

**Payroll Operations and Information Management
and Payroll Services
Alliance Management Office
Annual Report**

November 2007

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1. Initiative Overview

In November 2004, the Province of British Columbia (the Province) entered its first alternative service delivery agreement with a private sector vendor to provide innovative payroll and human resources information systems services to the public sector. The relationship between the Province, TELUS Communications Inc. and TELUS Sourcing Solutions Inc. (collectively “TELUS”) is now entering its fourth year.

Foundation activities with TELUS have been completed, the Province is able to move forward to improve the overall customer experience. During the past year, the Provincial Human Resource Management Systems Partnership together with TELUS completed a number of activities that directly benefited our customers. These activities included system enhancements such as a new employment opportunities website, a pilot of the @ Your Service Web Portal, online employee development and performance planning tools, and T4 information available through Employee Self Service. New Call Centre technology and automated leave forms increased efficiencies, streamlined the business process and added quality assurance in service delivery.

The success of these initiatives, along with the ongoing quality service delivery, was reflected in this year’s annual customer survey scores. Survey measures exceeded service level targets, and percentage improvements were significantly improved over the previous year’s results.

Service Topic	November 2007	November 2006	% Change
Organizational Change	69%	50%	19%
Application Management	69%	50%	18%
Service Desk	64%	52%	12%
Business Transactions	78%	68%	10%
Overall Improvement	70%	55%	15%

Work is continuing on a number of initiatives designed to improve the overall customer experience and the Provincial Human Resource Management Systems Partnership / TELUS will continue to engage with their customers to introduce positive changes to their services.

2. Status Update

Highlights:

Premier's Awards Nomination

In November 2007, the Provincial Human Resource Management Systems Partnership, the BC Public Service Agency, the Alternative Service Delivery Secretariat and TELUS were nominated for a provincial Premier's Award. This relationship was one of the three finalists in the category of partnership, and one of 20 provincial finalists.

Independent internal audit completed

An independent audit of the 2006 incentive payments for Province of BC employees was completed to ensure that all eligible employees received the correct amount. The results of the audit indicated that payments totaling almost \$89 million were made to over 31,000 employees across the province. Only five errors were found in the audit, for a total dollar amount of \$433. The resulting error rate was 0.01607%, which is significantly lower than the industry standard for peer group and world class error rates of 0.038% and 0.0275% respectively.

@ Your Service Portal - Pilot Deployment

An HR web application support platform was developed and launched to an early adopter group. The @ Your Service toolkit will be deployed across government in 2008 and will serve as a launch pad to provide easy access to a number of services and information that will benefit Province of BC employees.

Siteminder Single Sign-on Functionality

Siteminder provides single sign-on capability for Time On Line, PeopleSoft, and other line of business applications. The implementation of this functionality aligns with the Province's Chief Information Officer's security requirements for application authentication and authorization.

CallCentreAnywhere Implementation

A new Contact Centre telephone call management system utilized by TELUS was implemented to provide support to Province of BC employees regarding payroll related inquiries. CallCentreAnywhere is a Web-based integrated suite of contact technologies that provides enhanced data sharing and reporting capabilities. It also supports consistent Contact Centre service delivery by allowing for quick alternate site service delivery and call centre staffing options as part of an improved business continuity plan.

Contact Centre reorganized to provide better service

Contact Centre staff were reorganized to provide better customer response at peak times. On average, Contact Centre staff responded to more than 1,200 calls per week, with over 1,250 inquiries closed. The number of inquiries regarding HR systems or payroll-related questions closed within a week has doubled since last year, providing quicker responses for Province of BC employees.

Replacement of Social Insurance Number as a Benefit Carrier ID

Employee Social Insurance Numbers were replaced with generic numbers to protect Province of BC employees' personal information.

Successful Canada Payroll Savings Plan campaign

The annual Canada Payroll Savings Plan campaign was very successful, with a 24 per cent increase in the Province's participation rate, for a total bond value of almost \$15 million.

Eco-Friendly Elimination of Reports and Paper

Throughout the year, over 21,000 forms were automated through the implementation of an eLeave project. Simultaneously, 15 recurring paper reports have been eliminated. This has resulted in a more eco-friendly footprint for this contract.

Challenges:

In 2004, Time on Line (TOL) was deployed to reduce paper-based payroll input and improve the accuracy of payroll and leave recording. This new system required a significant understanding of the Short Term Illness and Injury Plan (STIIP) in order to accurately record data within TOL, which necessitated an alternate solution. This resulted in the development of a separate STIIP module, using a different technology platform, to allow Province of BC employees to record their own absences due to illness and/or injury.

Although the application has met most of the Province's requirements, customers have reported issues regarding the stability of the module, ease of navigation and intuitiveness of the application. While customers reported an increase in overall satisfaction with the TOL application as they became more familiar with its functionality, the STIIP module has been identified as an area where improvement is required.

The Provincial Human Resource Management Systems Partnership and TELUS have launched a project to address the user concerns and to improve the overall customer experience with the STIP module. By upgrading the technology to a Web-based

application, the project will address both the module stability concerns as well as improve the ease of use and overall look and feel of the application. Work is currently underway.

3. Contract Objectives

The alternative service delivery relationship as defined in the Master Services Agreement signed on November 9, 2004, includes a number of objectives summarized as follows:

- To develop a long-term and mutually beneficial business relationship characterized by, among other things, mutual cooperation, good faith and flexibility to allow for growth and modification of the scope of the services to leverage the BC Centre of Excellence;
- To ensure full and open disclosure among the parties of relevant information, to the extent permitted by the policies of the Province, applicable laws and the Master Services Agreement;
- To proactively endeavour to identify and create the most cost-effective method for delivering the services as balanced against service levels;
- To provide certain services to the Province in a more flexible, sophisticated and efficient manner than previously experienced;
- To enable the Province to substantially reduce future capital investment in resources by having TELUS be responsible for acquiring and maintaining the appropriate resources, assets and technology for the provision of the services;
- To allow the Province to focus on its core objectives – these being stewardship and leadership for human resource and payroll services in British Columbia – by having TELUS become the provider and manager of the services;
- To leverage resources to which TELUS has access, including any other TELUS Centres of Excellence in Canada;
- To protect the privacy and personal information of all individuals and organizations relating to the services, and to ensure that there are no circumstances pursuant to which any such information could be, or is, disclosed;
- To proactively practice and promote ethical practices;
- To be sensitive to and respect the cultural diversity of the individuals to whom TELUS provides services pursuant to the Master Services Agreement;
- To transfer back services, upon the termination of the Master Services Agreement, to the Province or to another service provider in a manner that is efficient and ensures

the continued and uninterrupted delivery of such services with minimal adverse impact on the business operations of the Province and its clients, customers and stakeholders;

- To promote and facilitate self service of information whenever commercially reasonably possible; and,
- For TELUS to implement and provide continuous and total quality management and improvement to the services by using quality assurance practices and monitoring satisfaction of the Province and its clients, customers and stakeholders.

Collectively, the Province and TELUS have successfully delivered results that demonstrate substantial progress toward the identified objectives (Appendix A). Efforts in support of the business objectives will be ongoing over the duration of the relationship.

4. Service Commitments

The Provincial Human Resource Management Systems Partnership Branch, together with TELUS, provides innovative payroll and human resource information systems services to clients across government and the broader public sector. The Provincial Human Resource Management Systems Partnership Branch and TELUS are committed to delivering accurate and responsive services that meet or exceed customers' needs and realize a vision of high-level client satisfaction, improved service and reduced costs.

To accomplish the vision, the following key service commitments have been defined (Appendix B):

- Timely and accurate pay for all Province of BC employees, including processing of adjustments to pay such as overtime;
- Prompt, responsive and accurate assistance to clients through the Contact Centre; and,
- Effective application management to ensure maximum availability of payroll and human resources system applications.

Appendix A – Contract Objectives: Reporting on Results

The relationship with TELUS is guided by the objectives set out in the Master Services Agreement.

Objective 1 – To develop a long term and mutually beneficial business relationship characterized by, among other things, mutual cooperation, good faith and flexibility to allow for growth and modification of the scope of the services to leverage the BC Centre of Excellence.

Activities undertaken to achieve objective	Year to date results
Identify and participate in opportunities that support and strengthen the relationship.	<ul style="list-style-type: none"> • Participated in a joint team building exercise to increase awareness and understanding of individual and business principles and practices. • Developed joint objectives and business plans to further goals.
Capitalize on existing events and forums to market services to new clients and expand services to existing clients.	<ul style="list-style-type: none"> • Participated in Shared Services - Discovery Session trade shows. • Engaged clients in planning activities to implement new services. • Responded to enquiries and provided information to potential new clients.

Objective 2 – Full and open disclosure among the parties of relevant information, to the extent permitted by the policies of the Province, applicable laws and the Master Services Agreement.

Activities undertaken to achieve objective	Year to date results
Implemented new customer reporting tools.	<ul style="list-style-type: none"> • Client quarterly reports were introduced to provide clients with appropriate service level objective information. Reporting periods reflect the Province’s reporting timeline and are as follows: <ul style="list-style-type: none"> ○ April 1st – June 30th ○ July 1st – September 30th ○ October 1st – December 31st ○ January 1st - March 31st <p>Reports for the first two quarters have been delivered and will continue to be provided on an ongoing basis.</p>

<p>Support the Alternative Service Delivery Secretariat Transparency Policy.</p>	<ul style="list-style-type: none"> • Contract information including: <ul style="list-style-type: none"> ○ Joint Solutions Request for Proposal ○ Management Report Nov. 2005 ○ Management Report Nov. 2006 ○ Press Release ○ Summary Report has been posted to http://www.lcs.gov.bc.ca/asd/alliance/summaries.asp a public website for access by all interested parties. Contract information including the completion of the Management Report Nov. 2007 will continue to be made available to the public.
<p>Conduct annual review of payroll services.</p>	<ul style="list-style-type: none"> • Annual Section 5970 audit of business processes, systems, service levels and privacy controls completed.

Objective 3 – For the parties to endeavour to create the most cost-effective method for delivering the services as balanced against improved service levels.

<p>Activities undertaken to achieve objective</p>	<p>Year to date results</p>
<p>Reduced manual effort and improved efficiencies through the application of technology.</p>	<ul style="list-style-type: none"> • Reduced the effort to enter high volume changes and updates to the payroll system through the development and deployment of a rapid data entry program. • Eliminated the printing and filing of over 21,000 paper forms annually through the implementation of an eLeave, process that automates the receipt and PeopleSoft payroll system processing of leave information for employees. • Enhanced data integrity and leave accuracy by employing new automated checks.
<p>Encouraged clients to utilize the functionality provided by the leave management system to realize cost savings and maximize system benefits.</p>	<ul style="list-style-type: none"> • Engaged in discussions with government ministries not currently utilizing the Time on Line payroll data collection system to understand requirements and identify opportunities for moving forward with implementation.

<p>Worked with clients to streamline and improve business processes and reporting.</p>	<ul style="list-style-type: none"> • Worked with individual ministries to better understand their business demands related to payroll, and to streamline and align their internal payroll processes. • Reviewed all existing payroll reporting and through the elimination of redundant reports reduced the number of regularly produced reports from 65 to 36. • Enhanced the Electronic Data Action (EDA) form process to eliminate inefficiencies and expedite the human resources processes that impact payroll. The project resulted in the automated processing of over 60,000 paper forms per year that were previously, individually printed and manually filed.
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Objective 4 – To provide certain services to the Province in a more flexible, sophisticated and efficient manner than the Province has been able to previously provide.

<p>Activities undertaken to achieve objective</p>	<p>Year to date results</p>
<p>Supported the delivery of the BC Public Service Agency’s human resource strategy.</p>	<ul style="list-style-type: none"> • Developed and launched a pilot for a new employee portal, @ Your Service. The site provides services and information to employees and will be implemented across government in 2008. • Enhanced the BCPSA employment opportunities website to improve the application process. • Implemented high performance workplace tools which include online employee development and performance plans, as well as an HR Launchpad.
<p>Implemented new technology and enhanced existing technology to provide customers with better service.</p>	<ul style="list-style-type: none"> • Commenced project planning for improving the performance and reliability of the Province’s Short Term Illness and Injury Plan (STIIP). Redesign and an upgrade to the application are planned for 2008.

	<ul style="list-style-type: none"> • Deployed Siteminder single sign on functionality to eliminate the need for multiple log-on requirements by end user customers. This enables easier and quicker secure access to multiple systems. • Extended the biweekly sign off of timecards each pay period by 3 hours. • Provided Pension Adjustment totals on employee T4s that eliminates the need to print and handle separate Pension Adjustment forms. • Added True Flex project view and earned time off negative bank to Time on Line for select ministries.
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Objective 5 – To enable the Province to substantially reduce future capital investment in resources by having TELUS be responsible for acquiring and maintaining the appropriate resources, assets and technology for the provision of the services.

Activities undertaken to achieve objective	Year to date results
Upgrade and maintain business applications to support the delivery of payroll and human resource information functions.	<ul style="list-style-type: none"> • Implemented a new call management system to support customer service through the Contact Centre. • Upgraded the core technology infrastructure to improve reliability and performance. • Completed changes to all applications to support the new daylight savings time schedule. • Employed new technical writers, change management coordinators, trainers, Call Centre specialists, payroll specialists, business systems analysts and strategy thought leaders to enhance overall service delivery and provide valuable contributions to Provincial initiatives and services.

Objective 6 – To allow the Province to focus on its core objectives – these being stewardship and leadership for human resource and payroll services in British Columbia – by having TELUS become the provider and manager of these services.

Activities undertaken to achieve objective	Year to date results
Worked with the BC Public Service Agency to provide technical leadership and business expertise to identify solutions that will support the business direction.	<ul style="list-style-type: none"> • Increased the offering of online human resources services through the addition of new applications including: <ul style="list-style-type: none"> ○ @ Your Service. ○ Online employee performance and development plans. ○ Employment opportunities website enhancements.

Objective 7 – To leverage resources that TELUS has access to, including any other TELUS Centres of Excellence in Canada.

Activities undertaken to achieve objective	Year to date results
Apply best practices and access corporate programs to develop employee skills and improve performance.	<ul style="list-style-type: none"> • Realize a performance improvement in accuracy and timeliness by deploying the TELUS National Services Delivery Model and aligning with industry best practices. • Improved customer training programs and staff scheduling through implementation of the national model for call categorization and enhanced incident tracking.
Utilize TELUS expertise to support and enhance services.	<ul style="list-style-type: none"> • Enhanced support, maintenance and new functionality development for PeopleSoft and Time On Line applications by utilizing additional specialized resources from the TELUS Calgary and Hamilton centres. • Access to a broader range of experts from TELUS' national talent pool has supported the BC Public Service Agency's HR Vision.

Objective 8 – To protect the privacy and personal information of all individuals and organizations relating to the services, and to ensure that there are no circumstances pursuant to which any such information could be, or is, disclosed.

Activities undertaken to achieve objective	Year to date results
Implement changes to existing systems and processes to improve employee privacy.	<ul style="list-style-type: none"> Replaced the employee social insurance number on their benefit cards with a generic number to facilitate protection of their personal information.
Provide training to all TELUS employees to ensure understanding of privacy and personal information policies, practices and procedures.	<ul style="list-style-type: none"> Ensured that all TELUS employees participated in annual mandatory training sessions and have signed related Confidentiality Covenants. Monitored employee ePrivacy course completion through eLearning and followed up with each employee to confirm completion.
Regular internal security audit undertaken by TELUS	<ul style="list-style-type: none"> Completed Section 5970 audit to review and test operational controls and security. Received interim audit report that indicates favourable results in all areas, confirming TSSI's dedication to protecting the Province's data.

Objective 9 – To proactively practice and promote ethical practices.

Activities undertaken to achieve objective	Year to date results
TELUS' ethics standards have been developed and shared with all team members.	<ul style="list-style-type: none"> Ensured that all TELUS employees have completed the annual ethics course. Promoted and demonstrated ethics standards at all levels of the organization.

Objective 10 – To be sensitive to, and respect the cultural diversity of, the individuals to whom TELUS provides services pursuant to the Master Services Agreement.

Activities undertaken to achieve objective	Year to date results
Engage in training and activities that increase understanding of cultural diversity.	<ul style="list-style-type: none"> Participation in, and completion of, an annual Respect in the Workplace course by all TELUS employees. Support and administration of the TELUS National Employee Council.

Objective 11 – On the termination of the Master Services Agreement, transfer services back to the Province or another service provider in a manner that is efficient and ensures the continued and uninterrupted delivery of such services with minimal adverse impact on the business operations of the Province and its clients, customers and stakeholders.

Activities undertaken to achieve objective	Year to date results
Implementing standards and practices consistent with those of the Province.	<ul style="list-style-type: none"> • Maintenance of current systems and process documentation. • Delivery of extensive service level reporting on a monthly basis.

Objective 12 – Promote and facilitate self-service of information whenever commercially reasonably possible.

Activities undertaken to achieve objective	Year to date results
Continue to use Employee Self Service to provide Province of BC employees with access to information and services.	<ul style="list-style-type: none"> • Added information on the retirement process for employees to the website. • Provided an online contribution option for the annual Provincial Employees Community Services Fund. • T4 information made available to employees more easily through the payroll/HR system’s Employee Self Service functionality.

Objective 13 – Use quality assurance practices, monitor satisfaction and improve the services.

Activities undertaken to achieve objective	Year to date results
Use information provided through established reporting and feedback channels to adjust and improve service.	<ul style="list-style-type: none"> • Analyzed annual customer surveys and developed and executed survey action plans for the Contact Centre, Application Management, and Payroll service areas. • Monitored delivery of service through monthly service level reports. • Solicited informal feedback at meetings and other client forums to gain insight to individual satisfaction with services.

Appendix B – Service Commitments: Reporting on Results

The tables below outline some of the key service commitments that are critical to the successful operation of HR and payroll systems and processing services.

Service Commitment 1

Timely and accurate pay for all Province of BC employees, including processing of adjustments to pay such as overtime.

Service Standard	Description	Results
All employees are paid accurately and on-time for each bi-weekly payroll.	<p>Employees are paid on a bi-weekly basis with 26 pay periods over the calendar year.</p> <p>In addition to their standard base pay, employees may also have additions or deductions to their pay including overtime, substitution pay, or sick leave.</p>	<ul style="list-style-type: none"> • Employees paid accurately and on-time for every bi-weekly pay period. • Confirmed accuracy of employee incentive payments through an independent internal audit with results indicating better than world class error rates. • Delivered improvements to quality assurance through automated checks incorporated in the new Electronic Data Action process and the new eLeave program.

Service Commitment 2

Prompt, responsive and accurate assistance to clients through the Contact Centre.

Service Standard	Description	Results
<p>Clients receiving service through the Contact Centre can expect:</p> <ul style="list-style-type: none"> • Prompt and courteous service; • Knowledgeable staff with the experience to resolve 80 per cent of all client calls at the tier 1 level; and 	<p>The Contact Centre for Pay and HR Systems is the first point of contact for clients. Questions regarding pay, leave, benefits and job data are directed to the Contact Centre.</p> <p>The Contact Centre is</p>	<ul style="list-style-type: none"> • Increased overall Contact Centre customer satisfaction survey results by 12% to 64%. • Resolved 89 percent of inquiries at Tier 1 in the Contact Centre, well above targets and industry standards.

<ul style="list-style-type: none"> • Less than eight per cent of calls abandoned. 	<p>responsible for providing first-line problem resolution to all clients by isolating, analyzing and resolving systems-related difficulties.</p>	<ul style="list-style-type: none"> • Delivered 6.2 percent, client call abandonment rate, well above target for this measure. • Improved timeliness of inquiry resolution through weekly analysis of outstanding inquiries for Payroll Processing and Payroll Accounting. • Ensured quick response times through ongoing analysis of half hour call arrival interval reports. • Increased staff compliment to ensure a positive customer experience. • Completed cross training programs to ensure that the staff knowledge base is maintained at all points of the service delivery day. • Implemented Quality Assurance program. • Completed one on one regular monthly coaching. • Provided regularly scheduled review and refresher training by the Contact Centre Case Managers for the Client Service Advisors. • Utilized the E Learn Program for a broad spectrum of skills as appropriate for each staff member.
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Service Commitment 3

Effective application management to ensure maximum availability of payroll and human resources system applications.

Service Standard	Description	Results
<p>Software availability for gold applications including Corporate Human Resource Information and Payroll System for British Columbia (CHIPs), Corporate Human Resource Information and Payroll System Reporting Database (CHIPS RP), and Time on Line, must be maintained at a minimum of 98 percent.</p>	<p>TELUS and the Provincial Human Resource Management Systems Partnership branch maintain a number of payroll and human resources software applications. These applications must be available to clients in order to enter leave, process pay and conduct their business.</p> <p>Gold applications:</p> <ul style="list-style-type: none"> • Employee Self Service (CHIPS) • Corporate Human Resource Information and Payroll System for British Columbia (CHIPS) • Corporate Human Resource Information and Payroll System Reporting Database (CHIPS RP) • Time on Line 	<ul style="list-style-type: none"> • Exceeded monthly availability service standards for Human Resources and Payroll Systems for British Columbia (CHIPS), Human Resources and Payroll System Reporting Database (CHIPS RP) and Time on Line. (99.6%)