

# **REVIEW OF SELECTED BUSINESS PROCESS REDESIGN**

## **THE UNIVERSITY OF NEW MEXICO**

**Report 2008-05  
September 3, 2009**



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## ABBREVIATIONS

BFM..... Banner Finance Module

CATR..... Campus Assessment of Training and Reporting Needs and Process Evaluation

COBIT®..... Control Objectives for Information and Related Technology

EMIS ..... Electronic Management Information Systems

EOD..... Employee and Organizational Development

ERP..... Enterprise Resource Planning System

FANG ..... Fiscal Agent Network Group

FSSC..... Financial Services Support Center

IA ..... Internal Audit

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CONTENTS

IT.....Information Technology  
ITS.....Information Technology Services  
SCT Banner.....Administrative Software for the University of New Mexico  
UNM.....University of New Mexico

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## **EXECUTIVE SUMMARY**

Some departments and colleges expressed to Internal Audit that it is difficult to use the Banner Finance Module (BFM) to meet their departmental needs. In response to these concerns, Internal Audit reviewed the issues involved and the barriers to the use of BFM as designed.

We examined the operational effects on, and issues regarding, use of BFM for selected departments and colleges. We chose departments and colleges representing the Health Sciences Center and Main Campus to survey their concerns.

We found that University Financial Services has created the Financial Service Support Center (FSSC) (essentially a help desk) to address some of the departments' and colleges' concerns, and they are taking further steps to improve the use of BFM. There are still areas to be addressed to improve the use of BFM for the departments, colleges, and the University.

### **ACCOUNTING BUSINESS PROCESSES**

The Financial Services Division should partner with the Executive Vice Presidents and their financial designees to develop standardized departmental accounting models. The Vice President for Finance and University Controller will provide a Standard Accounting and Reporting Manual to the departments and colleges. This manual will be a part of the Finance Academy Certificate program.

### **REPORTING RELATIONSHIP**

The President should have the Executive Vice Presidents review the reporting relationship of the colleges' and departments' financial designees to the Vice President for Finance and University Controller concerning accounting and financial matters. The President will instruct the Executive Vice Presidents to determine the reporting relationship.

### **TRAINING**

The Vice President for Finance and University Controller, in partnership with Employee Organizational Development, should create a mandatory Banner Finance certificate training program for employees with Banner Finance responsibilities. The Controller's division will provide a project milestone plan for the Finance Academy.

### **COMMUNICATION**

Using the FSSC and the Executive Vice Presidents' financial designees, the Vice President for Finance and University Controller should work to enhance effective two-way communication with the University departments. The Vice President for Finance and University Controller has convened a communications work group and will provide a written timeline of tasks to further enhance communication of the FSSC.

## **POST-IMPLEMENTATION REVIEW**

The Chief Information Officer (CIO) should assure a post-implementation review is completed within six months after the Banner 8 upgrade. The CIO stated Information Technologies will facilitate the post-Banner 8 upgrade review, to be initiated at least 6 months after the successful upgrade.

## **REPORTING**

The Chief Information Officer should use an existing oversight committee to assist in prioritizing and monitoring projects based on available IT resources, develop and implement a methodology for prioritizing projects, elevate the reporting project to priority status, and dedicate the necessary resources to resolve the reporting issues as quickly as possible. The CIO agrees to use existing committees and to compile Information Technologies managed systems information. The CIO will release two letters of budgetary impact to the ERP Steering Committee in November 2009 and May 2010. These letters will outline the proposed reductions in service and baseline requirements, and describe possible effects on the reporting project.

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# INTRODUCTION

## BACKGROUND

In July 2004, the University implemented Finance, the first module of the Banner System. Banner is an enterprise resource planning system (ERP), which means it uses multi-module application software for improving the performance of the internal business processes. UNM's ERP system includes Finance, Budget, Student Admissions, Registration, Financial Aid, and Human Resources/Payroll. In spring 2008, the last module, Budget, was implemented. Expenses to date for the project are approximately \$62 million, which includes replacing aging hardware and networking infrastructure. The upgrade to Banner, Version 8, is scheduled in 2010. In this audit, we focused on the process issues for the Banner Finance system. We also identified University-wide issues during the review that are presented later in this report.

The analysis for replacing the old financial systems started long before 2004. The Executive Summary for the *Business Case for Replacing Current Administrative Systems* states:

In the fall 1997, the Electronic Management Information Systems (EMIS) Project was created by the VP for Business and Finance and the Associate VP for CIRT, in order to reengineer the University's purchasing, accounts payable, fixed assets and hiring processes.

Reengineering Teams were formed for each business process. Major issues discovered included:

- Non-value-added steps and processes resulting in excessive costs;
- Ad Hoc policy and procedures that are inconsistently applied;
- Poor dissemination of information to process users;
- Inconsistent business practices and procedures;
- Redundant and fragmented data;
- Departmental adjunct accounting systems; and
- Lack of true accountability.

The Reengineering Teams found that, in the academic and research areas, business processes consumed resources that should be devoted to more mission-specific work.

The Banner software was chosen to replace the administrative software systems in the areas of finance, as well as student and financial aid. The University President outlined this software replacement in a memo sent to Directors and Deans, dated November 5, 2002. The memo referenced a set of guiding principles to be followed concerning the installation of the Banner software. In summary, based on the guiding principles the administrative system was intended to:

- Decrease process time;
- Push decision-making to the lowest appropriate level; and
- Emphasize the needs of the process users.

For a complete list of principles for the administrative software systems, see *Attachment A*.

In June 2003, the *Banner Finance Implementation Project Definition Document* was updated to *Version 1.4*. There are several versions of the project design document, with Version 1.4 being the latest. The project scope included installation of the Banner modules for Finance, Student, and Financial Aid. We used this document in evaluating Banner finance success. The text for these sections is provided in *Attachment B*.

To inform departments and provide feedback loops, the University created several organizational structures and committees:

- Financial Services Support Center (FSSC) is a customer service unit within the Financial Services Division. FSSC is staffed with 3 FTEs, comprised of a manager and 2 administrative staff persons, with assistance from subject matter experts from various UNM Financial Services Division offices. This unit provides end user support for Finance questions, problems and issues.
- Fiscal Agent Networking Group (FANG) is the association of the University's fiscal agents. Each college, branch and school is required to have a fiscal agent who is the point of contact between the organization and central financial administration. The fiscal agents have a monthly standing meeting where they are informed of new operational developments. The fiscal agents also discuss operational issues that they encounter and are responsible for disseminating this information to their respective units.
- Campus Assessment of Training and Reporting Needs and Process Evaluation (CATR) is the result of a canvass by a team from central financial administration. The team canvassed financial administrators across campus to "...assess the training/reporting and process improvement needs of the financial community." The team presented their findings to the FANG in April 2008. We are using this report to assist in identifying areas for improvement for using BFM as designed.

## **PURPOSE**

Some departments and colleges told Internal Audit they were having difficulties using BFM. In response to these concerns, Internal Audit scheduled a review to determine the issues involved and the barriers to the use of BFM as designed.

## **SCOPE**

We examined the concerns expressed in the IA surveys for selected departments and colleges, and their issues regarding using BFM. Departments and colleges representing the Health Sciences Center and Main Campus were chosen to survey their concerns.

## OBSERVATIONS, RECOMMENDATIONS AND RESPONSES

The assessment team issued the CATR identifying the training, reporting and process improvement needs of the finance community. The CATR identified 284 different items that fell into specific categories, including communication (13), training (73), reporting (71) and processes/other (127) issues. In response to common issues identified in the CATR, the Financial Services Division made the following process changes:

- Streamlined the Service Provider Questionnaire by redesigning the form;
- Streamlined the PCard process by automating documents;
- Created the Financial Services Support Center (FSSC) to assist with Banner operational issues; and
- Identified sub-committees to address the communication and training issues. In the process, they implemented Banner Finance Channels to address the communication needs, developed additional process documentation and training resources, and implemented Finance Self-Service to enhance Finance reporting.

The Financial Services Division has a structure in place (comprised of managers from each of the Finance modules and the Information Technology Services (ITS) technical support team) to identify, discuss and prioritize projects from an end-user and core office perspective.

Using the Internal Audit's (IA) survey instrument, seven departments/colleges and the Financial Services Division were surveyed to determine what issues exist in the use of BFM as designed. IA followed up with either a telephone or in-person interview to go over the responses.

In the table below, we compared related categories from the 2002 Project Definition Document to the CATR and the IA survey results to identify outstanding issues from 2002.

**Table 1-Comparison of Objectives, Needs, and Issues**

<b>2002 Banner Project Definition Document, Objectives</b>	<b>April 2008 CATR Needs Presentation to FANG</b>	<b>IA Survey 2009 Departments/Colleges</b>
Reduce reliance on shadow systems.	Not specifically addressed	6 of 7 departments are still using some form of an adjunct accounting system. It appears the business process redesign did not occur for some departments.
Gain improved reporting capabilities including : <ul style="list-style-type: none"> <li>• Standard reporting against specific metrics (regulatory, etc.);</li> <li>• Flexible end user reporting.</li> </ul>	Single dashboard for majority of needed reports was well received and thought to be helpful.	Some departments think reporting is still inadequate.
	Departments want clear and consistent communication, "single version of the truth," from core offices.	5 of 7 departments expressed concerns about communicating with the Financial Services Division. They receive conflicting advice at times.
Improve timeliness of financial data (real-time encumbrances).	Not specifically addressed in the CATR.	Some departments think a segment of the encumbrance process is hard to use because it is cumbersome.
Develop and implement ongoing end user training.	Departments requested creation of a "Finance Academy" that puts newly hired employees through an orientation process.	The survey did not have a specific question about training; however, some respondents mentioned training as an issue.



Using the July 21, 2003 revised *Banner Finance Implementation Project Definition Document, Version 1.4*, the CATR, and Internal Audit's (IA) survey and follow-up interviews, we developed the following recommendations we believe will help to improve BFM performance for the departments, colleges, and the University.

## **ACCOUNTING BUSINESS PROCESSES**

Data from the IA surveys and the information contained in the CATR suggests some departments have not reengineered their processes as shown by the continued use of adjunct accounting systems, and use of internally-generated forms. Two of the objectives expressed in the Project Definition Document are to improve timeliness of financial data (real-time encumbrances), and to reduce reliance on adjunct accounting systems.

Six of 7 departments in the IA survey are using some type of adjunct accounting systems. The adjunct accounting systems are used to track real-time expenses to avoid over spending. In theory, real-time encumbrances would accomplish this task using Banner. (An encumbrance is a commitment of funds to be expensed at a later date.) Some departments expressed a problem working with the general encumbrance system. Automating the liquidation of a general encumbrance would require modification to the BFM, and would have to be prioritized in conjunction with all other projects and initiatives. This issue needs further discussion among the parties to try to address and solve it - through possible system modifications, additional training, improved job aids, or workflow.

Some departments use internally-generated forms to process transactions in Banner. The Project Definition Document points out Banner implementation would result in decreased form costs. To realize this cost savings, the University needs to standardize the business models and forms used in the departments and colleges.

### **Recommendation 1**

The University Financial Services Division, partnering with the Executive Vice Presidents and their financial designees, should develop standardized accounting (business) models for the departments and colleges. The accounting (business) models should address departmental and college needs as well as University needs. These business models will assist with the business process redesign envisioned prior to Banner implementation. Developing the business model will require the support of the President and the three Executive Vice Presidents.

### **Response from the Vice President for Finance and University Controller**

*We concur with the recommendation. The HSC/UNM Finance/Controller's Division currently provides standard operating procedures, training and standard reports which the University community can adopt voluntarily. The adoption of these voluntary measures has been sporadic*

*among Main Campus units and more consistent among units on the HSC and Branch campuses. The HSC/UNM Finance/Controller's Division has identified the following five areas needing standardization:*

- 1. Adequate number and type of Accounts for each department (level 5 organization) and college/school (level 3 organization).*
- 2. Processing transactions quickly.*
- 3. Categorizing transactions correctly.*
- 4. Reconciling transactions monthly.*
- 5. Starting all reports with a column that ties to UNM's official accounting system, then adding a second column to clearly explain any adjustments that are outside the official accounting system.*

*The Vice President for Finance and University Controller will provide a Standard Accounting and Reporting Manual (SARM) covering the five areas above by March 31, 2010. The SARM will be part of the Finance Academy Certification program, see recommendation 3 below.*

## **REPORTING RELATIONSHIP**

The Executive Vice Presidents' financial designees of UNM should have some type of fiscal/financial reporting relationship to the Vice President for Finance and University Controller with regard to accounting and financial matters. Some departments' relationships to this Vice President are not clear.

The current posted job description for the Vice President for Finance and University Controller, states:

Establishes University financial policies and transactional standards, ensuring consistency with the University's mission and strategic plans and compliance with Board of Regents' policies, State and Federal fiscal management laws and regulations, and generally accepted accounting standards.

In order to enforce standards, and to have consistent treatment of accounting and financial transactions, Executive Vice Presidents' financial designees should have a reporting relationship with the University Vice President for Finance and University Controller. This would ensure consistent treatment of accounting/financial transactions, and instill confidence in the University's financial data.

The following points were presented to the Regents in a September 2005 report concerning the UNM Financial Consolidation:

As part of an overall plan approved by the Board of Regents to coordinate all financial activities through a single point – the Executive Vice President for Administration, 3 new AVP positions were created: Financial Services - Main Campus, Financial Services - Health Sciences Center, and Planning, Budget and Analysis. The report also stated:

The Rapid Redesign team quickly determined that in order to fulfill the financial consolidation objectives, and optimize the ideal Finance System, **the individual departments and programs** of the University would need to provide timely, accurate information on their financial status. The team developed the concept of training departmental/program accounting and financial staff to perform the Fiscal Agent function to work directly with the three Finance and Budget AVP offices.

Since that time, the financial structure has been further consolidated, as the Associate Vice Presidents for Main Campus and HSC have been consolidated into one position: Vice President for Finance and University Controller. Additionally, the University formed the Fiscal Agent Networking Group as a consolidated point of contact for the central financial administration.

## **Recommendation 2**

The President should have the Executive Vice Presidents determine the reporting relationship of UNM's Executive Vice Presidents' financial designees to the Vice President for Finance and University Controller concerning accounting and financial matters. If it is determined that there should be a reporting relationship, steps should be taken to establish and implement a structure for adequate reporting.

## **Response from the University President**

*The President will have the Executive Vice Presidents determine the reporting relationship of UNM's Executive Vice Presidents' financial designees to the Vice President of Finance and University Controller concerning accounting and financial matters by April 30, 2010.*

## **TRAINING**

Staff working with Banner need continuous training as evidenced by the number of training issues (73) from the April 2008 CATR, and training issues raised in IA surveys. One of the most requested items from the CATR related to creating a "Banner Finance Academy" to familiarize newly-hired employees with BFM processes. This concept could extend to current employees working in Banner. An effective "Banner Finance Academy" requires a well-established

curriculum to ensure the training is effective and includes all required competencies for using BFM.

### **Recommendation 3**

The Vice President for Finance and University Controller should partner with Employee and Organizational Development (EOD), a division of Human Resources, to create a mandatory Banner Finance certificate training program for newly-hired employees with Banner responsibilities, as well as for existing employees. The curriculum should cover the necessary competencies for new and existing employees to perform the required functions in Banner.

### **Response from the Vice President for Finance and University Controller**

*Concur. The HSC/UNM Finance/Controller's Division began working on the Finance Academy structure and curriculum in February, 2009. Our intent is to utilize the current 64 Finance instructor-led and computer-based classes and develop some new courses that concentrate on theory and application of accounting and administrative transactions to provide four certificates of achievement. The four certification areas are: Disbursements, Purchasing, Research Administration and Accounting and Unrestricted Accounting. Each of the four areas will include extensive use of Banner and UNM reporting tools. See attached outline. Due to budget reductions and the UNM hiring pause, coupled with a significant system upgrade to Banner 8.2, the Finance Academy milestone schedule is still being developed. We will provide a project milestone plan by October 15, 2009.*

## **COMMUNICATION**

The results of the IA survey and subsequent interviews indicate that communication between the Financial Services Division and some departments and colleges is at times strained. As noted in the CATR, one of the most requested items concerning communications is "Clear and consistent communication 'single version of the truth' from core offices policy/procedure changes." While we could not find a specific cause, Internal Audit noted that some of the departments do not like to deal with the Financial Services Division.

As was mentioned in IA's Governance Audit, Report 2005-15, according to the Strategic Communications Toolkit, "Strategic Communications in the Digital Age, a best practices toolkit for achieving your organization's mission," *Benton Foundation*, "Effective communications is mission critical." Internal and external communications concerning financial information needs to be coordinated. This coordinated approach would include more timely, factual, and concise communications, using all media channels possible. When communication is not coordinated, critical financial information for the University may not be disseminated in a timely manner. This may lead to financial losses to the University, as well as loss of prestige.

The newly-created FSSC could be the single point of contact for communication to be received by and disseminated to the departments and colleges. Additionally, the Executive Vice Presidents' financial designees could be used to disseminate information to their respective colleges and departments to make sure one centralized entity is delivering a clear, consistent message. Executive Vice Presidents' financial designees and corresponding departments should experience improved communications with the Financial Services Division if the University has the Executive Vice Presidents' financial designees report to the Vice President for Finance and University Controller as described above.

#### **Recommendation 4**

The Vice President for Finance and University Controller should use the FSSC and partner with the Executive Vice Presidents' financial designees to benefit the University by establishing avenues for effective two-way communication. This may be accomplished either by using existing communication structures or by exploring possible new avenues using additional internal University resources, including EOD courses.

#### **Response from the Vice President for Finance and University Controller**

*Concur. The HSC/UNM Finance/Controller's Division established the Financial Services Support Center (FSSC) March, 2008 with a full time staff of three people and additional rotating staff from each Controller's Division Department. The attached flier has been distributed at every opportunity, whether in-person or email to every UNM department, and is also linked to every Finance Division website. The Controller has convened a communications work group and will provide a written timeline of tasks to further enhance communication of the FSSC by October 30, 2009.*

### **UNIVERSITY-WIDE INTERNET NATIVE BANNER ISSUES**

University-wide issues were found in the review of Selected Business Process Redesign. These issues should be addressed and resolved by management representatives from all areas using Internet Native Banner. As such, these recommendations have been addressed to the Chief Information Officer, whose function is to facilitate and coordinate decisions related to ERP policy, process and investment.

#### **Post-Implementation Review**

A post-implementation review of the Banner finance solution has not been conducted as planned in *Banner Finance Implementation Project Definition Document, Version 1.4*. There are several versions of the project design document with Version 1.4 being the latest. An upgrade to Banner 8 is scheduled for spring 2010; this will be the best time to conduct a close-out post-

implementation review of all Banner modules. This review should include an analysis of Banner success criteria updated from the *Banner Finance Implementation Project Definition Document*, along with the other installed modules and their respective project definition documents. This will affirm successful completion of project objectives.

The *Control Objectives for Information and Related Technology (COBIT®)* states it “provides good practices across a domain and process framework and presents activities in a manageable and logical structure. *COBIT*’s good practices represent the consensus of experts. They are strongly focused more on control, less on execution. These practices will help optimize IT-enabled investments, ensure service delivery and provide a measure against which to judge when things do go wrong.” The guidance for post-implementation provided by *COBIT* is:

**Planning & Organization, Manage Projects PO10**

**10.13 Post –Implementation Review Plan Control Objective**

The organisation’s project management framework should provide, as an integral part of the project team’s activities, for the development of a plan for a post-implementation review of every new or modified information system to ascertain whether the project delivered the planned benefits.

**Acquisition & Implementation Install and Accredited Systems AI5**

**5.14 Management’s Post-Implementation Review Control Objective**

The organisation’s system development life cycle methodology should require that a post-implementation review of an operational information system assess and report on whether the system delivered the benefits envisioned in the most cost effective manner.

The purpose of a post-implementation review is to determine whether the project has delivered the planned benefits. *IS Auditing Guideline Post-Implementation Review, Document 29* from the Information Systems Audit and Control Association provides guidelines for the post-implementation review:

1.6.3 The post-implementation review essentially seeks to determine whether the investment in the IT solution was worthwhile (as determined and measurable by the organization) and whether the delivered IT solution can be adequately managed and controlled...

8.2.2 The benefits realisation component of a post-implementation review report should address...:

- Return on investment
- Actual savings compared to budgeted savings
- Actual project completion dates compared to planned completion dates
- Original objectives compared to accomplished objectives

- Assessment of the adequacy and quality of documentation and controls, including management trails
- Actual IT solution performance compared to anticipated performance
- Overall user satisfaction and understanding of the new IT solution system
- Performance improvement suggestions for future IT solution implementation projects

Our research indicates that a post-implementation review can be performed by the project team, the Information System Auditor, an independent audit team, or an outside third party. Based on research, a best practice is to have the post-implementation review conducted by an independent audit team, working in consultation with the business users and project team. This reduces the risk that any errors or omissions of the project team might be overlooked in their review.

### **Recommendation 5**

The Chief Information Officer should assure an independent post-implementation review is completed within six months of the Banner 8 upgrade.

### **Response from the Chief Information Officer**

*Concur. Information Technologies will facilitate the post-Banner 8 upgrade review to be initiated at least 6 months after the successful upgrade.*

### **Reporting**

Producing meaningful reports continues to be an issue for departments using Banner, as confirmed by the Internal Audit surveys and the results of the CATR. There were 71 reporting issues identified in the CATR. In October 2008, an ERP Reporting Redesign conference was held to deal with the question, “How will we address a sustainable reporting environment and tools for current and future operational and strategic reporting across all UNM campuses?” Staff from the Internal Audit Department participated in this conference. This conference addressed reporting issues for extracting data from all Banner modules, not just the finance module. The conference identified a need for a university-wide governance structure for reporting.

Reporting issues may contribute to departments and colleges having their own adjunct accounting systems. These systems may not be reconciled to Banner financial data, the official UNM accounting data. Using the information generated by these systems as a basis for financial decision-making could lead to adverse financial consequences to the University, as well as for the departments and colleges using these systems.

The reporting improvement projects are included in the 65 High Priority Projects on the ITS *Major Computing Initiative Projects List* (Table 2). It is not readily apparent whether adequate resources are dedicated to the reporting improvements projects. It also is unclear whether there are more projects ITS is working on that are not listed on the *Major Computing Initiatives and Projects* list. An analysis of the *Major Computing Initiatives and Projects* list indicates that resources are being spent on medium and low ranking projects. Of the 65 high priority projects, only 31 (48%) are rated as making good progress. It appears that although a project is assigned high priority status, it may not receive the resources needed to complete the project in a timely manner. Therefore, the University may not attain the desired goals. The purpose of prioritizing projects is to dedicate limited resources to the highest priorities.

The Information Technology Services (ITS) *Major Computing Initiatives and Projects* list states that priorities are based on “IT judgment.” An appropriate oversight committee, comprised of executive, business and IT management, should be evaluating and establishing IT priorities. Establishing priorities based on business needs may change the priorities and resource allocation of a number of projects. The following table summarizes the number of projects in the *Major Computing Initiatives and Projects* list by priority and phase.

**Table 2-ITS Major Computing Initiative Project List**

<b>Project Priority</b>	<b>Project Phase</b>	<b>Total by Phase</b>	<b>Total by Priority</b>
High	Unknown	2	
	Active	52	
	Done	3	
	Hold	3	
	Not Started	5	65
Medium	Active	25	
	Cancelled	1	
	Done	10	
	Hold	4	
	Not Started	1	41
Low	Active	3	
	Done	2	5
Unknown	Hold	3	3
		<b>114</b>	<b>114</b>



One of the major benefits of implementing the ERP system is to improve management reporting. The latest revision of the Planning Document is dated July 21, 2003. The language concerning reporting states:

Gain improved reporting capabilities including:

- Standard reporting against specific metrics (regulatory, etc.)
- Flexible end user reporting
- Access to data via the SCT Data Mart
- Ability to collect historical and trend data to facilitate management decision-making

As previously stated, *COBIT* provides guidance based on best practices on information technology (IT) project management. According to *COBIT*, **PO4.3 IT Steering Committee**:

Establish an IT steering committee (or equivalent) composed of executive, business and IT management to:

- Determine prioritisation of IT-enabled investment programmes in line with the enterprise's business strategy and priorities
- Track status of projects and resolve resource conflict
- Monitor service levels and service improvements

## **Recommendation 6**

The University should develop a process to ensure limited IT resources are devoted to projects based on the University's business strategy and priorities as determined by executive management. This may be accomplished as follows.

The Chief Information Officer should:

- Compile a portfolio of all IT projects,
- Develop and implement a methodology for use in prioritizing IT projects,
- Use one of the existing oversight committees, comprised of executive, business and IT management to prioritize and monitor projects based on available IT resources, and
- Elevate the reporting project to the highest priority, in order to resolve the reporting issues as quickly as possible.

## **Response from the Chief Information Officer**

*Agree with Advice.*

*The Office of the CIO manages centralized resources in support of the University's enterprise resource management (ERP) system and the related auxiliary applications that are required for*

*both administrative and academic operations. Without the appropriate changes to reporting, resourcing, and management of Information Technology systems in core operational areas, the coordination and support for unidirectional priority setting is cumbersome and inappropriate.*

*The Office of the CIO agrees to use existing committees and to compile Information Technologies managed systems information. Due to the nature of the operational requirements of the University, prioritized lists of initiatives may not result in the outcome identified in this finding. The Office of the CIO will oversee that centralized and ERP related resources are well expended in coordination with University requirements.*

*It is unclear if Internal Audit's findings intend to be submitted for consideration by ALL central and decentralized information technologies business units.*

*Due to the reductions of funding for the prior 9 months (three funding reductions) and the further anticipated reductions in core and operational funding for information technologies, the additional skills and personnel resources needed to accelerate reporting as a top priority are not available. Since Information Technologies is a skills organization, the recent reductions in both operational (i.e., consulting) and personnel (i.e., removal of funding staff positions) will require additional effort to evaluate and plan for support in a significantly resource constrained environment.*

*The anticipated budget reduction will directly impact the IT Applications and ERP projects. Two letters of budgetary impact will be released to the ERP Steering Committee in November 2009 and May 2010 that will outline the proposed reductions in service and baseline requirements.*

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## CONCLUSION

The Financial Services Division has implemented processes to address some of the departments/colleges concerns and continues to work toward further improvement. However, we believe that by implementing the following recommendations, improvements can be made to improve departments/colleges use of the Banner software as intended:

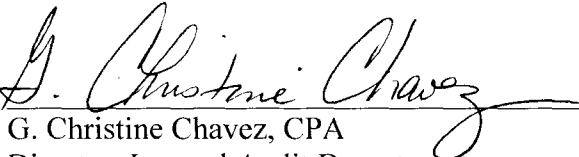
- Create standardized accounting business models, partnering with departments and colleges for their use;
- Develop a reporting relationship between the Vice President for Finance and University Controller and the University's Executive Vice Presidents' financial designees;
- Create a "Banner Finance Academy" to facilitate training for new and existing employees; and
- Establish avenues for effective communication using FSSC in partnership with the Executive Vice Presidents' financial designees.

The following recommendations would address and improve the use of Banner University-wide:

- Perform a post-implementation review within six months of the upgrade to Banner 8. This will help further identify if the objectives of the project were achieved, serve as a basis for further improvements to the system, and identify lessons learned for future upgrades; and
- Develop a process to ensure limited IT resources are devoted to projects based on the University's business strategy and priorities and elevate the ERP Reporting Redesign project to high priority status and allocate the necessary resources to improve and standardize reporting for the University.

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## APPROVALS

  
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Approved for Publication

  
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**GUIDING PRINCIPLES FOR BANNER IMPLEMENTATION**

**\*EMIS Project Guiding Principles\***

- The needs of our process users must drive our process and systems design. This "Service 1st" commitment means that our processes must first meet the customer's needs and second accommodate the regulatory and control needs of the University.
- Decision-making must be pushed to the lowest appropriate level in the organization where accountability will be enforced. Reporting of these decisions must be available up to the highest levels of the organization.
- The overall effectiveness and organizational impact of our processes must supersede the needs or desires of any one functional area within a process.
- We must understand how and why individual users benefit from our processes.
- We must increase the efficiency/effectiveness of our administrative processes.
- Process interfaces must be as simple and user friendly as possible for our customers.
- Our processes must easily accommodate future growth and changing information demands.
- Timeliness of transaction processing must be a major indicator of success in every process.
- The number of administrative reviews and approvals will be decreased to the lowest possible number consistent with sound financial stewardship.
- Data will be electronically captured at the earliest reasonable point in every process.

## BANNER FINANCE IMPLEMENTATION PROJECT DEFINITION DOCUMENT

### Objectives

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- Reduce turnaround time required for transaction processing by:
  - Reducing the number of approvals.
  - Develop post-audit processes to replace cumbersome pre-approvals.
  - Utilize electronic workflow.
  - Push decision-making to the lowest level.
- Capture data once and at the source.
- Increase user autonomy through web-based self-service products (Business to Business, Finance self-service, decentralized transaction processing, training materials, financial reports).
- Gain improved reporting capabilities including:
  - Standard reporting against specific metrics (regulatory, etc.)
  - Flexible end user reporting.
  - Access to data via the SCT Data Mart
  - Ability to collect historical and trend data to facilitate management decision-making.
- Improve timeliness of financial data (real-time encumbrances).
- Reduce reliance on shadow systems.
- Improve data integrity (consistency, accuracy, reduce redundancy, etc.).
- Meet regulatory requirements.
- Involve end users in the project.
- Implement the product without modifications to SCT baseline software.
- Develop and implement ongoing end user training.
- Develop documentation for stakeholders (end-users, business offices, and technical staff).
- Complete the project on time, within approved budget and within scope.

### Close-Out

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Closing out a project involves both product verification (was all work completed correctly and satisfactorily?) and administrative closure (verifying and documenting project results to formalize acceptance of the product of the project by the sponsor, client, or customer, plus collection of project records, ensuring that they reflect final specifications, analysis of project success and effectiveness, and archiving such information for future use).

The purpose of a Closeout/Post-Implementation Review is to determine if objectives were met, review the procedures established and decisions made during the implementation, to identify System functionality and features excluded or intentionally deferred during the implementation, and to ensure efficiency and confirm users' understanding of the Banner® Finance System. The output of this process will allow the assists in the identification of future business practices and to continue improving utilization of the system and functional processes.

The closeout/post-Implementation Review will take place within 1 year after implementation of the Project.

The following documents, accessible in the project directory, will be used during the Post-Implementation review:

- Project Definition Document
- Test Plan
- Current and Future State Analysis Documents
- System Education Agendas
- End-User Training Agendas
- End-User Training Schedules
- Training Attendees Listings

The Project Director will coordinate the completion of the following tasks:

- Conduct the Post-Implementation Review at the time called for in the Project Schedule.
- Use the relevant project documents to determine if all the implementation tasks were completed.
- Identify the major Processes within each Administrative department and/or functional area and all the activities within each functional process and to determine if procedures were written for each activity or if activities listed were eliminated or improved as a result of the implementation.
- Determine if reporting requirements were met and if new input documents were developed or current input documents modified as a result of the Implementation.
- Review the status of New Requirements and Issues identified during the business process analysis.

UNM will:

- Review Functional and Operations Procedures Manual to determine if they meet the needs of the functional unit.
- Use the department staff identified during campus end user training to assess their product knowledge and determine training needs.
- Verify that the proper security and system access has been granted.

The Post-Implementation Review Document must include:

- An Executive Summary stating if the Project and departmental objectives were met.
- Findings and recommendations. State if the objectives, tasks and deliverables for this phase of the Project were met. Include plans and timelines to implement changes or new features.

## Project Success Criteria

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The project is considered successfully complete when the project objectives have been met.

- All issues and action items have been completed and signed off.
- All required work products have been produced.
- All deficiencies have been logged and signed off.
- A project termination, cancellation or certification statement exists.
- Post-implementation review indicates end users were involved in the project and their needs drove our process and systems design. Decision-making has been pushed to the lowest appropriate level in the organization where accountability will be enforced.
- We have decreased the cost and increased the efficiency of our administrative procedures.
- Process interfaces are simple and user friendly for our customers.
- Our financial system easily accommodates future growth and changing business demands.
- Timeliness of transaction processing has decreased significantly.
- “Manager Plus One” approval philosophy is operationalized within Banner Finance for all major transaction types.
- Data is electronically captured at the earliest reasonable point in every process.
- Ad hoc reports are easily available to departmental users from the data mart with minimal training.
- Transaction information is available for download into a variety of 3rd party spreadsheet programs.
- Departments’ reliance on their shadow systems is significantly reduced.
- Transaction status and tracking is available from the central system.
- Pre-encumbrance and project tracking are easily available to our departments.
- Major financial transactions are executed electronically without paper forms.
- Account authorization, budget sufficiency and approved commodities are all monitored electronically.
- All payment transactions are encumbered at the time of creation.
- Higher Markets is used for catalogue purchasing and feeds directly into Banner Finance without duplicate entry.
- Banner Finance tracks capital equipment at point of order and follows the item through the tagging and inventorying process.



## FINANCE ACADEMY / CERTIFICATION PROGRAM

**DRAFT - Revised 6/16/09**

### Track

	<b>Disbursements<sup>^</sup></b>	<b>Purchasing</b>	<b>Research Administration</b>	<b>Unrestricted Accounting</b>
Theory	<ul style="list-style-type: none"> <li>* UNM Policy</li> <li>* Delegated Procurement</li> <li>* Time Entry/Approvals</li> <li>* Travel Advances</li> <li>* A/R</li> <li>* Transaction Review/Approvals</li> </ul>	<ul style="list-style-type: none"> <li>* State Procurement Code</li> <li>* UNM Procurement Policy</li> <li>* Delegated Procurement</li> <li>* Competitive Sourcing</li> <li>* UNM P-Card Policy</li> <li>* Internal Services</li> <li>* Transaction Review/Approvals</li> <li>* Vendor Setup Requests</li> </ul>	<p style="text-align: center;">-----Contract &amp; Grant Acctg-----</p> <p style="text-align: center;">---</p> <ul style="list-style-type: none"> <li>* Agency Regulations (Fed/State etc.)</li> <li>* UNM Policy</li> <li>* Budgeting</li> <li>* Signature Authority/Delegation</li> <li>* Cost Transfers (JVs, PZAREDS, Allocations)</li> <li>* Reconciliations</li> <li>* Transaction Review/Approvals</li> <li>* Expenditure End Dates (LBDV, FINT)</li> </ul> <p style="text-align: center;">'-----Pre-Award-----'</p> <p style="text-align: center;">-</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p> <p style="text-align: center;">'-----Compliance-----'</p> <p style="text-align: center;">-</p> <p style="text-align: center;">*</p> <p style="text-align: center;">*</p>	<ul style="list-style-type: none"> <li>* COA Structure &amp; Reporting</li> <li>* UNM Policy</li> <li>* Budgeting</li> <li>* Signature Authority/Delegation</li> <li>* Cost Transfers (JVs, PZAREDS, Allocations)</li> <li>* Reconciliations</li> <li>* Transaction Review/Approvals</li> <li>* Internal Svc Rate Development</li> </ul>
Applications	<ul style="list-style-type: none"> <li>* Banner INB, using DPEZ form</li> <li>* Invoice Approvals</li> <li>* Xtender Imaging</li> <li>* Training/Security Requirements</li> <li>* Banner Workflow</li> </ul>	<ul style="list-style-type: none"> <li>* Banner INB</li> <li>* LoboMart</li> <li>* LoboSource</li> <li>* Receiving</li> <li>* Xtender Imaging</li> <li>* Training/Security Requirements</li> </ul>	<ul style="list-style-type: none"> <li>* Banner INB</li> <li>* Finance Self-Service</li> <li>* Finance Channels</li> <li>* Banner Workflow</li> <li>* Xtender Imaging</li> <li>* Hyperion Reporting</li> <li>* Training/Security Requirements</li> </ul>	<ul style="list-style-type: none"> <li>* Banner INB</li> <li>* Finance Self-Service</li> <li>* Finance Channels</li> <li>* Xtender Imaging</li> <li>* Hyperion Reporting</li> <li>* Training/Security Requirements</li> </ul>
Assessment	Case Studies / Exam	Case Studies / Exam	Case Studies / Exam	Case Studies / Exam
	<p><sup>^</sup> - Includes Accounts Payable, A/R, Payroll, Cashiering</p>		<p>@ - Certification requires all three components</p>	

All New EOD Instructor Led  
Courses  
Existing EOD courses would  
function as pre-requisites

1 Track = Bronze Status  
2 Tracks = Silver Status  
3 Tracks = Gold Status  
4 Tracks = Platinum Status

Partner with HR to include in  
job descriptions/posting  
minimum or preferred  
qualifications

Decisions:  
When will it be offered?  
Timeline for completing a  
track?

Resources:  
\* Project Mgr, Laura Putz  
\* Project Lead HSC, Terry  
Shoebottom  
\* Project Lead Main, Yvonne Otts  
\* Project Lead PreAward, Bill  
Gannon  
\* Admin/Comm Leads, Lorrie  
Black/TC/Valerie Roybal  
\* Work Team Participants, TBD  
\* Instructors from each functional  
office, TBD

## FINANCIAL SERVICES SUPPORT CENTER

277-3457

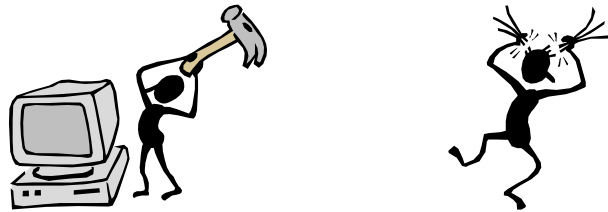
[www.unm.edu/~fssc](http://www.unm.edu/~fssc)

Does your DPEZ not seem to calculate the way you want it to?

Is your Banner Finance document lost somewhere in Banner Land?

Does your Hyperion Report just not look right?

Is LoboMart rejecting your purchase Requisition?



Do you find yourself always asking these questions:



Why can't I print my DPEZ?

How do I do a JV?

Why isn't my invoice paid?

Who is my Fiscal Agent?

Why can I not do the PZAREDS for my employee?

Where can I find instructions?

Can't anyone help me?

Well, never fear, FSSC is here!

**277-3457**



Just call

Or Check out our website for Finance materials

Assistance for your UNM Banner Finance Questions!

