North American Payroll Testing Strategies

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Introduction — This discussion involves the process of testing and validating the upgraded configuration of PeopleSoft NA Payroll but also includes issues involving business processes, procedures, controls and conversions developed to produce HR, Benefit, and Payroll results.

Planning — Design and Document your test plan to include Scope, Resources, Environments, Timeline and Assumptions as well as what the "sign off" criteria will be. Identifying your project testing roles is critical to ensure you have the appropriate team in place to handle the multiple phases of testing. Both functional, technical, and end users will be required during different phases of testing. Create test scripts that accurately reflect all the steps of the process to be tested and expected results. Determine if the scripts should cross functional areas and develop a method of "passing off" the scripts between the areas. Once the test scripts are established, clearly define what payroll periods will be used for testing, and how this will be accomplished.

1) Will the test be a copy of the system at a "point in time" and processes run (with no data entry)
2) Will the testing include all companies/departments or just select data
3) Will the testing include all data entry (HR, BEN and Payroll)

Execution --The first step in conducting good testing is to review the documented business process and ask the subject matter experts in the user community to verify the business process. This will ensure your testing reflects the "as is" procedures. During an upgrade, if your scope does not include enhancements, the goal is to verify "as is" procedures and would include enhancements only when they are in scope or required by an upgrade modification (i.e. new functionality or change to existing features).

If there are new features or functionality being realized during the upgrade, the business process should be identified, documented and reviewed with appropriate business owners to ensure a proper test is conducted during system, user, and parallel testing.

The objectives for each phase of testing, as it pertains to PeopleSoft NA Payroll, have unique goals which we will discuss.

System Testing includes upgrade team members running the processes using customer data to ensure the pages load, processes run and logical results occur. This phase is not meant as a "parallel" but more to ensure the system controls and processes are in place and configuration is complete.

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User Acceptance Testing (UAT) is a bit more specific to customer business processes and should include subject matter experts that have a high level of knowledge of the customer business process and current expected results. In creating a User Acceptance Test plan, first identify the scope of the initiative by clearly documenting the population that is available for testing and the specific processes that will be tested. During an upgrade, it is plausible to select only the critical processes (i.e. payroll processes that are completed on a pay period basis). This includes HR, Benefit, and Payroll Data Entry, Ben Admin processes (if applicable), custom in/outputs for payroll and the delivered NA payroll processes. The scope of both System Test and UAT for a new implementation would be greater than that of an upgrade. If you are conducting a new implementation of PeopleSoft HCM and NA Payroll, you should expand your testing to each page/process you will be utilizing within the system. Scope for upgrade testing can be minimized to critical processes (as defined by each customer).

Parallel Testing is the most detailed test. In creating the Parallel Test Plan, determine if the Parallel Test will involve the entire population or a large sample. All processes run in the production environment must be tested to ensure a successful parallel test. These processes include all inbound and outbound interfaces, and all HR, Benefit and Payroll transactions that would take place during the paralleled cycle and post confirm processes and reports. Parallel testing should involve at least 2 consecutive payroll periods.

Validation — The validation criteria varies based on the test cycle being run. During System Testing, the results may not be exact, but variances should be acceptable and documented. The following processes should be run and compared to Production data:

- Create Paysheets and compare the number of sheets created
- Run the Payroll Calculation and compare the number of checks created
- Run Payroll Summary Report and compare totals
- Run Payroll Confirmation, Create Direct Deposits, Create Checks
- Run Payroll, Check and Direct Deposit Reports and compare totals
- Run any additional Post Confirm processes that are currently run in Production and compare results

User Acceptance testing - This would be the first test that includes inbound and outbound interfaces. Validation of inbound interfaces includes the following:

- Did the interface run to success without error
- Were the PS records updated correctly

Once these steps are completed, run all payroll processes through confirm, validating the results after each process. The objective is to make sure that all calculations are reasonable.

Year End and Quarter End processes should be run during this phase of validation to ensure that the interfaces have not adversely affected these processes as well.

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Validation of the outbound interfaces includes the following:

- Run all Post Confirm processes
- Did the interfaces run to success without error
- Validate with third party vendors that information was received and can be processed

Parallel Test – During this phase of testing, all processes are run and the data balanced to the production payroll.   All data entry transactions and processes that take place in the production payroll must be duplicated in the upgraded environment. It is important to select payroll cycles that include all calculations, especially those that run on a periodic basis. In addition to the pay period parallel tests, Month End, Quarter End, and Year End processing should be completed and balanced to the current production payroll. (NOTE: on a list of Item 1, Item 2, and Item 3…I always put a comma before the AND. I definitely see it done a lot without. I would say just try to be consistent.)

The following processes should be run and compared to Production data:

- Run all inbound interfaces
- Run Pre-Sheet Audit Report
- Create Paysheets and compare the number of sheets created
- Perform all Paysheet manual transactions if applicable
- Run Pre-Calc Audit Report
- Run Payroll Calculation
- Review message log. Correct all errors
- Run Payroll Summary Report and balance totals. Investigate all differences between the production payroll and upgraded payroll
- Run Pre-Confirm Audit Report
- Run Payroll Confirmation
- Balance Payroll Summary Report and balance totals to production payroll
- Create Direct Deposits
- Run Check and Direct Deposit Reports and compare totals
- Run Post Confirm Interfaces and verify totals with 3rd party vendors
- Run any additional Post Confirm Processes that are currently run in Production and compare results
- Run Month End Processes if applicable
- Run Quarter End Processes and balance to production payroll
- Run Year End Processes and balance to production payroll

Conclusion – Successful upgrades depend on comprehensive planning, testing, and validation of results. Hopefully, this presentation has helped you understand the critical phases of payroll testing and the objectives of each phase.