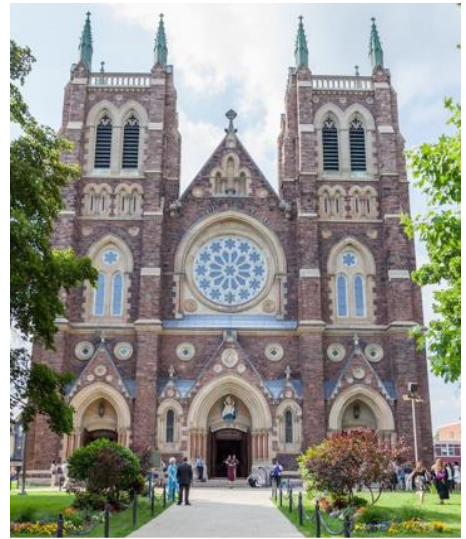


## City of London - Internal Audit

### HRIS Readiness Assessment – Recommendations and Roadmap

Final Report – August 14, 2024

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## 1.0 BACKGROUND

This report represents the culmination of MNP’s Human Resource Information System (HRIS) readiness assessment for the City of London (the City). The City is upgrading its HRIS in alignment with its goal to become a leader in public service. MNP assessed the organizational readiness for new systems and the ability to implement the right project processes and tools.

The ultimate goal of this report is to summarize the efficacy of project management principles and provide actionable recommendations that ensure or establish rigour as the City moves forward with Phase 2 of the HRIS implementation.

We conducted this assessment using MNP’s human-centred digital transformation framework, focusing on project management practices across three (3) domains; People, Process, and Technology. MNP collaborated with the City of London project leadership across four (4) iterative phases;

- Phase One, ‘Understanding Today’, involved a thorough document review and interviews to establish guiding principles, identify challenges, and assess the current state.
- Phase Two, the ‘Readiness Assessment’, ranked the HRIS project based on factors determining organizational readiness for change and capacity for successful implementation.
- Phase Three, ‘Recommendations and Roadmap’, outlines tactical next steps and an action-priority matrix for the City’s next steps.
- Phase Four, ‘Review and Finalize’, is the concluding version of the document following detailed discussions and collaboration, serving as the final assessment of our HRIS project.

## 2.0 APPROACH

MNP’s approach to HRIS Readiness Assessments is to incrementally build on findings in a “journey of confidence”, distilling key insights towards recommendations as an exercise in due diligence. The approach is summarized as follows.

Phase 0	Phase 1	Phase 2	Phase 3
<b>Initiation and Planning</b>	<b>Understanding Today</b>	<b>Readiness Assessment</b>	<b>Recommendations and Roadmap</b>
Planning efforts for the HRIS Readiness Assessment.	Understanding Today through a Current State Assessment.	Readiness Assessment through applying a readiness to transform lens to the current state findings.	Determining the Recommendations and Roadmap for activities related to resolving the risks identified during the assessment.

## 3.0 DETAILED SCOPE OF WORK

For the purpose of this HRIS Readiness Assessment, MNP:

- a) Held meetings with key City of London management to seek input into the details of the HRIS Implementation;
- b) Reviewed ELT and SLT briefing notes;
- c) Reviewed project strategy and communication documents;
- d) Considered People Works change management documentation;
- e) Reviewed the HRIS project's financial analysis of predicted costs;
- f) Reviewed the project's planning, including its current state, reasonableness, and underlying assumptions;
- g) Considered the project's management procedures, including governance, business, and IT change management, from the perspective of effectiveness;
- h) Reviewed the detailed status reports as presented to various governance groups;
- i) Assessed the governance structure of the project; and,
- j) Summarized our observations.

The assessment was not scoped to include an audit of any system related to the HRIS implementation.

## 4.0 SUMMARY OF OBSERVATIONS

Over the course of the engagement, no high risks were identified. MNP found that resource challenges have been a theme during the HRIS Implementation. This report also intends to highlight that when effective controls are in place, short-term gains from outsourcing and co-sourcing can help rapidly stabilize and develop maturity, capacity, and skill. It is recommended that the City develop organization-wide frameworks for project governance and risk identification, develop and implement modern resourcing models, and adopt an effective change management model.

## 5.0 CLIENT STATE SUMMARY

Through MNP's readiness assessment of the City of London's HRIS Phase 1a and 1b implementation, the following observations were identified:

### Risk Identified

1. **Inefficient Processes.** Phase 1a lacked adequate project documentation for the established project management process, and proponents were not aligned on interdepartmental functions or future state operational models.
2. **Inadequate Resources:** During Phase 1a, functional areas were overlooked in project planning, and project management resources were at, or exceeding, capacity.
3. **Unclear Strategic Alignment.** During Phase 1a, challenges in project governance, a lack of integrated planning, and limited strategic experience resulted in a poor alignment of services and capabilities with the City's needs and priorities.

## Strengths and Project Praise

1. **Clear Effort Placed on Understanding the HRIS Project.** During Phase 1a, the City experienced attrition in project personnel and identified the need for broader Project Management Office (PMO) improvements. Developing project management templates on demand necessitates a thorough understanding of project requirements, strong organizational skills, and the ability to identify and prioritize key project elements. With enhanced tools and templates established in Phase 1a and a better understanding of interdepartmental resources, the City is expected to benefit from this investment in the future.
2. **Dedication and Expertise of Leadership.** Despite formal resource management challenges in Phase 1a, project leaders' dedication, expertise, and ingenuity allowed the City to progress with the implementation. Individuals needed to understand project requirements and constraints, adapt, and adjust. Ongoing quality assurance, process design, and solutioning in Phase 1a showed a commitment to modernizing the organization. Attention to detail and effective problem-solving skills of project leads minimized costs and enhanced the project's reputation and credibility, building stakeholder trust.
3. **Culture of Collaboration.** City leadership effectively managed challenges in the project schedule by maintaining transparent, accountable, and collaborative management practices. They fostered a culture of intrapreneurship, where project leadership was self-motivated and proactive. This led to impressive collaboration and consensus-building during the later stages of the project. Despite the significant impact of HRIS systems on front-line employees, City leadership maintained a positive operational environment for staff. The success of Phase 1a demonstrated the City's ability to manage and motivate team members without formal metrics in a resource-constrained environment, showcasing the skill and dedication of project leaders.

## 6.0 RECOMMENDATIONS AND ROADMAP ACTIVITIES

The following Recommendations will support the City of London in establishing HRIS Project and Change Management strategies, controls, and processes that will improve the Phase 2 release. These recommendations are based on MNP’s frameworks, experience, and observations of the City’s experience with Phases 1a and 1b.

While this HRIS Readiness Assessment is not a formal audit, the recommendations and roadmap have been presented in a familiar format to encourage management to consider the response and eventual approach to seeing the roadmap activities successfully completed.

#	Observation	Priority	Recommendation	Management Response
1	Phase 1a lacked adequate project documentation for the established process, and proponents were not aligned on interdepartmental functions or future state operational models. The City’s established HRIS environment became cumbersome as modern system leading practices interface with manual City workflows. This resulted in new HRIS capabilities not being fully realized and day-to-day operations at odds with project operations.	Medium	<p><b><i>The project management team should leverage the City’s existing standardized project management planning tools and ensure their adoption.</i></b></p> <p>Standardizing project management planning tools across City projects provides several key benefits. Standardized and accessible project management planning tools ensure that all project managers and team members are using the same tools and processes. This consistency helps streamline project planning and execution, leading to greater efficiency and a clearer future state for all stakeholders.</p> <p>Project documentation may seem like a simple answer to the complex questions surrounding knowledge management or business process management, but it can mature an organization rapidly. Templates that are used throughout project delivery, such as a business case one-pager, a project RACI, and project reporting, can standardize communication across the portfolio of City Projects.</p> <p>A RACI matrix, for example, can clarify roles and responsibilities for tasks and decisions within a project. The acronym stands for Responsible (the person or people responsible for completing a task), Accountable (the person ultimately answerable for the task or decision), Consulted (those who provide input and are consulted before a decision is made or a task is performed), and Informed (those who are kept informed of decisions or actions).</p>	For Phase 2, industry leading practices for project management will be reviewed by management and built into the project to align with this recommendation and activities outlined below.

#	Observation	Priority	Recommendation	Management Response
			<p>Standardized toolsets also help the City define the relationships between project delivery and continuous improvement.</p> <p>The goal of standardizing is to promote project delivery as a repeatable process. In standardizing project management planning resources for Phase 2, the City should undertake the following activities.</p> <p><b>Activity 1: The project management team should implement the City's existing Project Management Frameworks and Templates</b></p> <p>Identify and adopt common leading practices for managing projects and assemble them into a framework. Develop templates for project proposals, implementation plans, prioritization, and reporting. Design and develop value-focused training for project staff at all levels. Consider aligning artifacts to the project management toolset.</p> <p>Outputs for this activity are a Project Management Framework and Project Management Templates</p> <p><b>Activity 2: The project management team should implement the City's existing cloud-based project tracking and reporting system.</b></p> <p>Implement a cloud project management system. Ideally, the system will work in conjunction with any existing/future ticketing and knowledge management systems. Establish a set of reporting metrics that are collected and added to relevant leadership meetings. Determine a reporting schedule that suits the organization.</p> <p>Outputs for this activity are the Cloud-based project management system and Reporting Metrics.</p> <p><b>Activity 3: The project management team should implement the corporation's existing risk management and decision frameworks.</b></p> <p>In alignment with leading practices, create a repeatable approach for identifying, assessing, and mitigating organizational risks associated with HR technology and data. Determine the escalation process for risks and ongoing reporting. Create a decision-making model and risk</p>	

#	Observation	Priority	Recommendation	Management Response
			<p>management process to strategically manage projects and ensure success.</p> <p>This activity's outputs are a Risk Management Plan, a Risk Register, and a Program-level Decision-Making Model.</p>	
2	<p>During Phase 1a, functional areas were overlooked in project planning, and project management resources were at, or exceeding, capacity. The City lacked the dedicated labour force and skill mix required to implement this software appropriately.</p>	Medium	<p><b><i>The City of London should develop and implement a detailed resource model.</i></b></p> <p>A resource model for a project management office should be developed that outlines the various resources required to effectively manage and support projects within the City. The model should consider personnel, tools and technology, training and development, as well as external resources.</p> <p>Beyond the timeframe, the model should also consider the availability and capability of the needed skillsets, the risk of a given function performed outside the City, and the impact on the project budget.</p> <p>In developing a formal resource model for Phase 2, the City should undertake the following activities.</p> <p><b>Activity 1: Define Short-term and Long-term Resourcing Models.</b></p> <p>City leadership needs to define the resourcing model in the short term, during which the HRIS is implemented, and in the long term, as HRIS processes evolve in cross-department functions. Both models should clearly demonstrate how project management acumen can be increased across the City and ensure experienced project management professionals are accounted for.</p> <p>Outputs for this activity are a Short-Term Resourcing Model and a Long-Term Resourcing Model.</p> <p><b>Activity 2: Recruit Positions for Project Managers and Business Analysts.</b></p> <p>In order to successfully implement the HRIS, as well as deliver ongoing workforce services, the City should establish and fund</p>	<p>Proper resourcing, especially staffing models for a right-sized number of employees to manage the implementation and ongoing administration of Phase 1a, 1b, and 2, will be reviewed by management based upon this recommendation and activities.</p>



#	Observation	Priority	Recommendation	Management Response
			<p>positions for project managers and business analysis. These are strategic positions that will be instrumental in coordinating the Short-Term and Long-term Resourcing Models</p> <p><b>Activity 3: Leverage Third-Party Services.</b></p> <p>Identify mechanisms to procure third-party services for delivering capabilities that the City does not have the capacity for or may not be of strategic value. These could include bringing in coordination supports and subject matter experts via:</p> <ul style="list-style-type: none"> <li>• <b>Project-based Outsourcing:</b> Engaging an external vendor to complete a specific project with defined deliverables and timelines.</li> <li>• <b>Staff Augmentation:</b> Adding temporary or contract personnel to your existing team to fill skill gaps or increase capacity for specific tasks or projects.</li> <li>• <b>Vendor Co-Sourcing:</b> Collaborating with an external vendor who works alongside your internal team to share responsibilities and resources.</li> <li>• <b>Managed Services:</b> Contracting an external provider to manage and assume responsibility for a specific set of functions or processes on an ongoing basis.</li> </ul> <p>The outputs of this activity are effective project management support.</p>	
3	During Phase 1a proponents would have benefited from clear decommissioning plans and additional support in their roles as change leaders.	Low	<p><b><i>The City of London should invest in a formal change management framework that supports the project's strategic alignment.</i></b></p> <p>Change management is crucial to the successful implementation, adoption, and sustainment of any technology-based project. As the HRIS has such a broad user base, the City should ensure effective change leadership, oversight, and management are in place.</p> <p>This recommendation ensures City departments integrate effectively to support the implementation's overall goals. Change leadership encompasses all activities related to the change management</p>	Leveraging existing corporate change management and communication frameworks, management will review and implement this

#	Observation	Priority	Recommendation	Management Response
			<p>strategy, planning, and implementation, including ongoing organizational readiness and communications.</p> <p>In developing a formal change management framework for Phase 2, the City should undertake the following activities.</p> <p><b>Activity 1: The project management team should implement the City's existing change management models.</b></p> <p>Create a plan to guide program implementation and management, ensuring that the recommended activities remain on track and aligned with the City of London's goals. Establish an approach to managing change.</p> <p>ADKAR is a change management model that represents the five key elements required for individuals to successfully adopt a change. The acronym stands for Awareness (of the need for change), Desire (to support and participate in the change), Knowledge (of how to change), Ability (to implement the change), and Reinforcement (to sustain the change).</p> <p>The ADKAR model can guide the City through the process of managing and implementing change effectively by focusing on individual transitions. Adoption of a change model should account for the HRIS project schedule, key milestones and decision gates, dependencies, controls, and budget.</p> <p>Outputs for this activity are a Formalized Change Management Plan</p> <p><b>Activity 2: Review and Prepare Communication Strategy and Plan.</b></p> <p>Review and update internal and external Communications Strategy and Plan to inform employees and stakeholders on the purpose, progress, and impacts.</p> <p>Outputs for this activity include a Communication Strategy and a Project-level Communication Plan.</p>	<p>recommendation and activities into Phase 2, as well as build upon the existing rollouts of Phases 1a and 1b.</p>

## APPENDIX A – RATING SCALE

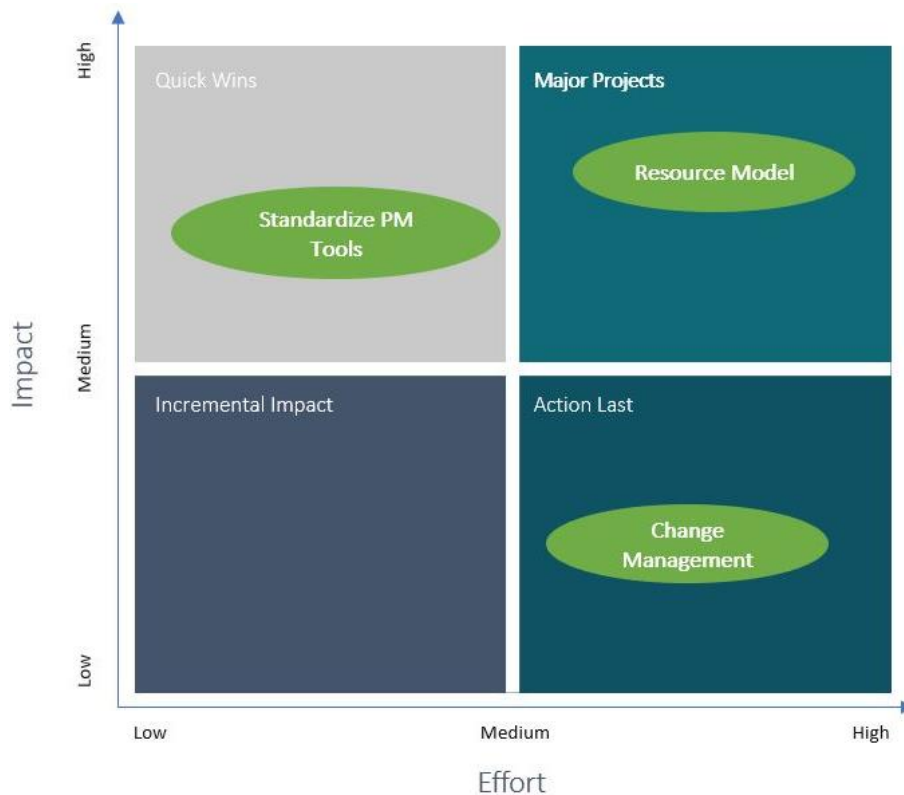
The findings outlined in this report have been assessed based on a rating scale defined in the table below:

Rating	Description
Low	The finding is not critical but should be addressed in the longer term to improve either internal controls, efficiency of the process, or mitigate a minor risk.
Medium	The finding represents a control weakness or risk that could have or is having an adverse effect on the ability to achieve process objectives and/or a significant impact to the City's residents. The finding requires Management action within the short-to-intermediate term.
High	The finding represents a significant control weakness or risk that could have or is having a major adverse effect on the ability to achieve process objectives and/or a material impact to the City's residents. The finding requires immediate Management action.

## APPENDIX B – MNP PRIORITIZATION MATRIX

This Prioritization Matrix evaluates the impact of recommendations to determine where time, energy, and resources could be invested. It will help in understanding the incremental steps required to build a roadmap. There are four (4) quadrants.

1. **Quick Wins:** Activities that have valuable impacts on the organization but are not time or resource intensive.
2. **Incremental Impact:** Activities that are identified as medium priority, require a longer timeframe to implement, and are more resource intensive.
3. **Major Projects:** Activities that are major organizational undertakings, require dedicated resources (both funding and individuals), and require a longer period of time to implement.
4. **Action Last:** Activities that are considered low priority, require a longer timeframe and are resource intensive.





## APPENDIX C – REPORT DISTRIBUTION LIST

City of London
<b>To:</b>
John Paradis, Deputy City Manager, Enterprise Supports Anna Lisa Barbon, Deputy City Manager, Finance Supports
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Dean Leesui, Engagement Partner Phil Racco, Quality Assurance Partner Kate Dergousoff, Consultant Ryan Clarke, Consultant