2025-2026 KERN COUNTY GRAND JURY

COUNTY OF KERN WORKDAY®(KERN360)

GROWING PAINS OF LEARNING A NEW SYSTEM

Release Date
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WORKDAY®(KERN360)

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Kern County Administration Building
Photo from the Kern County website

SUMMARY:

Most residents of Kern County (County) are aware of the fast-paced growth and numerous changes the County has experienced in the past 50 years. As expected, over time, the County Administrative Office's computer mainframe has become obsolete; therefore, the aging legacy operating system applications must be replaced. This required the County to search for a modern system to meet growing demands, and to ensure the security and processing of County budgeting, accounting, and financial reporting. This also includes Human Capital Management (HCM), which controls Human Resource functions such as hiring, payroll, benefits and performance tracking.

To address this, the County researched purchasing a new system, designed to unify and modernize County Financials, Human Resources and analytics across all departments. A Request for Proposal (RFP) was issued, resulting in eight proposals from qualified vendors. During this process, recommendations in favor of Workday software were received from Santa Barbara, Placer, and Stanislaus counties, as well as from the State of California. After an evaluation, it was determined that Workday software and Guidehouse® (implementation and training services) was the superior solution and partnership capable of providing the best value to the County. It is also the only system that provides the capabilities to communicate with other counties operating within the same system.

On July 25, 2023, the Kern County Board of Supervisors (BOS) approved agreements with Workday and Guidehouse. The new system is known locally as Kern360 and was purchased at an

initial cost of $33.6 million. Implementation of HCM was extended to January 31, 2027, from the original date in March 2026, at an additional cost of $3.6 million.

A County Steering Committee was formed, comprised of qualified individuals from County Administration, including the Auditor-Controller, Human Resources, Treasurer-Tax Collector Office, and Information Technology Services. Their participation in the project is to help facilitate and implement Financials, Human Resources, and Payroll, using "train-the-trainer" methodology.

Guidehouse, a consulting firm, based in Atlanta, Georgia, was contracted to provide training to implement Workday. County departmental supervisors and management were trained in the first phase by Guidehouse. In the second phase, management heads trained their staff. The first phase of financial training, provided by Guidehouse, was successful. The second phase of the training was less than successful, due to conflicts with staff duties and scheduling. To accommodate busy schedules, management decided to use recorded training videos to be used at staff convenience. Staff supervisors indicated that too much time elapsed between reviews of training videos and the actual implementation, making it difficult to recall data learned.

The Financials (accounts payable, accounts receivable and purchasing) were implemented in June 2025. However, inconsistent training and system errors have led to frustration among departmental staff.

To ensure a successful transition from Financials to HCM, additional preparation is essential. Unlike Financials, which is primarily utilized by accounting staff, the HCM system will require active engagement from all employees. Comprehensive training across all departments will be critical, and management should utilize temporary (temp) services, as needed. Interviews have highlighted the need to add an additional HCM Analyst to provide enhanced support during and after implementation. Full deployment of the HCM system is targeted for January 31, 2027.

Due to recommendations from the Steering Committee, the HCM is currently being tested to validate system functionality. To date, payroll has not been implemented. The program will be tested a minimum of three times, running concurrently alongside the legacy system to ensure error-free performance. The HCM is expected to be fully implemented by January 31, 2027.

PURPOSE OF INQUIRY:

The California Penal Code §925, authorizes the 2025-2026 Kern County Grand Jury (Grand Jury) to investigate and report on the operations and management of the Kern County Auditor-Controller. While inquiring into Kern360, the Grand Jury became aware of issues with ordering supplies, conducting normal day-to-day data entries, and independent contractors payout. This prompted an inquiry into the Auditor-Controller's recent purchase and utilization of a new financial system for the County.

METHODOLOGY:

To assess the situation, the Grand Jury conducted interviews with County personnel directly involved in the transition from the legacy operating system for Financial and Human Resources

with the newly updated Workday platform. Documents (e.g. contracts, training records, etc.) were reviewed for content and confirmation of training compliance targets, and dates of completion.

DISCUSSION OF FACTS:

A. On October 10, 2023, the Board of Supervisors approved agreements with Workday to acquire software licensing to ensure the successful implementation of Kern360, to replace the existing 50-year-old legacy system.

B. Workday-based Enterprise Resource Planning (ERP, also known as Kern360) includes the following:
   - Workday Financial Management: Streamlines budgeting, accounting, and financial reporting
   - Workday Human Capital Management (HCM): Centralizes HR functions such as hiring, payroll, benefits, and performance tracking
   - Workday Prism Analytics: Enhances data visibility and decision-making by integrating external and internal data sources
   - Workday Help: Provides employee self-service and support tools to reduce administrative overhead

C. Workday will provide semi-annual updates for Kern360.

D. Accounts Payable data has been input into Kern360.

E. There were implementation issues with Kern360 Financials rollout.

F. Accounts Payable is stored in the Cloud.

G. Payroll has not been implemented.

H. Payroll must be run error-free three consecutive times before going live.

I. The Human Resources and payroll platforms are set to be finalized by January 31, 2027.

J. Guidehouse was contracted as an implementation partner to provide training for Administrative staff and the train-the-trainer.

K. Payroll will be run concurrently with the legacy system to ensure a smooth transition.

L. The Steering Committee was created by the Auditor-Controller to oversee implementation of the Workday and Guidehouse operations consisting of Financials and HCM for 8,500 Kern County personnel.

M. Departmental staff continue to face long-term challenges in adapting to the new system.

N. Auditor-Controller personnel are currently staffing a Help Desk to support countywide training needs.

O. All Financials were moved onto Kern360 and activated while consultants were in attendance.

P. Kern360 uses a structured training mechanism.

Q. The HCM requires an additional Analyst position.

R. There has been inconsistent training and related user errors.

FINDINGS:

F1. Workday software incorporates a self-help training feature, which may allow staff to work more independently, possibly reducing administrative overhead.

F2. Kern360 data input errors for the month of June could be considered a clear indication of limited training.

F3. Repetitive use of Kern360 will enhance the users' abilities to improve end results.

F4. Reports indicate that, to date, the projected timelines for program completion are not being met, and would benefit from utilizing temp services.

F5. In order to implement a smooth transition to HCM, one additional Analyst position is needed.

RECOMMENDATIONS:

R1. By March 2, 2026, the County administration (administration) should ensure that staff training includes the self-help program, and is utilized to reduce additional administrative training costs. (Finding F1)

R2. By March 2, 2026, management needs to ensure that all training is mandated and documented for all accounting staff. (Finding F2)

R3. By January 31, 2026, the administration should schedule a set time for proper individualized training, as needed. (Finding F3)

R4. By March 2, 2026, the administration should ensure timely implementation of Kern360, by investigating the use of outside temp services to provide additional help, as needed. (Finding F4)

R5. By March 2, 2026, the administration should ensure a smooth transition to the HCM, by adding an additional Analyst to the support team. (Finding F5)

COMMENTS:

The 2025-2026 Kern County Grand Jury would like to thank those interviewed from the County Administrative and the Auditor-Controller Offices, members of the Kern360 Steering Committee, and other administrative staff for sharing their knowledge regarding staffing, funding and operations. The Grand Jury would also like to commend the Kern County Administrative staff for their acquisition of the Workday Enterprise Resource Planning System.

RESPONSE DEADLINES:

- **REQUIRED WITHIN 90 DAYS FROM:**

  Board of Supervisors
  Findings F1 through F5
  Recommendations R1 through R5

- **REQUESTED WITHIN 90 DAYS FROM:**

  County Administrative Office
  Findings F1 through F5
  Recommendations R1 through R5

  Auditor-Controller
  Findings F1 through F5
  Recommendations R1 through R5

RESPONSES ARE REQUIRED PURSUANT TO CAL. PENAL CODE §§933(C) AND 933.05:

- **PRESIDING JUDGE**
  KERN COUNTY SUPERIOR COURT
  1415 TRUXTUN AVENUE, SUITE 212
  BAKERSFIELD, CA 93301

- **FOREMAN**
  KERN COUNTY GRAND JURY
  1415 TRUXTUN AVENUE, SUITE 600
  BAKERSFIELD, CA 93301

Reports issued by the Grand Jury do not identify individuals interviewed. Cal. Penal Code §929, requires that reports of the Grand Jury do not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.