

Objective	Outcome success and failure levels						
What the unit aims to maximise, achieve, minimise, or avoid	Far better than expected	Excellence	Success (Planned outcome)	Qualified Success	Partial Success	Failure	Worst imaginable
Sub-objectives	<i>The unit was never expected to bring this kind of boost to the organisation</i>	<i>The unit should just keep it coming</i>	<i>The unit should continue on course, and try to improve.</i>	<i>The unit should carry on, but avoid repeating that 'qualification' next year.</i>	<i>The unit needs to focus on those weak areas, and consider necessary changes.</i>	<i>Something about the unit or its manager must change fundamentally.</i>	<i>The organisation should never have started on the path that led to the unit as it became.</i>
Maximise Benefits							
Maximise the timeliness and accuracy employee payments employees in line with proper management decisions and legal entitlements <i>Paying on time</i> <i>Accuracy</i> <i>Authorisation</i> <i>Timeliness of response</i>		<p>All pays were in all bank accounts and accessible by 7 am on the due day.</p> <p>There is sufficient documentation of processes and reviews to show that there are no errors that were not detected and corrected promptly during the year. Almost no errors were ever made, so corrections were hardly involved.</p> <p>Auditable processes demonstrate that there have been no unauthorised payments during the year. Until processes change, there is no potential for that.</p>	<p>There have been no missed paydays due to payroll team failures. There may have been some isolated bank problems that delayed employee access to pay deposits (not due to the payroll team).</p> <p>There were no known systematic errors in the determination of pay entitlements. Evidence strongly supports the view that no systematic errors exist. AND The overwhelming majority of payroll transactions were correct first time. Processes in place will have detected and corrected virtually all incorrect payments and disbursements within a reasonable time.</p> <p>Unauthorised payments have almost unknown over the year, and there is almost no potential for any of them to be found in future.</p> <p>Almost all authorisations and requests reaching the unit by advertised cut-off times were processed for the next payday. On the few occasions that was not possible, processing was sensibly prioritised and notice was given to anyone affected.</p>	<p>There were a couple of avoidable events in which some employees were paid late, but within 48 hours of the usual time.</p> <p>There were a couple of systematic errors resulting from excusable policy interpretation errors. All were resolved promptly. There is no evidence of further issues yet to be found.</p> <p>Processes maintained over the year will have detected and corrected the great majority of errors. There are a few categories in which any errors should have been prevented or detected, but in which it's possible that some random errors remain.</p> <p>A couple of unauthorised payments were made during the year, but they were detected and corrected within a reasonable time. The cases were isolated and the causes were excusable.</p> <p>Most processing during the year was completed on time. Only a few individuals were inconvenienced by the exceptions.</p>	<p>Most paydays were achieved on the legal day. There were multiple preventable exceptions affecting large numbers of employees.</p> <p>There has been an ongoing problem with one or more aspects of pay determination. The problem is known and is being worked through at the end of the year.</p> <p>Most pays are correct. There is a steady stream of errors identified from employee reports, audits, or random observation.</p> <p>There has been a pattern of unauthorised payments over the year. That pattern is being worked through.</p> <p>Most processing has been complete for done for the next payday or for the following payday. There was a proportion of transactions that took longer.</p>	<p>Repeated failure to pay employees on time, attributable to the payroll unit. OR</p> <p>Widespread or systematic errors in pays, due to negligence in the payroll unit. OR</p> <p>Some unauthorised payments are known to have been made during the year, and there is every reason to think there are many more waiting to be detected (OR, many have already been found by independent investigation). OR</p> <p>Processing has been so slow during the year that employees and managers now have no expectation that requests or authorisations will be processed in any specific amount of time.</p>	<p>Organisation subject to legal or regulator intervention over failure to pay employees regularly. OR</p> <p>There was substantial loss of workforce due to unreliability of pays, not recoverable within a single year. The reduction in workforce has put the viability of the organisation in doubt.</p>

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Maximise the employee perception that this organisation is a good employer		During the year, payroll unit has been seen as adding manager/employee service value over and above passively processing transactions.	There have been no supportable citations of payroll issues (during the year) as a problem with working at the organisation.	There has been the odd grumble, but payroll is basically trusted by employees and managers. Anyone with a complaint about working for the organisation is unlikely to mention payroll as a factor.	Payroll problems over the year have been a real contributor to poor organisational morale and poor employee retention.	Recent pay problems are universally cited as an example of why the organisation is a bad place to work.	
Maintain auditable records to support all payroll costs		Records have been checked thoroughly and are known to be in good order and to support all payroll transactions during the year.	Every dollar of payroll expense during the year is supportable by available records, with only rare and excusable exceptions.	There have been identified cases of missing records and discrepancy during the year. Causes are not systematic and there is no real doubt about the substantial integrity of payrolls.	Many records supporting payroll are missing or were never created correctly, which has resulted in a negative audit finding about payrolls. OR A chunk of important records have become un-useable during the year, so that verifying correct current pays relies on inference from other sources.	At the year-end audit, the auditors report that they are unable to provide any opinion regarding payroll expenses, due to inadequate records. There is reasonable suspicion that missing records are hiding some level of fraud and/or gross error affecting the annual financial statements.	During the year, records have been systematically destroyed and obfuscated to hide large-scale fraud.
Minimise Costs							
Minimise total payroll service costs per paid employee (including ICT costs)	Sustained payroll service performance is publicly identified as a model or benchmark for 'best practice', adding to the prestige of the organisation.	Payroll service value over the year is seen as exemplary. By the end of the year, there is some talk of providing payroll services to external clients.	Total recurring real payroll service costs per paid employee did not increase over the year. Payroll service costs are within industry norms.	Payroll service costs per employee are fairly high, and service levels are not correspondingly high, but there is some justification.	Payroll service costs per employee over the year have been high, though affordable in the short to medium term.	Payroll service costs over the year have been unreasonably high, and remain a cause for active concern at CFO level.	
Stick to the approved unit budget		Actual spends in each month were very close to predictions made several months earlier. Some adjustments were made when forecasts were not clearly favourable. As a result, the total spend was well within the annual budget and the same is expected for next year.	Total spend for the year within budget	There were year-end budget variances for explainable reasons, with no serious surprises or cuts to important spending items.	Carelessness with financial planning and spending meant there were some surprise variances that the boss or CFO would have wanted to avoid. OR Some important spending has had to be cancelled as a result of poor financial planning.	There was some unwise or reckless spending during the year that caused problems in other parts of the organisation and/or damaged the corporate bottom line.	Irresponsible behaviour in the unit (for example, irregular contract execution) has locked the organisation into damaging expenditure that will affect the bottom line in subsequent years as well as the year just past.

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Avoid Dangers							
Prevent fraud against the organisation by employees or by payroll unit members <i>Accounting fraud</i>		<p>It is known that there were no actual frauds during the year.</p> <p>The operation of effective fraud controls can be verified for any given transaction or date during the year.</p>	<p>Good evidence that there have been no undetected payroll-related frauds during the year, beyond minor unauthorised and unrecorded absences.</p> <p>Any fraud attempts that occurred were promptly detected and referred to appropriate investigation.</p> <p>Fraud prevention measures are convincing.</p>	<p>There were one or two fraud attempts during the year. Those were detected soon enough and subject to proper investigation. The individuals responsible were subject to formal disciplinary action and are unlikely to work in payroll or accounting again. The investigation included a search for other similar attempts at fraud, and none were found. Identified control weaknesses were closed from further exploitation attempts.</p> <p>There has been some employee rotting of employment conditions, such as excessive travel and prolonged allowances intended only for short term use. The known cases represent poor management rather than fraud.</p>	<p>There have been some fraud attempts that met with short-term success during the year. They were investigated and found to be isolated. The individuals involved have been moved out of payroll. No specific action was taken to reduce the opportunities to attempt similar frauds.</p>	<p>One or more ghost employees have been maintained for long periods of the year, without detection.</p> <p>During the year, some actual employees have milked extra money out of payroll using repetitive fraudulent means. Some members of the payroll team may have known about it, but it hasn't been formally investigated, nor decisively stopped.</p>	<p>During the year, multiple payroll team members have colluded to commit systematic fraud involving ghost employees.</p> <p>Payroll unit has recruited real employees into taking inflated pay in exchange for kick-backs.</p> <p>There was a large-scale misappropriation of disbursements that was achieved with very little effort, and might have been repeated.</p>
<i>Time-stealing, unauthorised absences</i>	<p>Over the year there has been a marked drop in authorised absences (and no question of unauthorised absences).</p>	<p>Unauthorised absences are known to have been almost non-existent over the year, or at least by the end of the year. There can sometimes be a delay in formally recording authorised absences, but never extending beyond the next pay period.</p>	<p>There has been a credible strategy to measure and minimise the potential for unrecorded employee absences. Control continues to rely on manager diligence, as payroll cannot detect all absences.</p>	<p>It is known that there are absences not being properly recorded and that there were many cases over the year. Most of them are short term absences during a day. In a few cases, the unrecorded absence could be in whole days. There are some reasonable bounds on the size of the problem established through evidence from samples of time sheets and security logs. A lot depends on supervising managers, as there are no central controls in payroll.</p>	<p>Payroll is relying on managers to check that all absences are properly recorded. It is known that some of them are not making any effort. There is no indication that lengthy unrecorded absences are widespread. An audit of recorded 'attendance' against reliable security logs could be embarrassing, but the organisation would get through it.</p>	<p>There are indications that unrecorded absences have been commonplace. As of the end of the year, there is a clear risk of unrecorded absences becoming normalised throughout the organisation.</p>	<p>There is a known group of employees who are on payroll but only rarely appear at work.</p> <p>There is a culture of not recording absences unless there is a specific reason to do so. There is no practical way to investigate whether an employee was actually working on a day for which they got paid.</p>
Prevent and avoid violations of confidentiality expectations around payroll			<p>The payroll unit was not implicated by any breaches of confidentiality that may have occurred during the year. (Breaches can occur between other employees.)</p> <p>The payroll unit can demonstrate good practices to protect confidentiality and information security, sustained over the year.</p>	<p>During the year there were isolated instances of someone seeing or hearing something that they should not have. The payroll unit could have been more careful, but most of the time, it has been careful enough.</p>	<p>Several times during the year, something leaked from the payroll unit through carelessness with talk, email, or documents. The unit basically understands what is to be kept private and makes an effort.</p>	<p>Over the year, anyone wanting confidential payroll information has usually been able to get it, with a bit of effort. Some payroll team members have been happy to share confidential information when they felt there is a good enough reason to do so. It has often been a matter of giving enquirers the benefit of any doubt.</p>	<p>The payroll unit has made no attempt to keep payroll information confidential, so it can be seen by almost anyone in the organisation. It is probably searchable on the Web by now.</p>

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Prevent and avoid actual or perceived unit violations of organisation values and codes of conduct		The payroll unit's actions on organisation values have been noted as positive examples for others to follow.	Payroll unit behaviours have been well within values and codes. Any exceptions by individual team members were addressed decisively. All team members have been kept aware of expectations by unit leaders.	Employee and manager service quality might have been rather uneven, based on personal relationships and favour. Nobody was actually denied their proper entitlements.	Payroll team members have been known to inconvenience employees they categorise as trouble-makers, or employees who have made complaints. At the end of the year, this sort of thing is normal.	There was at least one case during the year where a payroll unit member abused their position and access for personal advantage, at a tangible cost to an employee or to the organisation. No effective action was taken despite the facts being common knowledge.	Payroll team members have sold information systematically in exchange for bribes or other personal benefit.
Sustain Capability							
Maintain the organisation's capability to pay employees correctly indefinitely, even if there are changes in the way payroll services are provided	The organisation becomes a profitable and innovative provider of payroll services to many organisations, forming a new revenue stream.	The payroll function is working very well. It has capacity to expand to provision of payroll services to other organisations.	Recent experience demonstrates continuing capability. Changes been planned and implemented to protect rather than erode the ongoing capability.	Capacity has been up and down. It is apparently fine at the end of the year but (for example) losing two team members at the same time could result in some big backlogs or other problems.	The capacity of capable team members has depleted over the year. Those individuals will have to be replaced in the short to medium term to maintain effective capacity.	The capability and capacity of the payroll unit has declined markedly over the year. Backlogs and error levels are increasing as a result. Unless something changes sharply, there will be a general failure of the payroll service within a few months.	There is no effective internal team for payroll. Pays are continued only by an external service provider, who is providing a grossly inadequate overall service level at an outrageous price. Employees might be complaining, but no-one is listening. OR The in-house payroll system has not been maintained, and frequently crashes. It is on a path to complete and permanent failure in the short term.
Move to a new payroll system and service arrangements with long term benefits		The payroll unit is the effective leader on the change, more so than the nominal project manager. As a result, greater benefits will be delivered sooner, at lower capital cost.	New system and service on track, and not delayed by factors controlled within the payroll unit. Payroll unit has participated productively in the change project.	The change project is still expected to produce benefits. There has been some delay caused by payroll unit issues.	A change is still on the way, though it is unclear what the timing or level of benefit will be. Part of the problem has been the intermittent or half-hearted participation of the payroll unit.	The payroll unit has actively resisted any change or improvement. The change is stalled as a result.	