

PAYROLL FUNCTION PLACEMENT - ADVANTAGES AND DISADVANTAGES

Pros	Cons	Needs	Considerations	Challenges
Opportunity to improve payroll processes		1) BOS support. 2) Dept Head support. 3) Public support.	1) BOS might choose to go in another direction again. 2) BOS might decide to force HR to keep Payroll.	1) BOS & department heads support.
	Payroll is a BIG Task	1) Staff. 2) Good quality training & instructional documents. 3) Consistent & dedicated support from IT.	1) Already have too many BIG tasks. 2) The current payroll process is different from that of when it was taken. 3) Departments would need to be re-trained. 4) All HR Payroll forms would need to be updated.	1) Time 2) Staffing 3) Energy 4) Covid impacts
	All new staff (No institutional knowledge)	1) Equipment for new staff. 2) Appropriations for additional wages, benefits, & costs.	1) New payroll staff would require A-C dept training.	
Opportunity to consolidate security & controls in FE		1) New Position: Accounting Systems Analyst.	1) Other Counties have financial software reside in A-C, not County IT.	1) Office space for potential server.
Relieves HR to focus on Personnel & Risk Management/ COVID response				
	A-C taking on all existing Payroll errors, overpayments, loans, issues	1) Full listing & detail of current existing issues and where they are in the process.		
A-C will get access to Payroll records again		1) Full listing & detail of payroll records in storage and locations of that storage. 2) Appropriations for storage rent.	A-C assumes responsibility for all payroll records & storage	
A-C will be back in the approval routing for Payroll transactions				
Opportunity to consolidate customer service into one office, for example employee and/or department inquiries.		Staff availability to answer employee questions / address employee concerns.	Currently, employees and operating departments contact the ACO or HR-Payroll depending on their perception of which dept can assist because Payroll processes the information whereas ACO distributes the checks.	

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<p>Opportunity to improve internal control. Examples include, but not limited to:</p> <ul style="list-style-type: none"> a. segregation of duties between Payroll and HR, b. enhanced approval processes within each department. c. Reconciliation of payroll to General Ledger. 		<p>1) Clear definition of duties and responsibilities by department (HR , A-C). 2) FE system configuration to separate HR functions from Payroll. 3) Detailed analysis of processes and internal controls</p>	<p>Currently, the HR-Payroll staff spend a significant amount of time inputting pay and position information in Finance Enterprises Human Resources module. This is done within a time crunch due to payroll payment cycles and is difficult for FE as it was not designed for this use. Splitting it to HR would improve internal controls and allow more flexibility in time frame. Currently, Payroll staff review their own work, without a second review. Providing a second review, even if on a spot check basis, would improve accuracy and completeness.</p>	
<p>Opportunity to build upon / complement staff skills and strengths by placing the numerical & analytical skills with the ACO and qualitative skills with HR.</p>		<p>Clear definition of duties and responsibilities by department (HR , A-C) .</p>		
<p>Opportunity to reconsider roles and responsibilities for reports and payments to vendors related to payroll.</p>			<p>Payroll related vendor payments include benefits, deferred compensation, PERS, garnishments, taxes, Flexible Spending Account, unions, gyms, etc.</p>	
<p>Opportunity to enhance operating departmental responsibility related to timekeeping, for example enhanced identification and resolution of anomalies.</p>			<p>HR-Payroll performs detailed reviews under time pressure. Enhanced reviews by departments might improve accuracy and completeness and relieve the time pressure within Payroll.</p>	
	<p>Payroll considerations might be separated from contract negotiations.</p>		<p>When negotiating contract provisions, HR and Payroll to consider logistical implementation issues around potential negotiated agreements thereby ensuring the negotiated provisions are easily implemented.</p>	
<p>Opportunity to clarify roles and responsibilities around required report and filing. Examples include: California Compensation Report, W2s, and tax filings (State, Federal).</p>				