

MUNIS Employee SelfService and Workflow

City of Tulsa

Office of the City Auditor

BACKGROUND

In late December 2017, the City migrated from the core financial system, INFOR, to the Enterprise Resource Planning (ERP) system, “MUNIS, a Tyler ERP solution.” MUNIS ERP offers robust public sector features and functionality, automated workflow, and document integration with Tyler Content Manager (TCM). The ERP implementation launched City-wide with “functional area leads” (FALs) taking helm to embed City ordinances, policies and practices into the new enterprise system.

For the MUNIS SelfService feature, employees initiate an expense claim to travel for City-related business, to be reimbursed for a City-related expense, as well as professional development, and to be paid a gym reimbursement for a health-related benefit. There are six expense template types for employees to use, and two with estimate phases. The claim then moves through the workflow using business rules to queue reviews, approvals, and complete the transaction(s). Any monetary payments (e.g., travel advance, reimbursement payments) queue in workflow over to Payroll for employee payment in the next payroll cycle. The employee attaches supporting documentation to the claim, which is then integrated and stored in TCM.

To achieve this level of inherent workflow functionality, the FALs worked meticulously on designing a step-level hierarchy (e.g., step 10, 20, 30, 40, 60) with review and approvals established by departmental sections. The business rules allow right-level tailoring for employees and management to review and approve claim expenses.

For travel expenses, the employee initiates the estimate expense claim in the MUNIS SelfService prior to the trip and approval. Once submitted, the employee can no longer modify the claim. The departmental travel coordinator updates and completes the claim for the employee, and upon allocating into the workflow, management approves or rejects the claim. For travel coordinators, system administration and user permissions control access to update and close claims. For management, business rules control management workflow approvals by department and section. Approval workflow aligns with the GL allocation to pay the expense(s).

Shortly after the MUNIS implementation, several key staff changed in both overall ERP implementation and the Accounts Payable functions, including the travel function. New talent teams emerged, with the City hiring a dedicated Enterprise Systems Manager, along with the City-wide Travel Coordinator now centered in the Finance Department. Concurrently with the Sensitive Payment Review, there is collaborative opportunity to take stock in what is working, and what could be enhanced, with improvements bringing more effective or efficient results.

THE SENSITIVE PAYMENTS REVIEW

The Sensitive Payments Review includes a wide range of activities (i.e., travel, entertainment, donations, compensation, and certain expenditures). As such, it was essential to understand the City's new core system, MUNIS, its "SelfService" employee expense claim processing portal, and the internal controls surrounding the new environment.

In contrast to prior reviews using limited GL expense sampling methodology, for the FY18-FY20 Sensitive Payments review, beta data analytics provided a 100% sampling lens to review post-conversion MUNIS SelfService activity. The results proved to be highly insightful. Building upon the significant work that has been done, suggestions are offered for consideration to make the process even better.

We discussed the observations and suggestions with key management in Finance and Human Resources. Collectively we outlined a process to track action for all the suggestions in the following section.

MUNIS - OVERARCHING OBSERVATIONS AND SUGGESTIONS

There are several overarching performance issues with MUNIS that with modification would create significant improvement(s) and strengthen controls.

1) [The workaround to avoid duplicate expense payments \(i.e., payment to pCard vendor and to employee\) creates incomplete actual expense amounts in the claim history.](#)

The "Actual Amount" column is used to determine what final payment will be made, if any, to the employee once the claim enters the close out phase. By policy guidance, pCards are to be used for hotel, airfare, and car rental, if applicable. The way the portal works, placing an amount in the actual amount column generates payment to the employee (less any advance). As such, the payment is paid twice, once to the vendor via the pCard invoice, and once to the employee. To avoid duplicate payment, the Travel Coordinators zeroes out the "actual" amount. The zeroing out results in incomplete historical claim information in MUNIS. The portal is no longer a one-stop-shop for claim information, and the pCard becomes another relevant source of historical and approval information.

Suggestion: Consider integrating pCard functionality or adding an informational data field so that actual travel expenses are contained inside the travel claim for historical completeness. This could be accomplished by indicating the actual amount in the comment field or adding a field for completeness. The end result should allow the SelfService claim to be an accurate representation of the travel transactions.

2) Audit trail inaccuracies and anomalies exist in MUNIS.

Workflow in compensation (i.e., Employee Master) has a point-in-time capture where the individual who moves the data into production is the individual who is listed in the audit trail as having “input” the records, even though a different employee entered the data as the originator, and management approved it. As a result, the historical employee data entry audit trail reflects only the individual who posts (moves) the data. Human Resources generated a case with MUNIS to elevate this issue.

Similarly, when the employee is paid for an expense claim through Payroll (e.g., for a travel per diem advance or expense reimbursement), the claim number is inaccurately portrayed in the historical account inquiry general ledger information “Payroll Journal Entry Detail.” This makes tracing payments to employees with multiple claims quite difficult and creates incorrect historical information in MUNIS. Using data analytics for frequent employee travel, we observed overpayments in per diem, and a duplicative airline ticket (pCard issue), and tracing the errors was onerous because of incorrect historical claim information. The system issue requires correction to protect the City and the employees from inaccurate information and potentially false assumptions.

Suggestion: Consider presenting the audit trail issues as control issues / weaknesses to the Tyler group as research warrants, and request remediation, as they do not appear to meet minimum standards of control that should be inherent in a state-of-the-art financial system.

DATA ANALYTIC OBSERVATIONS

Using Tableau beta analytics in the Travel and Expense Story (TE Story), efficiency and effectiveness insights developed as we reviewed 4,400 transactions between January 3, 2019, and June 30, 2020.

3. Data analytic flags related to approvals indicated the need for business rules review and formalizing control systems.

The Invalid Approver data analytic indicated that there were departments not in alignment with Executive Order 2018-06, and that step 30 department heads were missing in several departments, and flags were produced in TE Story as a result. In working with the Enterprise Systems Manager, clean-up in the initial business rules and step configurations had not been reviewed in quite some time, and the new team worked to update the organizational step configurations and business rules.

Suggestion: Consider formalizing a business rules and step configurations review, documenting the process in a policy and procedural type guide, and working collaboratively with the City’s Travel Coordinator to ensure any changes that arise are proactively resolved. HR onboarding, transfers and offboarding for management will need to be incorporated into the ERP workflow approval processes.

4. Employees enter estimate data, and coordinators enter the remaining estimate data as needed (e.g., relevant updates) and actual expense data; if an error is made, the employee is monetarily responsible but not necessarily aware.

Departmental travel coordinators make changes once the employee has submitted a claim estimate, and management approves the claim based on functional reporting relationships. Employees are not able to readily track their claim without going in to monitor through expense inquiry.

Suggestion: Consider adding the employee to step 60, notification, or a default type notification system that will let the employee know their claim has been processed and should be reviewed one last time before posting any payroll advance or refund from overpayment. There may be other ways to achieve this transparency, working with the vendor.

5. Policies and guidance surrounding internal controls need focus.

Travel and expense guidance are found in Tulsa Revised Ordinance (TRO) Title 12 Internal Policies Chapter 5 Travel Policies, and Title 25 Officers and Employees Chapter 3 Expenses Allowed, along with the Mayor's Executive Order (EO) 2018-06. Following the Mayor's EO, related Personnel Policies (I.e.,807) received updates, eliminating inconsistently used forms. Personnel Policies aptly refer to "Finance Travel Policies and Procedures."

Beyond that, travel policies formerly maintained in Accounts Payable had not been updated, and do not exist as stated in the Personnel Policy 807.

The FALs /ERP team produced desktop guides early on (2018) in the INFOR to MUNIS conversion, which now needs expansion and updating with changes that had been made post implementation. Several PowerPoints had been produced as well, showing high level overviews of the processes. To fully understand processes for the review, we called key staff members by phone or conducted Teams Meetings, sharing screens to describe and document processes. Similarly, employees using the system would likely need to make telephone calls or send emails to get answers to do their jobs.

Suggestion: As noted in the Sensitive Payments Review FY18-FY20, guidance requires updating and centralizing so that employees readily have accurate information available.

6. Per Diem Methodology and MUNIS Integration

The City has long used the IRS High / Low Substantiation Method for employee per diem. We noted per diem rate errors in the data analytics, (e.g., paid the high rate when the destination was a low rate city) and a lack of compliance for travel on federal grant funds. Federal grant travel requires a reasonable adjustment downward for first and last days of travel. The GSA methodology, a more

established and widely used method, may now be more effective and efficient for the City. Given the employee must enter the rate and number of days on per diem in MUNIS, the GSA methodology would be adaptable and in compliance with 48 CFR § 301.205-46 (6)(ii).

Benefits include eliminating the manual per diem chart, updated year, automatic accessibility and retention on the GSA.gov website, better economic adjustments that favor the employee (i.e., travel to New York City).

Suggestion: We recommend changing from the IRS High / Low Substantiation Method to the GSA Model for more efficient and effective administration of per diem rates.

7. Commercial Driver's License (CDL) renewals had reimbursement inconsistencies and central policy guidance is needed.

The data analytic for Benford's Law flagged transactions for the CDL license renewal given the frequency of the amount, \$18.00. Upon further research, discrepancies in CDL payment amounts existed (e.g., some employees were paid \$56.50 and others \$18.00, which is the difference between a CDL and a regular Oklahoma driver's license, \$38.50). We were unable to locate a policy for guidance, and any discrepancy in an employee reimbursement payment risks perception as disparate treatment.

Suggestion: Consider formalizing CLD reimbursement policy in a central repository (available to all) to ensure all employees are reimbursed consistently. Management may want to retroactively review payments and address the discrepancy issues appropriately.

We thank management for the collaboration on this review and the discussions, which have proven to be invaluable. The efforts made to tailor and refine processes in the MUNIS SelfService portal, and related expenditure processes will have lasting benefits to position the City for further success.