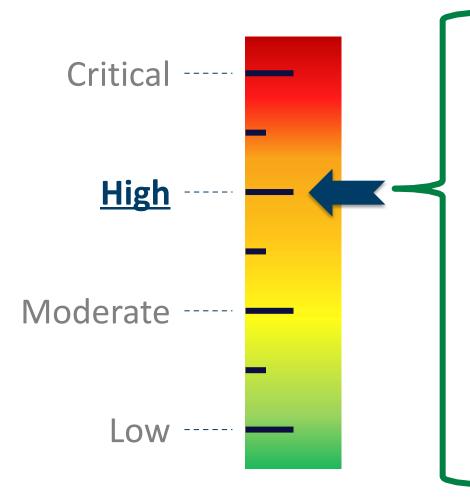# Internal Audit NextGen Activity

Project Risk Review 13 – Student Readiness

Office of Internal Auditing
October 2024 – Analysis as of September 18, 2024

MinnState.edu

NextGen PRR Checkpoint 13: Overall Risk Rating & Conclusion for Workday Student Readiness

Critical

High

Moderate

Low

» Certain project scope and budget risks and certain Minnesota State process and technology risks are not fully managed

» Risks are very likely to have a serious adverse effect on the project and Minnesota State overall if not addressed prior to starting the student phase

» Project team should implement numerous changes to the project before finalizing the Workday SOW and project budget

Note: Conclusion based on information available to Internal Audit and analyzed as of September 18, 2024.

NextGen PRR Checkpoint 13:
Key items needing clarification to address risk

Project Governance and Management

» Define explicit inclusion or exclusion of certain items from scope

» Define explicit inclusion or exclusion of certain items from budget

» Decide how to increase the speed of project decision making

» Decide how to fill critical project roles as soon as possible

Faculty Workload Management (FWM)

Managing the details of faculty workload is a partnership between Academic Affairs, Human Resources, and IT.

» Technological platform that allows decision-making about course assignments and non-instructional load to reside with each academic department

» Streamlines the complexity of adhering to collective bargaining agreements

» The FWM process and timeline assist with meeting payroll deadlines

» This platform needs significant rework or replacement before Workday Student implementation

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Other Scope/Budget Items For Clarification

» **Student Worker** – used for paying student workers, who are paid using different types of funds, including financial aid; originally in the Workday HCM scope, was descoped and moved to Student; plan is to use Workday payroll

» **Customer Relationship Management System (CRM)** – used for student recruiting and admissions, as well as non-credit classes such as contract training; current functionality may or may not exist in many different systems used by each college or university

Other Items Needing Further Clarification

» **Data Warehouse** – technology platform needed to consolidate, analyze, and report on all Minnesota State data for management and external reporting; this platform has not previously existed at Minnesota State

» **Identity and Access management** – technology platform needed to manage user identities/credentials (e.g., StarIDs) for 500,000+ students, faculty, staff, and contractors; current platform will no longer be supported after 2026

» **Sustainment** – people and funding required to support the Student system go-live; current sustainment budget only covers HCM and Finance sustainment

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NextGen PRR Checkpoint 13:
Key items needing clarification to address risk

Organizational Change Management

» Decide how to build efficient, simplified, and effective student processes that are consistent as possible across the entire system

» Complete companion project inventory - companion projects should support unique needs at the institutional level

NextGen PRR Checkpoint 13:
Key items needing clarification to address risk

Stakeholder Involvement

» Determine how to best involve more functional college and university leaders in all phases and activities of the project

» Using lessons learned, decide how to avoid or minimize the challenges experienced during Workday HCM and Finance implementation, specifically around testing and integrations

Next Steps for Internal Audit

» Continue to participate in key NextGen activities to remain informed of progress

» Conduct future periodic PRRs to increase the likelihood of project success; proposed focus and timing for future checkpoints:
  - Student Align & Confirm – March 2025

» Future internal audit activities related to NextGen will be dependent on risks, future NextGen phases, and external audit activities

» Report to the steering committee, leadership, and the board to validate that the people, processes, and technologies risks are managed appropriately

NextGen Update

Board of Trustees

October 2024

MinnState.edu

Guiding Principles

- We selected 10 Guiding Principles to help drive project implementation decisions.

1. **Start with leading practices**

2. **Challenge the status quo**

3. **Design solutions for the end user**

4. **Minimize manual processes**

5. **Simplify when possible**

6. **Operate as a system**

7. **Work collaboratively and transparently**

8. **Communicate frequently**

9. **Engage institutions early and often**

10. **Maintain a single system of record**

Agenda

1. Post Go-live Update HCM/Finance

2. Transition from Hypercare to Extended Care

3. September Release

4. Student Update

Post Go-Live – Finance as of 10/5

Workday Finance Update

1. Integrations with SWIFT, Banks, BankMobile (BMTX) now running successfully at a regular cadence after a significant number of unanticipated challenges;

2. C/U's have more control over bank transfer transactions, by replacing the state treasury sweep process with the staff-initiated bank transfer for settlement process and are learning how to use that for cash management;

3. Staff are becoming more comfortable running the queries and reports within the Workday modules;

4. College and university finance leaders have clearly identified issues, potential solutions, and have been understanding that it will take time to get to stabilization.

Workday Finance Priorities and Issues

» **Continue to review and reengineer some business processes:**
- Ensure that appropriate security roles are assigned
- Try to eliminate double entries with ISRS, the number of manual entries, and workarounds

» **Data access and the ability to have understandable budget information for campus constituents.**

» **More direction and training are needed to successfully complete the timely entry and reconciliation of sensitive transactions:**
- Cash conversion
- Reconciliations
- Payroll costing allocation process

» **Additional training resources and communication is needed:**
- Revise Job Aids and additional training for those responsible for a business process
- Clearly communicate priorities and timelines of addressing issues

Workday Finance Priorities the next 30-60 days

1. Clearly communicate to the finance community a timeline and prioritization of addressing outstanding issues;

2. Reengage the college and university CFO advisory committee

3. Complete stabilization of SWIFT Integrations;

4. Complete the Cash Conversion in Workday;

5. Fix the E-Builder integration by October 11, 2024;

6. Update the job aids and provide additional training

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Post Go-Live – HR as of 10/1

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Workday HR Update

1. Planning to form a cross-functional user group to evaluate/ re-engineer HCM Business Processes to improve efficiency in response to feedback from Campus HR, HR Service Center and tickets received in TDX;

2. Team is working on new training materials for users in the form of job aides, videos and monthly topical learning sessions (first session is schedule on 10/8);

3. User community continues to provide valuable feedback and opportunities for process improvement;

4. As we continue to evolve our processes and improve how we address HR-related challenges, we are adopting an Agile (project management methodology) approach to prioritization. This shift will allow us to be more flexible, responsive, and focused on delivering solutions that align with the most pressing needs of our teams

Workday HR Priorities and Issues

» **Continued Review and adjustments to business processes and integrations:**

- Ensure timely and accurate payment for employees
- Eliminate the need for manual corrections, direct entry into SEMA4 and ineffective workarounds
- Improve the user experience for new and returning employees
- Improve data integrity and ensure that employee data in ISRS, Workday and SEMA4 is in sync

» **More process specific resources and training are needed:**

- Viewing and understanding employee compensation
- Time and Absence
- Recruiting

» **Identify and request replication of reports that don't exist or have missed requirements in Workday:**

- ISRS and PowerBI reports

» **Moved from Hypercare to Extended care**

- Ensuring knowledge transfer prior to Team Workdays departure
- Through consistent engagement with the tools and systems, the HR team's familiarity and expertise grow, enabling us to handle more complex tasks with greater confidence

Workday HR Priorities the next 30-60 days

1. Implement an internal process for gathering requirements, testing, prioritizing and communicating changes to HCM business processes

2. Partner with the OCM team to build new and continually update job aids and quick reference guides when business processes are updated

3. Add needed validations to current HCM business processes to ensure data accuracy and collective bargaining agreement compliance

4. Improve communication by restructuring the weekly communication plan to ensure we are meeting the needs of the HR college and university teams

5. Continuous process improvement that will enhance the speed and accuracy of our Workday business processes and integrations.
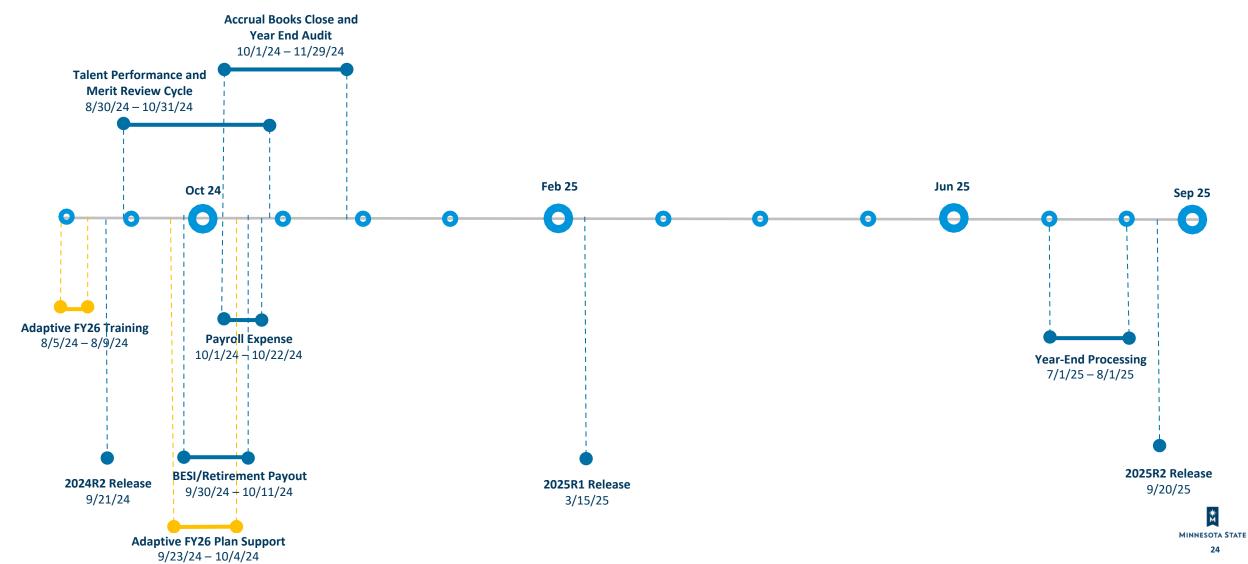
OCM Status

OCM

» Support functional teams with communication and training needs

» Increase communication with Presidents regarding issues, planned resolutions, and timelines through more frequent Institutional Responsibility Guide

» Communicate progress on known issues to the CFOs, CIOs, CHROs, and their teams

» Engage with CFO and CHRO teams to help prioritize issues

» Ensure job aids get updated when changes are made to the system

» Enhance Help text inside of Workday Platform to guide users

» Regularly update Connect site training resources for users

» Revisit training needs based on user feedback

Extended Care Status

Extended Care Business Processing Cycles

Team Workday is providing MinnState Extended Care to support during the first cycle of processing after Hypercare, and includes both functional and technical support for addressing issues and Defects that arise in the execution of the business cycles. In addition, Team Workday will provide MinnState support with the review and adjudication of Workday releases.

Accrual Books Close and Year End Audit
10/1/24 – 11/29/24

Talent Performance and Merit Review Cycle
8/30/24 – 10/31/24

Adaptive FY26 Training
8/5/24 – 8/9/24

Payroll Expense
10/1/24 – 10/22/24

2024R2 Release
9/21/24

BESI/Retirement Payout
9/30/24 – 10/11/24

Adaptive FY26 Plan Support
9/23/24 – 10/4/24

Year-End Processing
7/1/25 – 8/1/25

2025R1 Release
3/15/25

2025R2 Release
9/20/25

Oct 24   Feb 25   Jun 25   Sep 25

September Release

September Release

➢ September 21, 2024, was our first post go live release

➢ Workday SaaS platform does two major releases a year

➢ Some changes are required, and others are voluntary

Workday Student

Workday Student Update

- Ongoing Pre-Planning Work

  - Companion Project Information Gathering

  - Standardization and Alignment

- Ongoing Negotiations to Update the Student Statement of Work (SOW)

  - Fixed fee for student negotiated as part of original 2020 Workday contract; option must be exercised by December 2024

  - Student worker functionality will be implemented with student

  - Working to refine the project timeline

Thank you

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