reduced efficiency, along with lack of integration amongst these systems.



Resources

Internal resources have limited capacity and expertise to efficiently process payroll services.

Lucan Biddulph

Capability Level 

Immature – The process is very manual with a lack of policies and documented procedures, and internal resources lack payroll expertise.



Governance

A single individual is holding primary responsibility for payroll with a lack of checks and balances.



Client Experience

The Township has a small payroll that does not yield significant service issues though best practices are not being utilized.



Process

The small payroll can be managed manually; however, manual processes are time consuming and there is a lack of consistent policies and processes.



Cost

Costs appear to be appropriate and generally efficient.



Technology

The payroll process does not utilize technology other than Excel spreadsheets.



Resources

There is a lack of payroll skills and expertise inhouse to manage payroll exceptions and unique situations.

Middlesex Centre

Capability Level 



Governance

Between Managed and Strategic – The payroll is processed electronically, and the systems and procedures used are efficient and customized as per the needs of the organization. The payroll staff is equipped with right payroll expertise and competencies to deliver payroll services efficiently.



Client Experience

Well established payroll department and governance structure to manage payroll services. Increased accountability and transparency was achieved after they implemented the electronic payroll system in 2017.



Process

Payroll software has enhanced service delivery, with easy and remote access to employees to their payroll information. The services are client-centred and there are no significant service issues.



Cost

The payroll process is electronic, consistent, transparent, well established, and accurate. It is a streamlined and efficient process. There is no concern to lose data, policies, or records as information is not paper-based.



Technology

Costs appear to be appropriate and generally efficient.



Resources

The payroll processing software (Dayforce) works well and has enhanced the efficiency and accuracy of the process. However, Dayforce is highly technical on payroll administration side and requires a certain level of knowledge of the system.

The staff has sufficient payroll expertise and competencies and share a healthy team culture to support and learn from each other.

Middlesex County

Capability Level 

Managed – There is strong staff competency and good use of technology, but there are opportunities to further streamline parts of the process.



Governance

The County has a well-established payroll department managing multiple payrolls in a complex unionized environment.



Client Experience

The County has a well-established payroll department with designated payroll specialists for each department which enhances service delivery.



Process

There is a combination of manual processes and technology being used across the County.



Cost

Costs appear to be appropriate and generally efficient.



Technology

The County has strong internal support for technology with an opportunity to automate tracking of leaves.

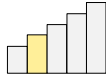


Resources

There is a high level of payroll competency in the payroll department.

North Middlesex

Capability Level



Governance

Reactive – Processes are inefficient due to limited system functionality, integration and digitization, and significantly manual activities. Processes are not formally documented, and resources lack specialized payroll expertise.



Client Experience

Roles and responsibilities are clear, and there is segregation of duties and controls in place to ensure transparency, accountability and accuracy in the process.

Limited technology negatively impacts the client experience as information cannot be entered and tracked quickly and easily. There is a desire for a more automated and electronic process, and for electronic paystubs.



Process

Manual processes for entering and tracking time are time-consuming, inefficient and prone to error. Processes are not formally documented, which limits the understanding of the process.



Cost

Costs appear to be appropriate and generally efficient.



Technology

Limited system functionality, integration and digitization contribute to inefficient processes.



Resources

Resource capacity is sufficient for payroll, however there may be a limited understanding of legislation and payroll compliance requirements due to a lack of specialized payroll training.

Southwest Middlesex

Capability Level 



Governance

Reactive – There is high dependency on manual processes and lack of system integration between payroll processing software and accounting software.



Client Experience

Established payroll department is managing payroll services and governs the unionized environment well.



Process

The municipal staff are satisfied with the transition to electronic paystubs, however manual timesheet submissions could be time-consuming at times. There is a desire for a more automated and electronic process regarding timesheet submission and approvals.



Cost

The manual process to submit paper-based timesheets causes accuracy issues and delays, along with a lack of formal procedures to track entitlements.



Technology

Costs appear to be appropriate and generally efficient.



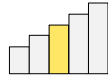
Resources

The payroll processing software works well however there is a lack of system integration between payroll processing software as well as Accounting software.

The payroll team manages the workload and tasks well however does not possess specialized payroll training.

Strathroy-Caradoc

Capability Level



Controlled - Systems are fairly integrated and there is minimal manual processing required. Payroll procedures are well-documented with controls in place, and staff are receiving specialized payroll training.



Governance

The payroll service has a clearly defined decision-making process, and staff roles and responsibilities, however, the delivery of service is not measured against a performance metric.



Client Experience

The municipal staff are overall satisfied with the delivery of payroll service, however, tracking and approval of entitlements could be challenging at times.



Process

Payroll procedures are well documented, staff has a good understanding of the timesheet submission process, but the review and approval of timesheet is not always accurate.



Cost

Costs appear to be appropriate and generally efficient.



Technology

The staff is overall comfortable and satisfied with the systems they are expected to use on an ongoing basis, and timesheets, HR, payroll and finance systems are integrated for an efficient flow of information.

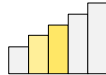


Resources

The HR staff is experienced and skilled to run the payroll operations and are currently training to better understand the legislation and avoid potential compliance issues.

Thames Centre

Capability Level



Between Reactive and Controlled – Although timesheet submission and approval, and tracking of entitlements are manual, there is some system integration, sufficient controls and specialized payroll knowledge and expertise.



Governance

Clear roles and responsibilities, controls and segregation of duties in the process enables effective decision-making and mitigates risk.



Client Experience

Clients would like to streamline the process by eliminating manual timesheet entry and tracking of entitlements.



Process

Timesheet submission, approval and entry into payroll system is manual, time-consuming and prone to error, however process is well-documented.



Cost

Costs appear to be appropriate and generally efficient.



Technology

Payroll software functions well and integrates with the finance software, however there is manual data entry due to paper-based timesheets and lack of HRIS software. New scheduling software has potential to support electronic timesheet submission.



Resources

Knowledgeable resource with specialized payroll expertise is in place, however no back-up support is available.

Jurisdictional Scan



Governance

Clear roles and responsibilities, controls and segregation of duties ensure risks of error and fraud are mitigated. Buy-in from all key stakeholders is important to ensure seamless integration of processes and systems end to end.



Client Experience

Simple and streamlined processes enabled by technology, reliable and responsive services with accountability and transparency improve overall client satisfaction.



Process

Reducing manual data entry and consolidating all data sources into one integrated system greatly improves efficiency and accuracy in the process. Procedures and policies should be well-documented to ensure understanding and business continuity.



Cost

Costs appear to be appropriate and generally efficient.



Technology

Digitization and integration of time and attendance, payroll, HR, finance systems greatly enhances process efficiency and effectiveness.



Resources

Resources with specialized payroll knowledge and expertise and sufficient back-up support are required to ensure compliance, risk mitigation and business continuity.

Contact Us

Terri Lohnes, Senior Vice President & Practice Lead

416.649.6017

Terri.Lohnes@optimussbr.com

Andrea Spencer, Senior Manager

416.649.6088

Andrea.Spencer@optimussbr.com

