





## INTRODUCTION AND PURPOSE

The Accountable Business Transformation (ABT) project, launched at the beginning of 2012, established an integrated system for King County to manage its financial, human resources, payroll and budget operations. For the first time, agencies share an integrated platform of new technology applications: Oracle Electronic Business Suite (EBS), PeopleSoft HR and Payroll, and Hyperion Budgeting.

The County Council has requested a status report on specific elements of ABT implementation based on two related provisos in the 2013 Budget Ordinance.<sup>1</sup> The first section of this report focuses on the stabilization of the County's new financial system (Oracle EBS) and the new budget system (Hyperion). The second section highlights the 2012 year-end closing process for the County's financial system and lessons learned for the future. The final section recaps the benefits realized from the ABT implementation, including current benefits and those anticipated in the near future.

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<sup>1</sup> The 2013 Budget Ordinance 17476 included two provisos, in Sections 61 and 62, requesting information about the stabilization of the countywide financial and budget systems by June 30, 2013. These provisos also requested information about year-end financial processes and benefits realization from the implementation of the ABT project.









- The backlog of defects is stable or falling.

Oracle EBS includes ten modules. The following summary chart summarizes the status of system and business process for each of the modules as well as the status of system reporting and system security. Appendix I of this report describes each area noted in the chart as of March 2013, in terms of stability of the system, the stability of the business process and the outlook for improvement through 2014.

### Oracle EBS System and Business Process Stabilization Status

Area	System Status	Business Process Status
<b>OVERALL</b>		
General Ledger Module		
Projects/Grants Module		
Fixed Assets Module		
Cash Management Module		
Accounts Receivable Module		
Advanced Collections Module		
iProcurement/Purchasing Module		
iExpense Module		
Accounts Payable Module		
Inventory Module		
Reporting		
Security		
Ability to handle high-priority defects		

The green and yellow circles reflect varying degrees of stability from high to medium, respectively. For example, the general ledger has a high stability rating for system and business process. This rating is justified by the fact that County staff have used accounting information from the general ledger module to produce accurate and complete 2012 year-end financial reports in record time. Although there are no areas marked completely in red which would reflect an unstable condition, there are two areas marked as yellow and red—projects/grants and accounts receivable—which indicate a low level of business process stability characterized by extra steps and complex workarounds.

The criteria statements that follow were used as key markers for the system and business process stabilization ratings for each area of the summary chart.

### System Status Stabilization Criteria

#### Green (high stability)

- The application is working as designed for key functions
- BRC staff can support application without frequent intervention or manipulations
- The system is available with minimal downtime for users

#### Yellow (medium stability)

- The application is working but patches or other fixes are needed to improve speed, accuracy and efficiency



- BRC staff have to devote extra time and resources to make the application work, but solutions are apparent in the near future
- Design set-up choices need to be revisited to ensure optimal use of Oracle capabilities with the most efficient use of County resources
- The system has more downtime than expected but this is manageable

**Red (low stability or unstable)**

- The application does not work as designed and is not meeting critical needs of agencies
- BRC staff do not have the capacity to address issues and problems and require intervention using expert outside resources
- The downtimes are excessive and hampering users

## Business Process Status Stabilization Criteria

**Green (high stability)**

- The business process is stable from the perspective of central business owner
- User concerns are low priorities that can be inventoried and resolved later
- Users can conduct business with minor inconveniences or reasonable workarounds
- The intended business process is being used most of the time, with some exceptions
- Central business owners understand the process well enough to begin moving users to the next level of maturity, i.e., standard work and streamlining
- Documentation and training exists in an ad hoc fashion but needs to be strengthened via a coordinated training strategy

**Yellow (medium stability)**

- The business process is stable from the perspective of central business owner, however one or more of the following conditions may apply:
- User concerns are mid-level priorities that need to be addressed in the near term
- Users can conduct business but there are extra steps and some complex workarounds
- The intended business process is being used at least half of the time, with many exceptions
- Central business owners must identify and fix key problems with the support of users, prior to moving to next level of maturity
- Limited documentation and training exists in an ad hoc fashion and needs to be broadened and strengthened

**Red (low stability or unstable)**

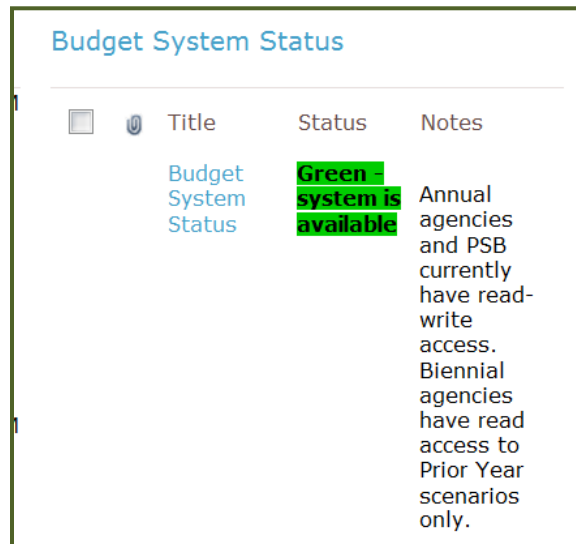
- The business process is unstable or unpredictable from the perspective of the central business owner
- User concerns are high-level priorities that need to be addressed as soon as practicable
- Users have a high degree of difficulty conducting their business due to burdensome steps and complex workarounds
- The intended business process is being used one third or less of the time, with much confusion by users
- Central business owners are reacting to multiple problems and need to re-examine the process design and solve urgent problems before moving to next level of maturity
- Many users need special assistance and documentation/training is on hold until process becomes more stable

# STABILIZATION STATUS & METRICS: BUDGET SYSTEM

The Hyperion budget system is the County's central budget process support system and includes modules for the development of both the operating and capital budget. The system is integrated with both the accounting system (Oracle EBS) and personnel system (PeopleSoft) and is used to aggregate and report at multiple stages of the development of the budget (e.g. Executive proposed budget, Council proposed budget, etc.).

## System Status & Improvements

As of April 2013, the budget system was in production and being used to develop the 2014 budget. The status of the budget system is closely monitored and updated on a regular basis; an updated system status is available to all users on PSB's budget and business planning website using a color coded system of "green" or available "yellow" or limited access and red "system unavailable" along with a description of the reason for the status and anticipated availability if warranted (see screen shot from website below).



Title	Status	Notes
Budget System Status	Green - system is available	Annual agencies and PSB currently have read-write access. Biennial agencies have read access to Prior Year scenarios only.

The budget system was used to develop the 2013-14 Council adopted budget concurrently with system implementation during 2012. The system went "live" in the first quarter of 2012 while system implementation was not substantially completed until the third quarter of 2012. The County experienced a number of issues during that time including:

- System instability and multiple occasions where the system was unavailable to system users.
- Inaccurate data loads from PeopleSoft into the budget system resulting in extensive manual corrections; this was in part due to the complex personnel budgeting design.
- Processes to calculate salary budgets took excessive amounts of time to complete which decreased system availability to users.
- Complex labor budget user interface that made it administratively cumbersome to make labor budget changes and get accurate FTE counts.

- The system included a large number of operating projects which slowed down processing time and decreased the users satisfaction with system experience.
- Complex Oracle EBS technical requirements that added to time required to load CIP data from Hyperion to Oracle EBS.
- In the budget user survey conducted in the fall of 2012, 74% of respondents reported that they were either “Very Dissatisfied” or “Somewhat Dissatisfied” with the budget system.

During the 4<sup>th</sup> quarter of 2012 PSB solicited feedback from users, conducted a review of the current system by an expert consultant, and held several discussions with a large focus group of agencies and business system partners. Through this evaluation we identified several areas for immediate improvement including:

- Simplifying the PeopleSoft interface and Hyperion design by removing employee and using only position records.
- Simplifying the budget business process by forecasting position budgets with average salary data.
- Developing a series of standard audits for PeopleSoft data to identify data load errors early in the process.
- Simplifying the position budget data forms to improve the user experience with salary and benefits budgeting.
- Simplifying the data structure for EBS to remove all operating projects that are not used for budgeting.
- Simplifying the position budgeting business process to reduce the time spent on personnel calculations and allocations.

The impact of those improvements included:

- Removing employee from the PeopleSoft interface and position budget process resulted in a decrease of approximately 13,000 members from the database outline which is expected to reduce errors and improve system processing time as well as the users experience.
- Removing employee from the user interface decreased the number of steps to transfer a position between cost centers from 21 to 5. The number of steps to update an FTE value was reduced from 12 to 7. This is expected to reduce the amount of time users spend inputting budgets.
- The time to complete system salary and benefit calculations has been reduced from approximately 4 hours to less than 2 hours which is expected to reduce the amount of time the system is unavailable to users.
- Filtering non budgeted operating project numbers from Oracle EBS data imports decreased the number of operating projects from 15,000 to 800. This is expected to improve system performance and users experience.
- We anticipate that survey respondents will report greater satisfaction with the system as a result of these modifications (to be conducted in the 3<sup>rd</sup> Quarter 2013).

### Future Outlook and Planned Actions:

During the course of 2013, we have several items of work that are currently underway or are planned. The following table provides a list of items that are in the planning stages that will provide additional functionality, reporting capability, and/or system stability.

Module	Description	Target date for Completion
Hyperion	Decision Approval Project. Develop tool to track, record, and communicate decisions in Hyperion. The development of this tool is ultimately expected to replace Mbase, the legacy decision tracking system.	July 2013
Hyperion	System Stability Patching. Apply, test and fully implement most recent application patch set. The patch set corrects a number of system defects identified by Oracle and will help PSB / BRC receive a better level of customer support from Oracle when issues arise.	End of 2013
Hyperion	The number of awards in the system will be reduced to improve calculation speed and reporting capabilities.	End of 2013
Hyperion	Supplemental Process. Currently supplemental are not being entered and recorded into Hyperion. They are developed using legacy forms and databases.  Implementing supplemental in Hyperion will require a business process design as well as further validation of a developed interface to EBS.	Planning Complete by 2013
Capital Project Information Center	Complete Report Migration from PIC (Access) to SQL Reporting Services for all PIC dashboard reports	End of 2013

# STABILIZATION STATUS & METRICS: HUMAN CAPITAL MANAGEMENT SYSTEM

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The Human Capital Management System (HCM) is the County's central mechanism for tracking and managing the movement of employees throughout the county. Hiring, transfers, promotions, special duty assignments and separations are all documented in the HCM system. Implemented in 2010, the system is and has been stable for several years. HCM is integrated with both the budget system and with the PeopleSoft Payroll, Time and Labor system.

## **Background:**

Implementation of the HCM system happened in 2010-2011. The system went "live" in March of 2010 and was stable shortly thereafter. Central and department-based human resources employees were successfully trained on the system and are using it for almost all human capital-related transactions. Exceptions include side systems for non-paid interns and leave tracking and administration. Recent challenges have been associated with the rollout of consolidated payroll in January of 2012, but HCM continues to be consistently and reliably used. Stabilization has led to a number of benefits, including:

- significantly more visibility and transparency for our human capital data, which ultimately means fewer errors and time spent on rework;
- time savings for managers and staff as a result of self-entry; and,
- the ability to look at personnel data countywide to assess trends and identify areas of concern.

## **Future Outlook:**

While the system is stable there are a number of opportunities for improvement to fully maximize the use and capability of the system. Key areas for progress include:

- More regular and robust engagement of the user community to set standards for use of the system in order to generate consistent, reliable information;
- More consistent training and on-boarding for staff using the HCM system to ensure regular practices and data entry;
- Auditing and process improvement opportunities to free staff up for higher-value work; and,
- System clean-up to eliminate duplicative work across Payroll, Time and Labor and HCM.

## 2012 Year-end Closing and Lessons Learned

The Council proviso requested a description of the 2012 year-end closing and any lessons learned for 2013 year-end closing. The first section recaps the 2012 closing process for the financial data and reports. The second section lists the specific elements requested in the proviso (in italics) and describes the response to each element.

### Overview Description of 2012 Closing Process

The 2012 year-end process was complex with a new system, new business procedures and challenges with reports. It was successful because of a major coordinated effort between BRC, FBOD and the agencies. The project had four pieces, two of which were due to the new system and two of which are standard year-end activities that were more challenging because they were occurring in a new system.

#### *Preparing and testing the new Oracle system functionality and creating reports*

The BRC and FBOD jointly completed a project to implement year-end functionality in Oracle EBS. This work program included preparation work to test the new system, diagnostics testing, end-to-end testing, integration testing with PeopleSoft and Hyperion, system fixes, implementation of new 1099 functionality and patch application. Business decisions were required about which functionality to use and which business rules to implement in the system. A major challenge was creating reports to support the year-end process that could be available to agencies in a timely manner.

#### *Developing, training and communicating new business procedures for BRC, FBOD and agencies*

Because Oracle EBS is new to King County, many of the business processes for year-end were new for agencies, particularly those moving from ARMS. Even routine activities became non-routine for all agencies because of moving from a GL-centric accounting system to a projects-centric system. FBOD, supported by the BRC, held multiple workshops on year-end processes and schedule, procurement cleanup, grants accounting, accruals, and finance data cleanup. Additional workshops were held on PeopleSoft and Oracle integration to educate staff on the impacts of human resources data on procurement approvals and labor distribution setups for the new year. An internal website was created as a single point of information for all year-end instructions, questions and processes. An extensive communication plan was implemented with frequent messages about upcoming deadlines, status reports and answers to emergent questions.

#### *Data Cleanup activities*

Year-end encompasses a series of activities performed by agency, FBOD and BRC staff to ensure that the County has a quality set of data for its financial and grant reporting requirements. For example, a review was done of the financial entries made throughout the year and corrections were made as necessary. Contract spend and encumbrances were reviewed for accuracy and to prepare for budget carryovers and re-appropriations. In January, the Oracle EBS sub-ledgers (accounts payable, purchasing, inventory, fixed assets, accounts receivable, projects/grants and order management) were reconciled to the general ledger and then closed. Final adjustments were made. These data cleanup activities were supported by new reports, many of which were not available until late November, some of which had to be validated and then corrected.

### ***Set up for the New Year***

Set up for the new year is a critical activity to ensure that financial transactions are correct from the first business day. The BRC ran multiple tests to test the integration between Hyperion, PeopleSoft and Oracle including mock payrolls and operational budget loads. The BRC worked with agencies to set up new 2013 organizations and projects to implement the 2013 budget. The BRC also coordinated the creation of new PeopleSoft combo codes and the implementation of updated labor/burden rates and usages. Agencies worked with Human Resources to confirm that employee information was updated in PeopleSoft and that reorganizations, labor rates and combo codes were accurate. The BRC worked with Human Resources and FBOD to implement new 2013 employee pay (cost-of-living allowance, merit, etc.).

### ***2012 Year-end Agency Challenges and Lessons Learned***

The top challenges for agencies for the 2012 year-end close were reporting and training. These become lesson learned areas for the 2013 closing process.

- **Reporting** was a major challenge for 2012 year-end because the reports were all new with different formats, names and content. Most were not available until late November and some of them had incomplete or confusing information and the field names were not consistent. Improvements made in this area over the course of last year have made reporting easier for agency personnel in 2013. However there is still a need for additional improvements in this area; improved reporting capabilities and associated training are included in FBOD and BRC 2013 and 2014 work plans and forthcoming budget requests.
- **Training** was required for all business processes because the County had moved from GL-centric to Project-centric accounting, and had moved to a new procurement paradigm. Agencies were particularly frustrated with the lack of training on projects, accruals, accounts receivable, non-labor resources and burdening. Multiple workshops were held on purchase order cleanup and grants accounting and those processes went more smoothly. FBOD plans to provide additional training and workshops for year-end 2013, and for staying current with data cleanup throughout the year. A focused effort has been made with procurement data cleanup starting in January 2013.

## **Response to Specific Elements of Proviso**

### ***The results of the consultant testing process and any changes that were made in response to the testing phase.***

The consultant testing process was completed in November 2012 by BRC consultants and staff and by FBOD personnel. The testing resulted in no major changes to processes however minor adjustments were made to procedures. For instance we learned the “adjustment” (13<sup>th</sup> month) period needed to be opened during the January period. The “adjustment period” is designed to capture year-end non-budgetary entries after the December period is closed (such as depreciation). The change was to open the “adjustment” period, then open the January period, then close the “adjustment” until it is needed after the December period is closed.

### ***A definition of successful year-end closing and explanation of whether a successful year-end closing has been achieved.***

A successful year-end process has two major components:



- (1) Close the financial records and issue correct and timely financial reports. The Comprehensive Annual Financial Report (CAFR) must be published by June 30, 2013 and the Single Audit for federal grants completed by September 2013.
- (2) Set up the financial system and update all needed data elements for the new year so that financial transactions can be made correctly on the first business day in January.

The 2012 year-end process was successful.

- The CAFR and the Schedule of Expenditure for Federal Awards (SEFA) financial reports were completed in May, a month ahead of schedule because the reporting was coming from a single system in which the transactions could be directly linked to the reporting elements. At this point, the CAFR is on schedule for completion by June 30 and the Single Audit for federal grants is on schedule to be completed in September.
- The financial system was ready to use on January 2. The system was set up with new organizational units and projects, updated labor/burden rates and usages, and PeopleSoft data was accurate for labor rates, combo codes and organizational units. Operational budgets were loaded but capital budgets for a small amount of agencies were still not in place in March 2013 due to technical issues in loading conversion data that are still being corrected by BRC staff and are expected to be resolved shortly.

***A description of performance measures that were identified for a successful year-end closing process and performance on those measures.***

The performance measures identified to represent a successful year-end close were completing the necessary accounting clean-up that would allow the fiscal year closing to remain on schedule, and for the CAFR audit to be completed on-time. The table below lists key planned and actual dates associated with the year-end schedule. Closing activities fell a week behind the schedule due to system and reporting issues experienced in December 2012 and January 2013. The lost week did not affect the auditor's ability to complete audit work timely because the Oracle EBS system allowed FBOD to deliver a trial balance to the auditor a month in advance of the actual financial statements. Even though the trial balance was a week late, the trail balance enabled a three week earlier start to the audit.

	Cut-off Date Planned	Cut-off Date Actual	Variance Discussion
AP Receipts	12/31	12/31	On-time
AP Close	1/2	1/2	On-time
Projects December	1/17	1/27	Week+ late due to system delays
GL December	1/18	1/29	Week+ late due to system delays
GL Adjustments	2/4	2/11	Week+ late due to system delays
GL Grant Accruals	2/11	2/19	Week+ late due to system delays
SEFA Due to Finance	3/4	3/4	On-time
SEFA Due to SAO	4/1	4/8	Week+ late due to system delays



	Cut-off Date Planned	Cut-off Date Actual	Variance Discussion
CAFR Due to SAO	4/16	4/23	Week+ late due to system delays
CAFR Audit Published	6/30	Unknown	None at this time

*Identification of any challenges experienced in the year-end closing process, the resolution or planned resolution of the challenges and identification of target dates for any planned corrections to the system or process.*

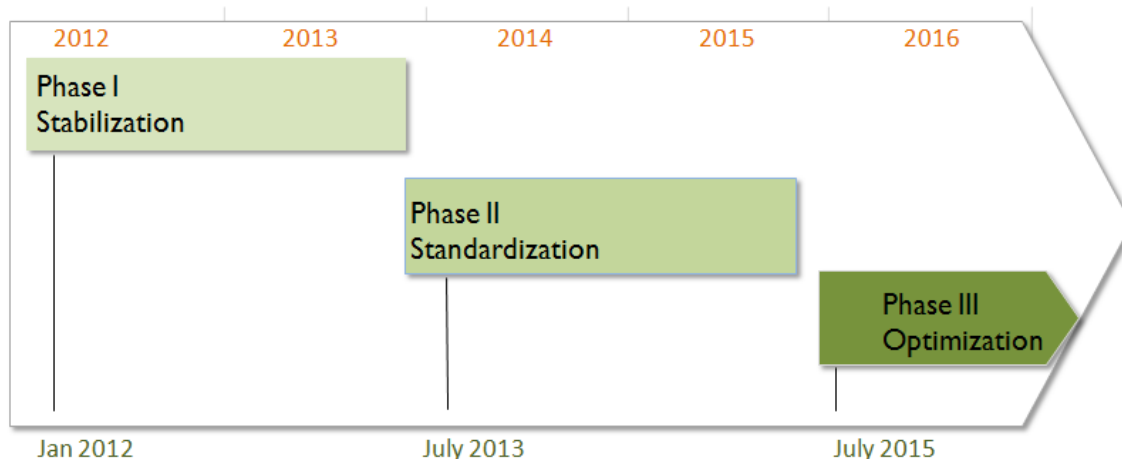
Challenges and Lessons Learned	Solution (Counter Measure)	Date
<p><b>Patches.</b> A patch to Procure-to-Pay in December shut down the projects and grants module activity for almost a week. Comprehensive installation of patches from Oracle was deferred in lieu of system stabilization activities. Selected patches were needed to solve known year-end issues. We learned that patching one module can have unexpected results in another module and that patches should only be moved to production with comprehensive testing.</p>	<p>The BRC is conducting a project to bring patches up-to-date, and will establish a schedule to apply patches at least once a year.</p>	<p>October 2013 for next major patch upgrade</p>
<p><b>Data growth.</b> Data growth caused unexpected long run times for the job that creates the reporting database causing it to be unavailable for use.</p>	<p>The first fix included extending the timing of the database creation job. This solution resolved the immediate crisis. As a mid-term solution, the database creation job has been fine-tuned to reduce the time needed to complete updates. The tuned job is ready for production and will be installed when FBOD authorizes approval after the CAFR audit.</p> <p>Incremental changes are planned for 2013 – 2014 with consideration of a larger project after the problem is fully understood.</p> <p>The BRC needs a long-term strategy to deal with data growth.</p>	<p>June 2013 2013 - 2014</p>

Challenges and Lessons Learned	Solution (Counter Measure)	Date
<p><b><u>Discoverer Reporting Tool.</u></b> The Discover Reporting application was not available due to large volumes of data being processed through it. Departments pulling large data through an interface along with normal peak demand overwhelmed the application.</p>	<p>The BRC made available alternative methods for FBOD to access data. FBOD was instructed on a second route to access the production database.</p> <p>The BRC requested departments refrain from pulling large amounts of data during the day when FBOD needed access. The problem was resolved by the departments exercising discipline over the time of day for the large requests.</p>	January 2013
<p><b><u>State Auditor Data Extracts.</u></b> Large-scale data extracts requested by the State Auditor consumed BRC resources.</p>	<p>Most extracts were completed but this effort pointed out the need for the State Auditor’s team to have its own access to Oracle EBS information versus relying on the BRC producing updated extracts.</p> <p>The State Auditor has used the standard reporting application as the primary data tool during the audit. The auditors are having success with the standard tools so further work on the extracts is on hold.</p>	Not applicable
<p><b><u>Schedule of Expenditures of Federal Awards (SEFA).</u></b> Due to EBS functionality, the SEFA is prepared from a combination of the General Ledger and Projects modules, which reflects additional complexity from the prior legacy systems.</p>	<p>An internal audit by an outside accounting firm mitigated some risk for applicable departments, but found several departments had not completed required reconciliation work.</p> <p>DOT made a material error that caused the SAO enough concern that extensive audit work on the SEFA was required. The error was not caused by the new system but an unexpected change to the basis of reporting by an experienced departmental staff person.</p>	<p>Retrain departments to perform required reconciliation work.</p> <p>Apply additional resources to answering auditor inquiries on the SEFA.</p>

Challenges and Lessons Learned	Solution (Counter Measure)	Date
<p><b>Financial Clean Up Activities.</b> The cleanup work load was too high at year-end to be reasonably addressed.</p>	<p>The Financial Management Section is providing additional guidance on financial clean-up activities and training which will lessen workload at year-end. A key focus will be routine cleaning throughout the year rather than waiting until year-end.</p>	<p>Q3 2013</p>

## BENEFITS REALIZATION

There are many types of potential benefits from technology projects such as ABT. As outlined in the response to another Council 2013 budget proviso (section 19, P3), these include: increased quantity of service; improved quality of service (such as faster response times, greater reliability, or greater accuracy); reduced cost to produce service; and better access to services for the public. ABT implementation has and will produce benefits in several of these categories. Some of the benefits can be realized quickly, while others will occur in phases over several years as users progress through three phases of a systems “maturity model” from stabilization to standardization to optimization (see diagram).



This report focuses on the stabilization of systems and emphasizes that the financial and budget systems are stable and functional, with more work left to do to ensure standard work and streamlined business processes. The report signals that we are now ready to move from the stabilization phase to the standardization phase, with our sights on optimizing our use of these systems starting in July 2015.

As central business owners and agencies progress into the standardization phase, there is an opportunity to focus on the development of standard work in each business process. Standard work is a central concept of the County’s LEAN management approach which emphasizes eliminating wasteful steps from business processes and adding value for customers. After standard work is firmly in place, the central business owners and agencies can advance into the optimization phase in which users are confidently using the system to achieve even higher levels of efficiency and customer value.

The Executive intends to use this maturity model framework for identifying and realizing benefits from the ABT project. As a starting point, PSB has convened discussions among central business owners of the various ABT systems to identify the current and potential benefits of the systems as of March 2013. The outcome of these discussions is reflected in Appendix II of this report.

Benefits achieved to date fall typically in the categories of improved quality and reduced cost. A notable example of a quality improvement is elimination of post-closing entries in the accounting system. Previously, these entries and the existence of two separate accounting systems precluded

the development of trial balances and delayed the preparation of the audited Comprehensive Annual Financial Report (CAFR). The new EBS produces trial balances that allowed the State Auditor to begin its work a month earlier, which is expected to result in a 2012 CAFR delivered on time by June 30. Other examples of quality improvements include improved accuracy of manual payroll checks and unification of capital and operating budgets in a single system.

Some cost reductions have been achieved as a result of ABT implementation and others will occur in the future. One obvious example is the significant reduction in paper documents due to automated processes. Electronic purchase orders have eliminated approximately 700,000 pages of paper annually, and self-service electronic time reporting has eliminated many paper forms.

Other aspects of the new system produce a mix of quality improvements and cost reductions. For example, ABT has resulted in extensive changes to the procurement process countywide. These changes expedite purchasing, while also driving countywide spending to already established contracts where agencies receive the best pricing and overall value. With the new financial system, the County also has the ability to determine the percentage of all spending that is either on or off contract; this valuable information was simply not available in the former legacy systems.

The next major focus on ABT benefits realization should occur near the end of the standardization phase, which will likely occur as part of developing the 2015/2016 biennial budget. There are two reasons for this timing. First, most agencies have a 2013/2014 biennial budget in place and budget changes are not being considered unless absolutely necessary. Second, as noted above, key business process and modules of ABT are just now moving out of the stabilization phase into the standardization phase, so many of the potential benefits are yet to be realized.

PSB will develop a summary of categories of actual and potential benefit achieved as part of the 2015/2016 budget submittal. As called for in the proviso, this report will also identify exemplary accomplishments and potential corrective actions, as needed. ABT benefits realization will also be tracked in the annual reports on overall IT benefits realization that will be presented to the Council each spring.

# APPENDIX I

## STABILIZATION STATUS & METRICS BY MODULE/AREA

### EBS General Ledger Module

System Status	Business Process Status
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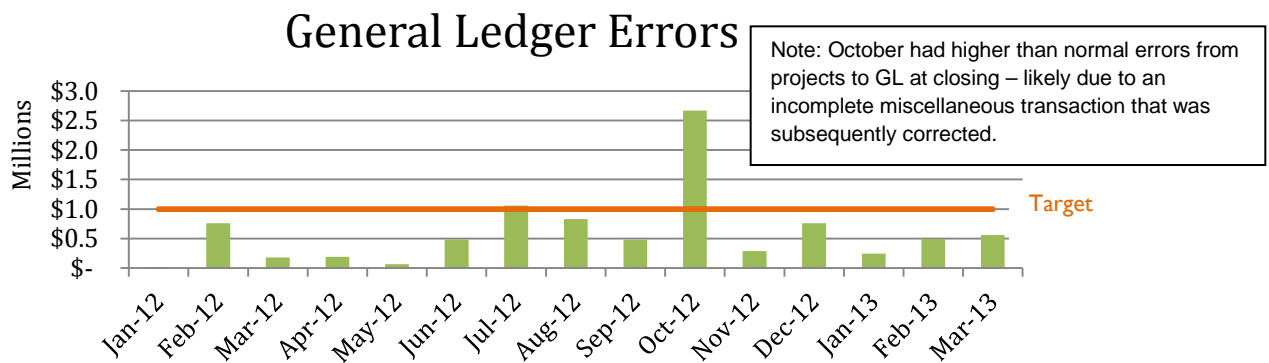
#### Description

The General Ledger for King County is the primary accounting record for all County agencies and special purpose districts and is used to keep track of all the financial transactions.

#### Stabilization Status and Metrics

A key accounting operational activity is closing periods. When Oracle went live, month end close was very difficult. During the first three months, month end close took up to 19 days due to lack of documentation and understanding of the processes, system errors, and problems with projects billing and accounts receivable integration. Starting in June 2012, month end closed on time and has closed on time every month since then. Likewise, FBOD successfully completed the year-end closing process in April 2013– one month ahead of last year’s schedule.



The chart below identifies how the general ledger has functioned since go-live. General Ledger errors are primarily due to agencies entering journal entries for one-sided miscellaneous transactions from the Projects module. These should be two-sided journal entries. With training by FBOD, agencies have substantially corrected errors from go-live and trained proper procedures going forward.



#### General Ledger Outlook

The General Ledger is functioning as designed. Key benefits are timely month end and year-end close processes that are understood and documented. The focus of work will be educating end users on how to reconcile the general ledger to the other modules – particularly the Projects/Grants module and Accounts Receivable module.

## EBS Projects/Grants Module

System Status	Business Process Status
	

### Description

The Projects/Grants module provides an integrated cost management solution for projects and activities across the enterprise.

### Stabilization Status and Metrics

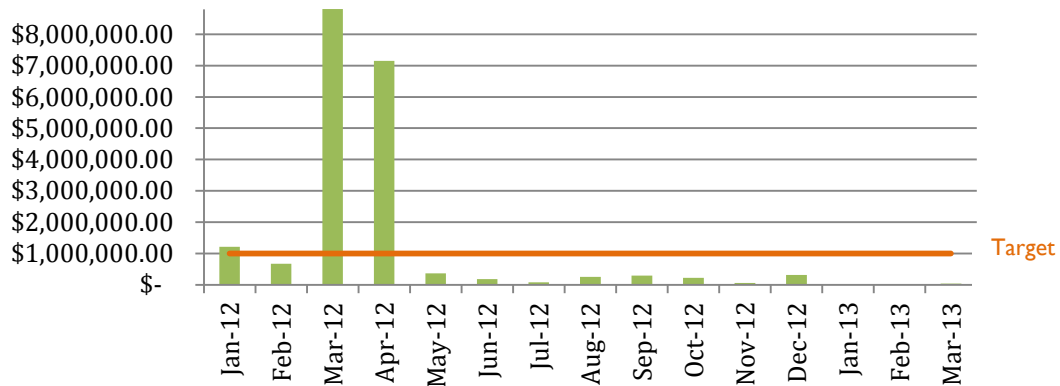
With EBS, King County implemented project-centric accounting for the first time. As expected, agencies are facing a steep learning curve for both the system and the business process as they move from the legacy systems, which were general ledger, based and align with the new functionality that is projects based.

The Projects module supports basic business needs and it is functioning, albeit with inefficient, workarounds for most of the identified errors associated with the module. An inventory of Projects/Grants system challenges has been identified through the BRC Request for Work (RFW) process. Many of the RFW's for the Projects/Grants module are in scope to be corrected with the upcoming 2013 EBS patch project by the BRC.

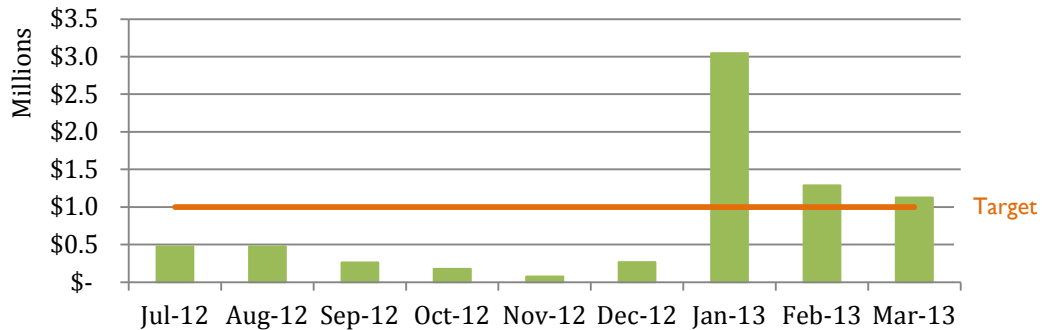
BRC and FBOD leadership have conducted agency interviews to understand key pain points with the Project/Grants module and associated business processes. A major challenge for agencies is that the reports are not adequate for agencies to conduct their business. While basic process documentation exists, improved detailed documentation is needed for a full and comprehensive understanding of this diverse and complex module. Frustrations include understanding capital project budgeting and reporting, how to reconcile projects in the Projects/Grants module with the General Ledger module, and the need for clarity with the burdening process.

The two metric charts that follow describe the labor distribution backlog and project errors. The Labor Distribution Errors and Backlogs chart represents transactions in the Projects/Labor Account 19904 that require correct coding to be applied. After April 2012, the low dollar value means that labor distribution functionality is working. Projects errors in 2012 are primarily the result of transactional errors occurring in agencies. The spike in January 2013 is a result of two things – an error that was made in splitting the final payroll transactions between 2012 and 2013, and agency 2012 data “clean up” activity prior to the December close.

## Labor Distribution Errors Backlog



## Projects Errors



### Projects Outlook



BRC and FBOD leadership are committed to addressing agency concerns with the system, business processes and with training and documentation. The BRC will be communicating with agencies about which problems will be resolved with the upcoming patch project scheduled for completion in October 2013. The 2013 and 2014 FBOD and BRC work plans will address improved reporting, agency training, system and operational manuals, system changes and business process improvements.

- User Guides will be prepared for burdening, reconciliation with other modules, and project budgeting and reporting in the second half of 2013.
- The 2013 Patch Project is expected to improve project based billings.
- Additional training and business process improvement projects will be implemented in 2014.

Additionally, FBOD and BRC managers plan to review with PSB and agency staff the effectiveness of various design decisions that were made in regards to the Projects/Grants and other EBS modules before go-live. Design decisions to be reviewed include analyzing the effectiveness of awards set-up, the detailed use of labor charges and its data growth impacts, and other areas where there may be some efficiency available based upon Oracle EBS options not currently in use.



## EBS Fixed Assets Module

System Status	Business Process Status
	

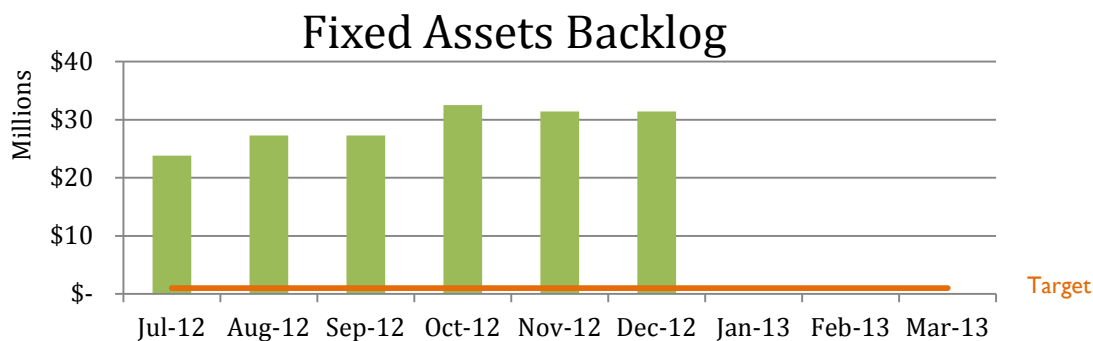
### Description

The purpose of the Fixed Assets module is to track all County assets over \$5,000 and to generate depreciation.

### Stabilization Status and Metrics

The Fixed Assets module is working as designed but the design requires labor-intensive processes, workarounds and side systems to support the basic business needs. The 2012 challenges with moving purchased assets to the Fixed Asset module have been resolved and that functionality is working correctly. However, the fixed asset capitalization process is highly inefficient. A key business need is to move a completed capital construction project from the Projects Module where costs are accumulated to the fixed asset module where a completed capital asset is tracked and depreciated. A very manual and time consuming workaround has been developed to move the accumulated costs into an Excel spreadsheet, manipulate them, enter them manually into Oracle and attach the spreadsheet for audit documentation. Reports are adequate and no additional alerts need to be created.

In the chart below, Fixed Assets backlog includes the dollar value of expenditures for assets not recorded in the Fixed Asset module from procurement activity. The system had problems that were finally resolved in December 2013. FMS cleared the backlog as part of year-end activities.



### Fixed Assets Outlook

In 2014, FBOD and BRC managers plan to review with PSB and agency staff the effectiveness of various design setup decisions that were made before go-live in regards to the Fixed Asset module and the Projects/Grants modules to identify possible changes that can enable the system to easily send summary project costs to fixed assets for capitalization.





























































