



Oregon State
University

Vice President's Report: Addressing Business Operations Challenges

**Finance & Administration Committee Meeting
January 19, 2023**



Close-out Business Operations Review

In summer 2017, the Vice President for Finance and Administration and the Office of Audit Services commissioned Baker Tilley International to conduct a comprehensive review of the university's business operations.

Baker Tilly recommended a number of improvements to business operations. They categorized recommendations according to the internal controls framework developed by the enterprise risk management organization, COSO (Committee of Sponsoring Organizations) of the Treadway Commission.

Following Baker Tilly's recommendations, the vice president launched a cross-functional team of leaders and experts within business operations to create a systems approach framework and engage units in targeted improvement projects. This multi-year effort became known as Beaver Works, overseen by the Division of Finance Administration's project management office.

An internal Beaver Works report outlines the various ways OSU has addressed and continues to improve in the challenge areas identified in the Baker Tilley report. It can be downloaded together with the full Baker Tilley Business Operations Best Practice Review report at <https://fa.oregonstate.edu/home/business-operations-project>.

Close-out Business Operations Review

Challenge	Ways OSU has addressed	Work remaining
1. Unclear definition of roles and responsibilities	<ul style="list-style-type: none"> • Controller's Unit organizational alignment, with centralized functions • Fiscal Policy Committee processes • Beaver Works Operational Excellence best practices for unit operations 	<ul style="list-style-type: none"> • Establish consistent communication related to projects or organizational changes and how they affect individual roles and responsibilities (<i>in progress</i>) • Emphasize clarified roles and responsibilities to come following Controller's Unit Organizational Alignment structure finalization (<i>in progress</i>)
2. Need for active communication of a clear vision and strategy	<ul style="list-style-type: none"> • DFA Framework for Success • Clarification around strategic priorities • Beaver Works focus groups identified SWOT for functional areas • Quarterly updates from vice president to division-employees 	<ul style="list-style-type: none"> • Distribute targeted communication from leadership to DFA, units, and colleges involved in business operations (<i>ongoing</i>) • Clarity of DFA vision and priorities over the next five years (<i>in progress</i>)

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Challenge	Ways OSU has addressed	Work remaining
3. Challenges with employee morale and fatigue	<ul style="list-style-type: none"> Talent Management projects Hybrid/remote work opportunities for work-life balance Process improvements to streamline workflows Consistent alignment of work roles and operational needs (Controller's Unit organizational changes) 	<ul style="list-style-type: none"> Equitable access to IT, facilities, professional development, staffing (<i>in progress</i>) Increase emphasis on strategic or targeted investments that align with the DFA strategic intent (<i>in progress</i>) Assess and allocate staffing and resources to allow for participation in projects and cross training (<i>in progress</i>) Explore career progression opportunities to allow employees to move to other positions (<i>in progress</i>)
4. Differing service approaches to Business Center Operations	<ul style="list-style-type: none"> Controller's Unit organizational alignment, with centralized functions Beaver Works Operational Excellence best practices for unit operations Quarterly financial planning meetings with academic colleges Monthly Payroll & HR informational forums for administrators 	<ul style="list-style-type: none"> Conduct needs assessment to support transparency and engagement of units/colleges Identify mechanisms to address additional service needs (<i>organizational & functional changes ongoing</i>)

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Challenge	Ways OSU has addressed	Work remaining
<p>5. Challenges with financial reporting, forecasting, and budget monitoring</p>	<ul style="list-style-type: none"> Targeted projects: University Financial Management suite of tools, Budget Model Review, Controller's Unit organization changes Quarterly financial planning meetings with academic colleges 	<ul style="list-style-type: none"> Fully implement expense verification tool, including modifications to effort reporting (<i>currently pending resourcing and system constraints</i>) Finalize remainder of outstanding University Financial Management (UFM) project work (<i>releasing tools in Jan. 2023</i>) UFM: Non-Education & General funds needs to be explored (<i>in progress</i>)
<p>6. Outdated policies and practices not aligned with current leadership vision and risk tolerance</p>	<ul style="list-style-type: none"> Targeted Projects: Travel and Expense system, UFM, Non-Student Billings, Enterprise Service Management Fiscal Policy Committee: regular development and maintenance guided by OSU core values Updated administrative policies in procurement and travel New accounting-related policies Development of DFA Risk Appetite Statements, Risk Assessment Tools, risk principles 	<ul style="list-style-type: none"> Conduct additional training(s) related to risk and compliance (<i>in progress</i>) Continue toward Controller's Unit post-transaction audits in processes rather than several detailed reviews up front (<i>in progress</i>) Continue toward Controller's Unit review and standardization of approval processes (<i>in progress</i>)

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Challenge	Ways OSU has addressed	Work remaining
7. Inconsistent understanding and approach to fiscal policies and processes	<ul style="list-style-type: none"> Targeted Projects: Travel and Expense system, Controller's Unit organizational changes Fiscal Policy Committee: regular development and maintenance guided by OSU core values 	<ul style="list-style-type: none"> Conduct assessment of role-based training needs (<i>in progress</i>) Conduct fiscal policy training for new policies and follow-on training on existing policies (<i>in progress</i>)
8. Inefficient use of technology	<ul style="list-style-type: none"> Targeted Projects: Travel and Expense system, Benny Hire, Banking project, Benny Buy purchasing optimization Creation of UIT road map and associated projects (Enterprise Service Management, Administrative Modernization Program, Smart Access) Expansion of DFA IT support and resources Transition to modern, specific-use platforms (OnBase, Tableau, DocuSign, file sharing tools) 	<ul style="list-style-type: none"> Complete targeted project efforts currently in progress: Non-Student Billing and Receivables Project, Enterprise Service Management (<i>in progress</i>) Finalize formation of a data governance and management structure (<i>in progress</i>) Map current/future state of processes in DFA units and at interactions with technology (<i>in progress</i>) Further leverage integration capability between systems to minimize duplication of effort (<i>in progress</i>)

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<p>9. Need for a comprehensive approach to process change initiatives</p>	<ul style="list-style-type: none"> Targeted Projects: Controller's Unit organizational changes, DFA Framework for Success, DFA Risk Appetite Statements and assessment tools, Beaver Works process improvements Formed Enterprise Project Portfolio Management Office (EPPMO) to provide consistent approach, resources, metrics, supports for successful completion 	<ul style="list-style-type: none"> EPPMO to provide training for people managing projects (<i>in progress</i>) Communication and distribution of the Beaver Works process improvement toolkit (<i>in progress</i>) Put in place foundational capacity, training & resourcing to undertake comprehensive process redesign in preparation for enterprise resource planning system replacement (AMP) (<i>in progress</i>) Create a central repository for process improvement materials & examples (<i>in progress</i>)
<p>10. Unclear and inconsistent oversight and accountability across business operations</p>	<ul style="list-style-type: none"> Targeted Projects: Controller's Unit organizational changes, DFA Framework for Success, Beaver Works process improvements and operations inventory 	<ul style="list-style-type: none"> Determine communication method & plan as changes are made (<i>ongoing</i>) Further define roles & responsibilities, service level expectations (<i>in progress</i>) Widespread usage of internal control and standard process documentation (<i>in progress</i>)

Making ongoing progress

Program/Project/ Operations	Description	Timeframe
Framework for Success	The DFA Framework for Success is a comprehensive approach to supporting informed and transparent decision-making across the Division of Finance and Administration, for the benefit of the university. It has three main elements: 1. Guiding principles; 2. Key performance indicators (KPIs) and key activities; 3. Division-wide and unit-level metrics.	2017-2022
Controller's Unit Organizational Alignment	Oregon State University (OSU) Controller's Unit (CU) is using the <u>Administrative Partnership Model (APM)</u> as a basis for our future state organizational structure. ^[1] The APM focuses on administrative partnerships with the goal of maximizing the value of business processes and services.	2021-2023
Non-Student Accounts Receivable Project	This project seeks to bring stakeholders together from across the university to implement a non-student accounts receivable solution that retains flexibility, meets accounting and reporting requirements and ultimately furthers Oregon State University's mission.	2022-2023
University Financial Management Project	Envisioned is a UFM Suite, composed of four integrated modules, which provide essential information for budgeting and decision analysis at the college level. The UFM Suite enables the colleges to optimize spending, staffing, and course offerings consistent with their RCM budget guidance.	2020-2023
Enterprise Service Management Program: Phase 1 - HR Service Delivery (HRSD) Project	This project will enable OSU to effectively onboard new hires, get new hires setup with payroll/benefits, system access, ensure appropriate internal controls, and enable them to perform their job. The Human Resources Service Delivery project includes the following functionality: Onboarding, Offboarding checklist and exit survey, Case Management, Knowledge Management, critical HR services in a service catalog, Employee portal, and Virtual Agent.	2022
Smart Access Program	Smart Access supports several elements of the OSU IT Strategic Plan 2023 and OSU's Strategic Plan 4.0. The project enables a foundational capability to provide secure and appropriate access to data and systems to secure OSU's digital assets wherever they may be. It also provides a strategy for allowing OSU Community members to live digitally vibrant lives.	2021-2023
Administrative Modernization Program (AMP)	The Administrative Modernization Program (AMP) will allow Oregon State University to modernize its ERP, re-engineer core administrative HR, student, and finance tools and processes, and deploy AI and automated workflows in the cloud. This light and lean cloud-based approach enables better institutional agility and adaptability, exceptionally user-friendly design for students, faculty, staff and administration who interact with OSU.	Projected for 2022-2027