EXECUTIVE STEERING COMMITTEE

DEPARTMENT OF REVENUE

FEBRUARY 27, 2019

FloridaPALM

Planning, Accounting, and Ledger Management

ROLL CALL AND OPENING REMARKS

FACILITATOR: RYAN WEST, CHAIR

Florida**PALM**
Planning, Accounting, and Ledger Management

REVIEW OF NOVEMBER 28, 2018 MEETING MINUTES

FACILITATOR: MELISSA TURNER

Florida PALM
Planning, Accounting, and Ledger Management

PROJECT UPDATE

FACILITATORS: MATT COLE,
SCOTT FENNELL, MELISSA TURNER

Florida PALM Project Update
Risks and Issues

▸ Since the last ESC meeting, there have been no new risks reported

▸ One risk has been closed, related to the ability to obtain ESC approval for the December 2018 Go/No-Go Decision

▸ An issue was logged related to construction delays resulting in additional facility costs for January – March 2019 for space in the Pepper Building; issue was closed after updating the Spend Plan to account for the facility costs

▸ Risks and Issues with a high probability and impact will continue to be shared via monthly status reports and discussed (if necessary or as requested) with the ESC

Florida PALM Project Update
Budget – FY 18-19

FY 2018-2019 Spend Plan Summary As of December 31, 2018			
Category	**Projected FYTD**	**Baseline Adjustment**	**Incurred FYTD**
Special Category	$12,151,372	-$1,088,698	$11,062,674
Salaries and Benefits	$2,485,505	-$439,885	$2,045,620
DMS Transfer	$8,299	$0	$8,299
Risk Management	$3,698	$0	$3,698
Total	**$14,648,874**	**-$1,528,583**	**$13,120,291**

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Florida PALM Project Update
Budget – FY 18-19

FY 2018-2019 Spend Plan Summary As of January 31, 2019		
Category	**Projected FYTD**	**Incurred FYTD**
Special Category	$12,600,942	$11,927,076
SSI Contract	$11,580,359	$10,962,859
Project Admin	$220,873	$200,595
Support Services	$534,505	$511,522
IV&V	$265,205	$252,100
Salaries and Benefits	$2,491,299	$2,418,488
DMS Transfer and Risk Management	$16,147	$16,147
Total	**$15,108,388**	**$14,361,711**

Florida PALM Project Update
Budget – FY 18-19

▸ Special Category releases to date
  ◦ Initial Release: $292K
  ◦ September 2018: $13.3M
  ◦ February 2019: $9.4M (includes facility costs for Q3)
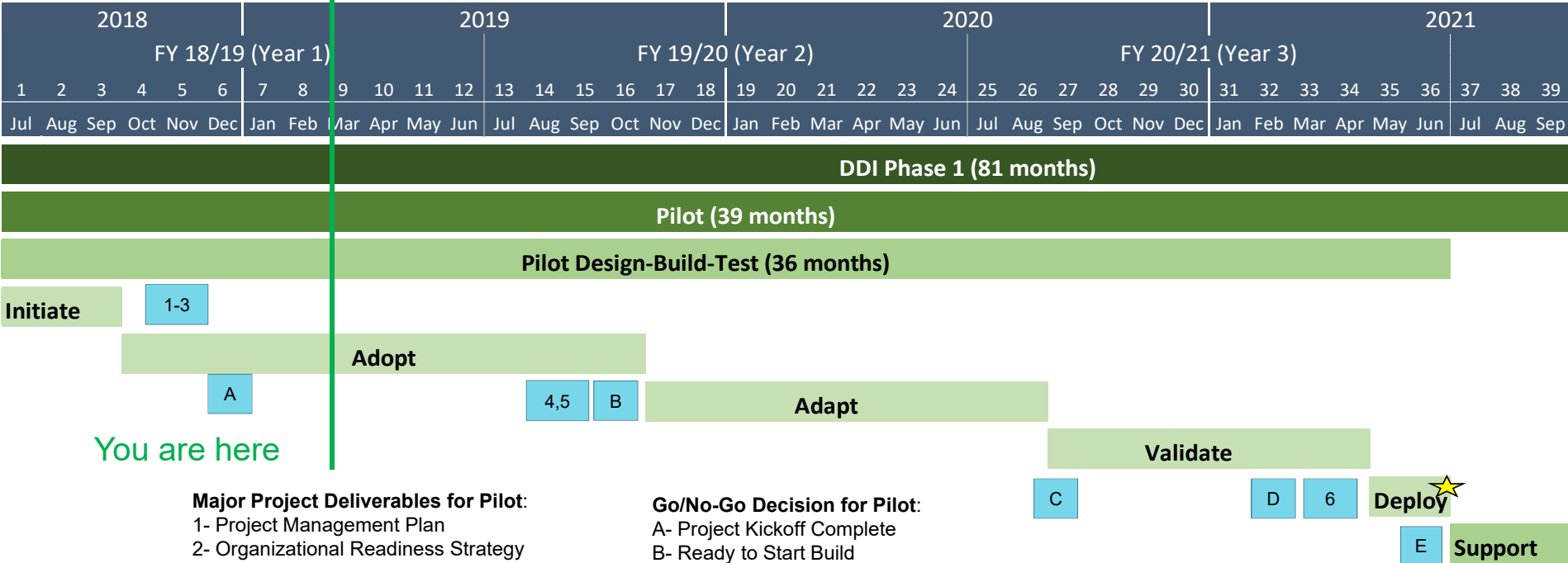▸ Anticipated reversion is approximately $10.8M

Florida PALM Project Update
Budget – FY 19-20

▸ Accenture has proposed a contract amendment to align timing of Project Schedule activities to Attachment 2 Payment Schedule

▸ Proposed contract amendment accounts for fiscal year deliverable differences and timing of holdback payments

▸ Proposed contract amendment does not include:

◦ Any changes to Go/No-Go Decision dates

◦ Any changes to Major Project Deliverable acceptance dates

◦ Any changes to the total contract cost

▸ First year of impact is FY 19-20

Florida PALM Project Update
Schedule

2018						2019												2020												2021								
FY 18/19 (Year 1)								FY 19/20 (Year 2)																FY 20/21 (Year 3)														
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39
Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep

DDI Phase 1 (81 months)

Pilot (39 months)

Pilot Design-Build-Test (36 months)

Initiate 1-3

Adopt

A 4,5 B **Adapt**

You are here

Validate

C D 6 **Deploy** ⭐

E **Support**

Major Project Deliverables for Pilot:
1- Project Management Plan
2- Organizational Readiness Strategy
3- Solution Analysis and Design Strategy
4- Standardized Business Process Models
5- Process and Transaction Mapping Analysis
6- Production Support Strategy

Go/No-Go Decision for Pilot:
A- Project Kickoff Complete
B- Ready to Start Build
C- Ready for Integration Testing
D- Ready for User Acceptance Testing (UAT)
E- Ready to Deploy

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Florida PALM Project Update
Schedule – Ready to Start Build

▸ Go/No-Go Decision components

Not Started
In Progress
Complete

BPS

SDS

Ready to Start Build Go/No-Go Decision

- Application Configuration and Development Strategy
- Gap Inventory
- Leading Practice Decisions and Outcomes
- **Process and Transaction Mapping**
- Reporting Strategy
- Requirements Management Plan
- Requirements Traceability Matrix
- **Standardized Business Process Models**

- Data Architecture Strategy
- Data Conversion and Migration Strategy
- Data Conversion Inventory
- Information Technology Controls Strategy
- Security and Technical Compliance Strategy
- System Infrastructure Strategy
- Technical Architecture Strategy

OCM

- Communications Measurement Plan
- Communications Plan
- Knowledge Transfer Plan
- Organizational Readiness Assessment
- Organizational Readiness Plan
- Training Strategy

PMO

- Project Guidelines and Operating Principles

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Florida PALM Project Update
Scope

Not Started

In Progress

Complete

▸ FY18-19 Objectives Update
  ◦ Project Team Mobilization
    • Onboard Accenture resources
    • Coordinate PeopleSoft training for BPS Project Team
  ◦ Facility relocation
    • Execute lease
    • Solicit contractors and obtain permits
    • Relocate
  ◦ Solution Design
    • Develop Solution Analysis and Design Strategy
    • Develop Requirements Management Plan

Florida PALM Project Update
Scope

▸ FY18-19 Objectives

  ◦ Stakeholder Engagement

    • Present contract and timeline overview for various stakeholders

    • Conduct current state interface research and analysis

    • Create communication to share Project activities for upcoming months

    • Develop Change Champion Plan as part of Change Champion Network

    • Identify/Confirm Pilot Agencies

  ◦ Technical Environment Setup

Florida PALM Project Update
Legislative Proposals

▸ Initial Draft Recommendations for Statutory Changes were approved by the ESC on April 25, 2018

▸ The Project Team considered the items during the requirements review and design activities completed to-date

▸ List under evaluation for further consideration for the 2019 Legislative Session

Florida PALM Project Update
Change Champion Network

- Establishes primary channels for communication between the Project and agencies
- Provides internal support framework for agencies to transition to Florida PALM
- Sets a goal to identify all Agency Sponsors and Agency Liaisons by May kickoff meeting

WHO ARE CHANGE CHAMPIONS?

Agency Sponsor – Leader and supporter of the Florida PALM Project within your agency

Agency Liaison – Primary point of contact between the Florida PALM Project and your agency

Business Liaison – Coordinates Florida PALM functional activities at your agency

Change Management Liaison – Supports Florida PALM readiness activities at your agency

Technical Liaison – Serves as the Florida PALM technical contact for your agency

Training Liaison – Manages Florida PALM training activities for your agency

Super User – Understands technical or functional business processes for your agency and supports the agency end users.

Florida PALM Project Update
Leading Practice Workshops - Overview

▸ Workshops engaged stakeholders to:
  ◦ Discuss leading financial management practices
  ◦ Provide input for how the leading practices could be considered for adoption

▸ Workshops had both an <u>educational component</u>, so that participants had a shared understanding of the topics and a <u>consensus building component</u>, so the outcomes reflect the thinking of the group

Florida PALM Project Update
Leading Practice Workshops - Approach

▸ Workshops addressed 35 leading practices in five topic areas: Chart of Accounts Design; Managing Customer Records; Billing and Accounts Receivable (AR); Accounts Payable; Reporting and Business Intelligence (BI)

▸ Workshops engaged 91 state participants from 22 organizations

▸ Workshop participants identified benefits and obstacles towards implementing the leading practices, and then rated each for value and effort on a scale from 1 (low) to 5 (high)

▸ Outcomes provide input to Solution Analysis and Design activities and provide an indicator of participant thoughts for future change impacts

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Florida PALM Project Update
Leading Practice Workshops - Chart of Accounts
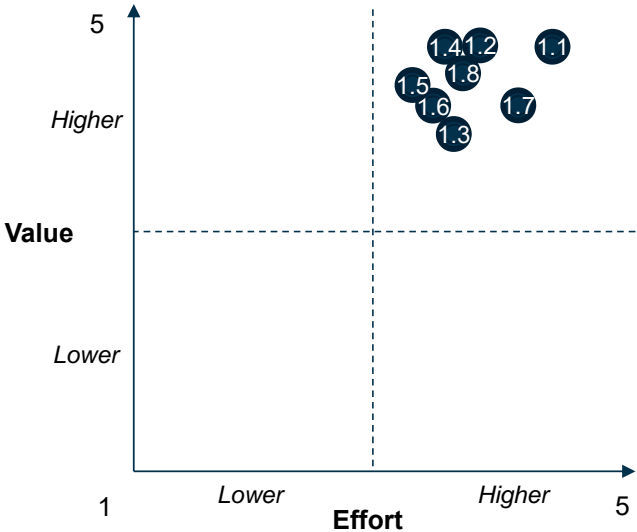
Leading Practices	Consider Now	Consider Later
1.1 Adopt a single, global chart of accounts	✓	
1.2 Maintain a lean chart of accounts	✓	
1.3 Eliminate "Miscellaneous" ChartField values		✓
1.4 Build flexibility into the chart of accounts coding scheme	✓	
1.5 Use sub-systems for transaction details	✓	
1.6 Provide for optional agency ChartFields	✓	
1.7 Centralize management of the chart of account and trees	✓	
1.8 Institute a formal COA governance model	✓	

Potential Benefits from these Leading Practices	Highlighted Challenges to Adoption
• Consistent, standardized reporting of financial information • Simpler chart of accounts structure with less duplication of values • Well-understood governance structure and approval process for changes to ChartField values	• Tradeoffs between greater standardization and agency control • Ensuring that the chart of accounts is flexible to changes in statute and organizational structure • Need for sufficient training to adapt to a new ChartField-driven mentality

Florida PALM Project Update
Leading Practice Workshops - Customer Records
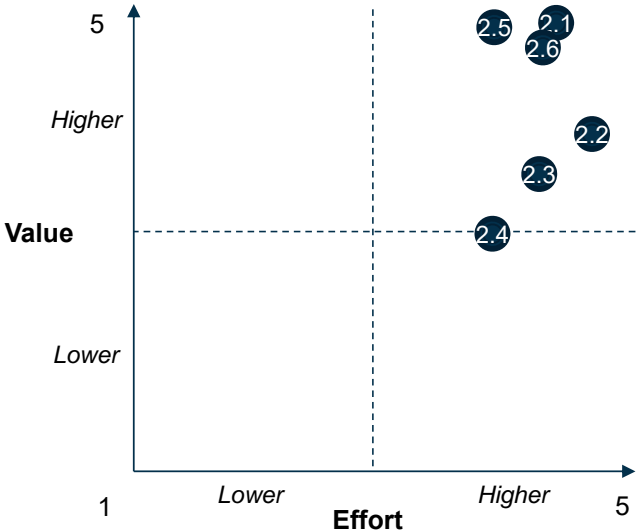
Leading Practices	Consider Now	Consider Later
2.1 Use a common customer identifier	✔	
2.2 Intercept payments to offset delinquent debts		✔
2.3 "Intercept" at the point of service delivery		✔
2.4 Allow customer self-service		✔
2.5 Build in confidentiality restrictions	✔	
2.6 Adopt an enterprise approach to governance	✔	

Potential Benefits from these Leading Practices	Highlighted Challenges to Adoption
• "Single view of the customer" across the enterprise • Reduction in delinquent receivables with automated payment intercepts • Ease of use and more accurate data via customer self-service, where appropriate, and relevant controls when required	• Privacy issues and need for enhanced security for certain customer types • Maintaining sufficient customer information to meet agency financial reporting needs • Striking the proper balance between self-service and data validation

Florida PALM Project Update
Leading Practice Workshops - Billing and AR
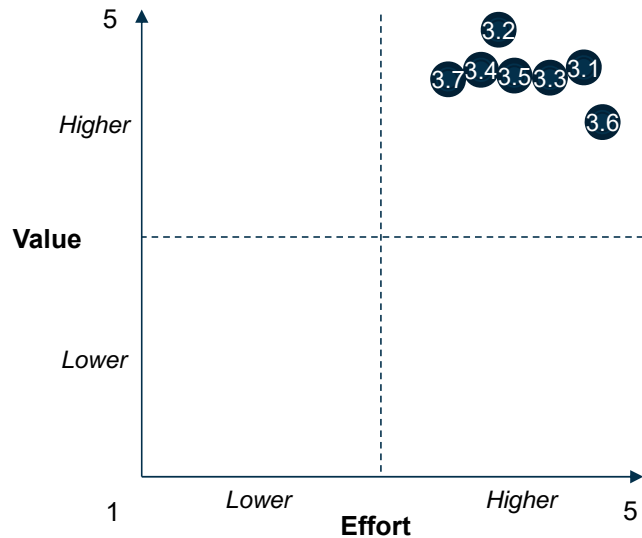
Leading Practices	Consider Now	Consider Later
3.1 Implement statewide A/R billing functionality	✓	
3.2 Focus on controls	✓	
3.3 Provide standardized functionality and business rules	✓	
3.4 Use sub-systems for transaction details	✓	
3.5 Make it easy for customers to remit revenue		✓
3.6 Utilize intercepts to offset delinquent receivables		✓
3.7 Create a capability to share A/R and collections best practices		✓

Potential Benefits from these Leading Practices	Highlighted Challenges to Adoption
• Reduced risk of fraud and abuse with automated internal controls and system-based separation of duties • Offering a standardized process to agencies who lack the functionality and also allowing integration of agency accounts receivable systems	• Process and statutory challenges, including those that may be obstacles to accepting certain forms of payment or from standardizing collection cycles • Process and statutory challenges, including those that may be obstacles to accepting certain forms of payment, intercepting receivables within and across agencies and customers, or from standardizing collection cycles • Balancing level of detail needed for statewide reporting vs. agency operations

Florida PALM Project Update
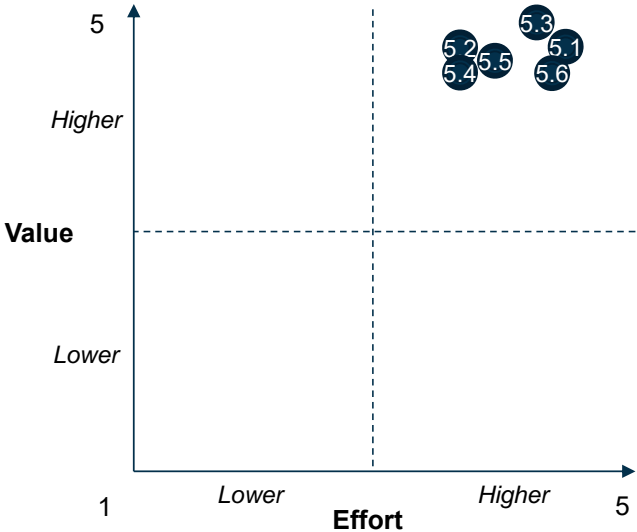## Leading Practice Workshops - Accounts Payable
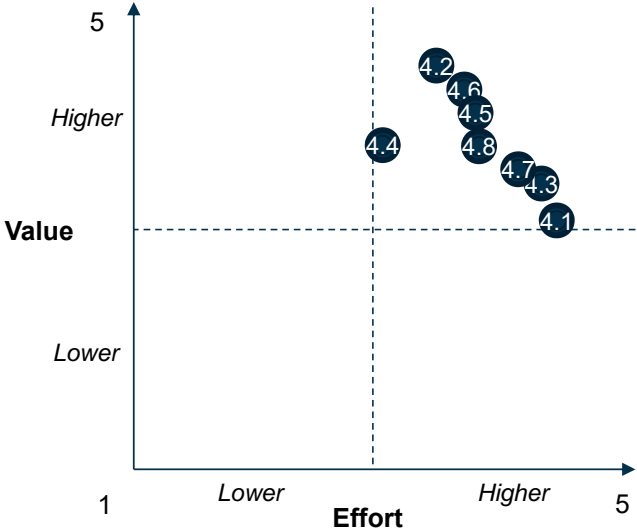
Leading Practices	Consider Now	Consider Later
4.1 Maximize working capital to increase interest income	✓	
4.2 Design internal controls into the system	✓	
4.3 Minimize manual data entry and optimize automation	✓	
4.4 Perform risk-based pre-audits		✓
4.5 Provide visibility into all steps in the payment process	✓	
4.6 Minimize the cost to disburse payment		✓
4.7 Maximize encumbrances		✓
4.8 Coordinate on end-to-end procure-to-pay policy		✓

Potential Benefits from these Leading Practices	Highlighted Challenges to Adoption
• Increased revenue from vendor early payment discounts and interest income • Improved budget management due to expanded use of encumbrances • Payment transparency and fewer calls inquiring about payment status	• Payment processes that currently prioritize avoidance of late penalties rather than timing payments to maximize return on the state's capital • Automation may be inhibited by the many formats used by different vendors • Consolidated warrants make reconciliation of sub-transactions difficult

Florida PALM Project Update
Leading Practice Workshops - Reporting and BI

Value — Higher / Lower

Effort — Lower / Higher — 1 to 5

(Scatter plot showing practices 5.1–5.6 clustered in the Higher Value / Higher Effort region: 5.3, 5.1, 5.2, 5.4, 5.5, 5.6)

Leading Practices	Consider Now	Consider Later
5.1 Establish a well-defined governance and management model	✓	
5.2 When defining reporting policies, balance access with security	✓	
5.3 Enable self-service	✓	
5.4 Develop the "high touch" aspects to accompany the "high tech"	✓	
5.5 Manage master/ and transactional data to ensure data quality	✓	
5.6 Evaluate emerging technology and supplement current tools	✓	

Potential Benefits from these Leading Practices	Highlighted Challenges to Adoption
• More informed end-users who are able to access their own reports and to share reports across agencies • Increased use of data to support agency and statewide decision-making • Maintaining access to historical data	• Ensuring that increased access to analytic tools is paired with proper training • Balancing standardized data definitions in the enterprise system with agency-specific reporting requirements and defining authoritative data • New skill sets are needed to complement new technology

Florida PALM Project Update
Leading Practice Workshops - Observations

▸ Results reflect participants' point of view, so the results may not reflect the desired direction of all stakeholders

▸ Participants gave value and effort ratings based on their individual experience with the current processes, and not based on information about the Florida PALM Solution

▸ Composite ratings do not reflect the effort needed to implement the leading practices in the Florida PALM Solution

Florida PALM Project Update
Leading Practice Workshops - Conclusions

▸ All leading practices presented were rated as high value by the participants and are recommended by the Project Team for consideration

▸ Results of this effort provided an indicator of change efforts needed

▸ Given the foundational nature of these leading practices, the determination on adoption should be made during Solution Analysis and Design activities

▸ The results are consistent with experiences in other states

INDEPENDENT VALIDATION AND VERIFICATION (IV&V)

FACILITATOR: NATHAN FREY

IV&V Assessment
January 2019 Reporting Period

Overall Status

Current Period	Prior Period	Overall Trend	Observations Based on standardized IV&V scoring
🟩	🟩	⬆	• The DDI Phase continues to progress according to plan. • Resource allocation is monitored closely and activities are allotted reasonable time to complete. • The project's managerial and reporting structure supports staff development, process definition, quality assurance, and other functions necessary for project success. • Risks and Issues are being managed proactively and with a reasonable sense of urgency. • PMO demonstrates consistent and strong cost management practices. • Quality control, financial control, and vendor processes are established and consistently executed. • The Project regularly conducts proactive communications to stakeholders. • An effective organizational structure combined with positive morale among staff continues to foster a collaborative environment. • Collaboration between the State and Accenture Teams continues to produce results without some of the more typical challenges that occur in similar projects. • The IV&V Team has identified no significant risks to DDI Phase activities. • The Project trend is positive as momentum increased toward producing deliverables and achieving project milestones.

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IV&V Assessment
Additional Observations

▸ The analysis presented from the Leading Practices Workshops objectively captured the various opinions and reactions expressed by agencies

▸ Almost all the leading practices presented are regarded as having some relatively high degree of value by participants

▸ Many of the practices discussed are now inherent in the software as it has evolved to meet market demands

▸ Others can be supported by software without custom development

IV&V Assessment
Additional Observations

▸ Overall the Project continues to produce work products and deliverables according to plan and results reflect the collaborative efforts of State and Accenture resources

▸ The Project schedule is sufficiently detailed and used by every level of the Project Team

▸ Project Schedule management remains a top priority for both parties, and as a result, there is very little schedule variance

▸ Prior to being made, schedule adjustments are scrutinized for contract compliance, resource demands, and fiscal implications

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IV&V Assessment
Additional Observations

‣ Sound fiscal management is demonstrated on a regular basis resulting in consistently high Project Cost Performance Index results

‣ Focus on the budgetary request-to-release cycle is necessary to avoid potential liquidity issues and risks to productivity

‣ Overall, work is being completed at an expected pace and on schedule, without major obstacles, and at mutually agreeable levels of acceptable quality

UPCOMING ACTIVITIES

FACILITATOR: MELISSA TURNER

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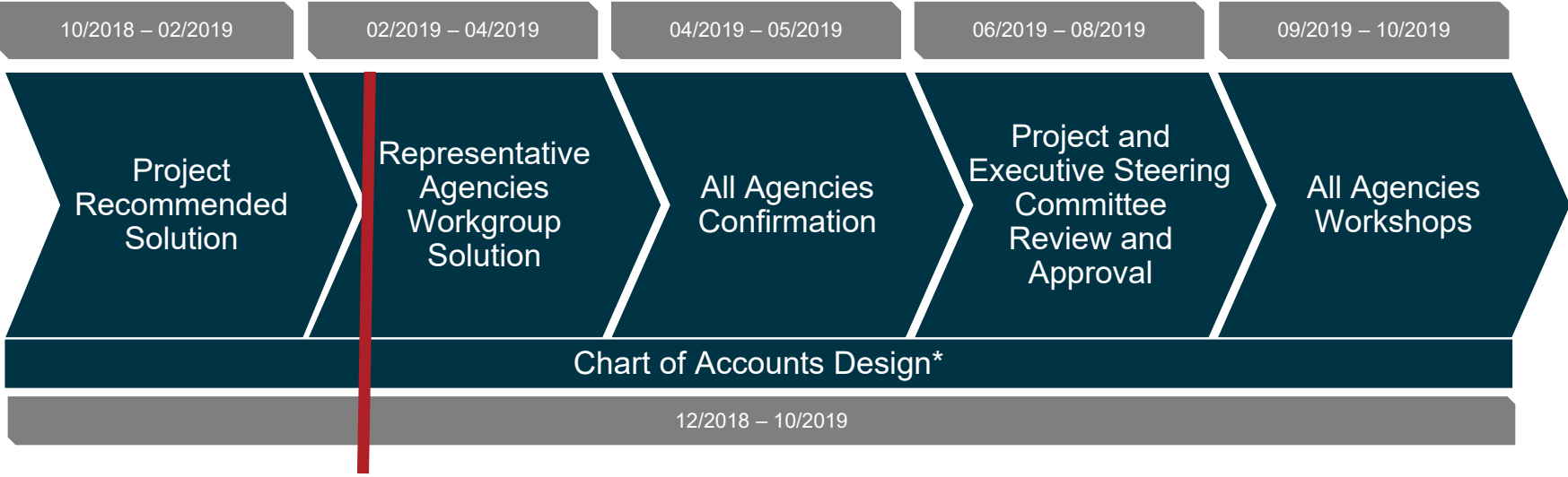Planning, Accounting, and Ledger Management

Upcoming Activities
Decisions

Decision Overview	Decision Tier
Determine appropriate time to retire Central FLAIR	Tier 1 (Project Director)
Learning Management System for training logistics	Tier 1 (Project Director)
Identify Pilot Agencies	Tier 1 (Project Director)
Pilot - Ready to Start Build (Go/No Go)	ESC

Upcoming Activities
Agency Engagement

▸ Representative Agencies Workgroups

  ◦ Objective is to refine the Project recommended solution through group review and discussion of the draft standardized business process models

  ◦ Select agencies will participate in a series of three-hour workgroups categorized by Business Process Grouping

  ◦ Business Process Groupings represent collections of related business processes

  ◦ Kickoff meeting conducted February 21, and workgroups will be conducted over a six-week period from February 26 – April 11

Business Process Groupings
• Account Management and Financial Reporting
• Budget Management
• Disbursements Management
• Asset Accounting and Management
• Revenue Accounting
• Accounts Receivables
• Treasury Management
• Cash Management

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Upcoming Activities
Agency Engagement

▸ Change Champion Network
- Activities for March and April:
  • Conduct Change Champion Network Overview Briefings with all agencies
  • Prepare for Change Champion Network Kickoff Meeting
- Activities for May:
  • Conduct Change Champion Network Kickoff Meeting
  • Launch Agency Readiness activities to support Pilot implementation

NEW BUSINESS

FACILITATOR: LISA EVANS

New Business

‣ FDOT Work Program Integration Initiative (WPII)

NEXT MEETING

MARCH 27, 2019
DEPARTMENT OF REVENUE
BUILDING 2, ROOM 1250

Florida**PALM**
Planning, Accounting, and Ledger Management

Contact Information

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