

# Florida **PALM**

Planning, Accounting, and Ledger Management



# EXECUTIVE STEERING COMMITTEE

DEPARTMENT OF FINANCIAL SERVICES

MAY 10, 2022



# Florida PALM Project Update

## Updates

- ▶ Month-End Closing
  - December, January, and February have been closed
  - March is on target to close this week
  - April is on schedule to be closed by COB May 20, 2022
- ▶ Budget Amendments
  - Quarter 4
  - Amendment 7
  - Settlement Agreement



# Road to CMS Remediation



# Road to CMS Remediation

## How We Got Here – Project Schedule

- ▶ Aggressive timeline (e.g., July 1, 2021, for CMS Wave and July 1, 2024, for Financials Wave)
  - Caused tough business decisions to be made for the CMS Wave implementation (e.g., shortened testing efforts)
  - Resulted in an inadequate timeline for all CMS implementation efforts (e.g., testing, training, and hyper-care should have been longer)
  - Caused resources to be spread thin across the Project (i.e., resources moved on to the Financials Wave before the CMS Wave was deployed and stabilized)



# Road to CMS Remediation

## How We Got Here – Requirements

- ▶ High level requirements (i.e., ability to...) and process flows were used for procuring services; requirements were considerably more complex than advertised
- ▶ Requirements were not fully understood or developed due in part to the age of legacy environments and related processes and staff turnover (i.e., staff that developed most of the functionality and related business processes in the legacy systems have retired)
- ▶ Requirements evolved based on how PeopleSoft works compared to legacy systems
- ▶ Over-commitment of PeopleSoft abilities based on high level requirements (e.g., deal management functionality)
- ▶ New vendors were onboarded during the CMS implementation
  - During procurement, vendors stated they could provide the details needed and use the designed Florida PALM functionality
  - During implementation with the new vendors, it became clear they could not provide the required data, leading to significant customizations and pivoting within the Florida PALM team and system to integrate with the new vendors



# Road to CMS Remediation

## How We Got Here – Legacy File Mapping

- ▶ Integration with legacy systems has been challenging due to significant difference in the nature of the systems and change in Chart of Account structure
  - E.g., multiple environments in FLAIR and CMS to a singular accounting environment in Florida PALM
- ▶ Missing transactions from FLAIR and CMS
  - Legacy files were not built to transmit data that only applied to FLAIR
  - As a result, legacy files had to be updated to transmit missing details (e.g., stale dated warrants)
  - Some cutover transactions were not sent to or created in Florida PALM



# Road to CMS Remediation

## How We Got Here – System Issues

- ▶ System defects and tickets are common with all major system implementations and existed during implementation of Florida PALM CMS functionality in July 2021
- ▶ Hypercare period was under-scoped, under-valued and under-staffed
  - 90-days is not sufficient for any major implementation
  - State production support staff were not adequately trained or prepared for go-live
  - Production support processes were immature
    - Concepts were good, but processes in production were different than anticipated
    - Firefighting while adapting processes
    - Isolated from Project resources





# Road to CMS Remediation

## How We Got Here – Reporting

- ▶ Reporting is generally an afterthought or undervalued and was again
- ▶ Standard reports did not meet the State's needs
- ▶ Reporting requirements were considerably more complex than anticipated
- ▶ Reporting requirements had to be adjusted based on how PeopleSoft works compared to legacy systems
- ▶ Reports are different from legacy FLAIR RDS reports
  - End users did not understand the purpose of available reports or how they relate to legacy reports



# Road to CMS Remediation

## How We Got Here – Testing

- ▶ Testing was:
  - Undervalued
  - Scripted (not real-life based)
  - Controlled
  - Limited
  - Used non-productive data
- ▶ Sandbox (playground) environment was primarily not available
  - Resource constraints



# Road to CMS Remediation

## How We Got Here – Training

- ▶ Agencies and Enterprise Partners were trained on the “happy path”
  - Comparisons to legacy systems was primarily excluded
  - Error handling was limited
- ▶ Training was primarily virtual and on-line (Covid-19 effect)
- ▶ Training was narrative based, with limited hands-on training



# Road to CMS Remediation

## How We Got Here – Great Resignation

- ▶ Turnover occurred at alarming rates during the CMS Wave implementation, which impacted:
  - Agency business operations
  - Enterprise shops
  - Ability to operationalize business processes for the new system



# Road to CMS Remediation

## How We Got Here – Stakeholder Engagement

- ▶ Stakeholder engagement was limited and appeared to have an approach of “we will deal with it, if it actually happens”
- ▶ Refusal to change and adapt due to lack of trust and territorial behaviors
- ▶ State accountants are not accountants; Florida PALM is an accounting system
  - End users did not understand why legacy processes existed, just that they must be done
  - End users did not understand core processes within Florida PALM



# Road to CMS Remediation

## How We Got Here – As a Result...

- ▶ The system was not ready for implementation
- ▶ The State was not ready for implementation
- ▶ Standard operating procedures within the State's business operational units were not adequately adapted to reflect the processes within Florida PALM
- ▶ End users did not understand how to use the system
- ▶ Significant data entry errors occurred following go-live
- ▶ Confusion and frustration by system end users
- ▶ Reconciliation challenges



# Road to CMS Remediation

## How We Got Here – Who is at Fault?

- ▶ Everyone has a role in how we got here and in how we recover and move forward
- ▶ Challenges occurred on all fronts and phases



# Road to CMS Remediation

## What's Been Done So Far?

- ▶ Account Reconciliations
  - Automated reconciliation built to balance FLAIR to Florida PALM (Department hosted at this time)
  - \$100's of millions of reconciliations have been completed
  - General Revenue – \$110k out of balance (of \$19.5b)
  - Trust Funds – \$81k out of balance (of \$8b)
  - Treasurers Fund (FLAIR) – \$2.2m out of balance (of \$12.9b)
- ▶ SpeedTypes (originally planned for financials wave) were implemented to assist with processing transactions
- ▶ Interface files were updated to account for missing transactions to/from Florida PALM and other systems
- ▶ Additional training tools have been developed and provided to agencies
- ▶ Processes, checklists and other materials have been developed to assist end-users (e.g., month end closing checklist)





# Road to CMS Remediation

## How Do We Complete CMS Remediation?

- ▶ Complete reconciliation of the various accounts
- ▶ Resolve remaining CMS defects
- ▶ Implement CMS related enhancements (e.g., new functionality, report modifications, or changes to functional or technical requirements)
- ▶ Normalize and operationalize business operations (e.g., daily, weekly, and monthly processes) and production support teams
- ▶ Amendment 7



# Florida PALM Project Update

## Accenture Commitment

- ▶ Accenture has invested in the project and relationship throughout CMS implementation and remediation efforts for items beyond the scope of our contract:
  - Staffing additions and extensions made to support the business
  - Updated interfaces after completion due to data provided by third-party vendors
  - Provided additional support to the business team to transition to operations
  - Implement enhancements at no cost to overcome design gaps
  - Developing queries and processes to facilitate business operations, support reconciliation efforts and to assist users
  - Retained full and committed implementation team for 9 months without receiving payments while working through contract resolution with the Department



# Florida PALM Project Update

## Amendment 7

### ▶ Purpose –

- Defines CMS remediation
- Establishes Contractors role and responsibilities for CMS remediation
- Removes Central Wave implementation activities
- Establish Financials Wave and defines activities through December 2022
- Creates a sandbox environment for CMS end users
- Modifies SLA for Liquidated Damages for system downtime (#15)
- Establishes initial expectations for Amendment 8
- Administrative changes (e.g., changes in law)



# UPCOMING

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