

Florida Department of Financial Services
Planning, Accounting, and Ledger Management Project

Independent Verification & Validation
September 2023 Mid-Month Progress Report

Reporting Period September 1 – 15, 2023

September 21, 2023

Contract: 80101507-21-STC

Engagement: C04376



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Executive Summary

The Florida PALM IV&V Mid-Month Progress Report will act as a progress report and does not intend to be an in-depth assessment. This report will capture trends and keep the Florida PALM Project Team and Stakeholders apprised of any developing Findings and IV&V progress between IV&V Monthly Assessment Report submissions.

For the Mid-Month Progress Report period of 9/1/2023 through 9/15/2023, the following lists the key items the Florida PALM IV&V Team has reviewed:

- The Florida PALM Project Schedule is continuing to improve upon the Schedule Performance Index (SPI);
- Segment II Functional Designs are progressing, but some are taking longer to draft and review than planned;
- The Florida PALM IV&V Team opened a new Issue with a Medium priority relating to Requirements Traceability; and
- The Florida PALM Project Team released the updated Readiness Workplan (RW) for the Financials and Payroll Waves on 9/11/23. The Florida PALM Project Team also conducted a Readiness Workplan Release Walkthrough meeting on 9/14/23 to review plan highlights, tasks, and process points.

Focus Area Summary

The table below summarizes the Florida PALM IV&V Team's updates for the various Focus Areas for the reporting period 9/1/2023 to 9/15/2023. These preliminary updates may continue to evolve as information becomes available for the next Florida PALM IV&V Monthly Assessment Report. This section is intended to be a summary only; a more detailed capture regarding these Focus Areas is provided in this document's Focus Area Update Details section further below. Some Focus Areas may be marked as Not Applicable (NA) as they have not started or there is no significant activity during this reporting period.

Please note that for September 2023, since this is the initial IV&V Mid-Month Progress Report and the first time the Focus Areas are being utilized to report progress, there are no relevant "Last Month Indicators" from which to report. As a result, the September Mid-Month Progress Report Focus Area "Last Month Indicator" will be a projection based on the Mid-Month Risk Trend and Rationale.

Table 1: Focus Area Summary

Focus Area	Last Month's Indicator (Projected*)	Mid-Month Risk Trend	Rationale
Overall Project Indicator	Low	Increasing	The Florida PALM Project overall has low Risk across the Focus Areas that apply to this reporting period. The introduction of the Preliminary Concern and the increasing risk trend related to the Segment II design is reflected in the Overall Project Indicator.
Project Management	Low	Unchanged	Continued progress is being made toward schedule reporting, resource realignment, and growth, and IV&V is continuing to monitor impacts on critical milestones and tasks.
Organizational Change Management	Low	Unchanged	The Readiness Workplan, released on 9/11/23, and various Agency design review and engagement sessions represent good activity in Organizational Change Management. The activities have been handled well.
Requirements and Design	Low	Increasing	Continued progress is observed in the requirements analysis and design activities for Segment II. However, drafting and reviewing the Segment II functional designs sometimes takes longer than expected. Because of the delays and increased workload for Segment II, the Florida IV&V Team sees the risk trend as increasing.
Development	NA	NA	The Florida PALM IV&V Team will begin reporting progress once development efforts start.
Testing	NA	NA	The Florida PALM IV&V Team began reviewing the System Testing Plan Deliverable Expectation Document.
Conversion	NA	NA	The Florida PALM IV&V Team will begin reporting progress once conversion efforts start.
Implementation Readiness	NA	NA	The Florida PALM IV&V Team will begin reporting progress once implementation readiness efforts start.
Production Support	Low	Unchanged	A Project Change Request was approved to improve Treasury reconciliation processes.

* "Projected" applies only to this first submission of the IV&V Mid-Month Progress Report. The field will read "Last Month's Indicator" for all future reports.

Potential New Findings

Finding Type: Issue

Impact: Medium

Probability: Medium

Priority: Medium

Finding Statement: Inconsistency in Requirements Traceability

Finding Description: During the review of the D636 – Completion of Segment I (Requirements), the Florida PALM IV&V Team noted discrepancies in traceability between the deliverable, the Functional Design (FD) specifications, the Requirement Traceability Matrix (RTM), and Report, Interface, Conversion, Extension, Form, Workflow (RICEFW) inventory.

Currently, the Florida PALM Project Team uses a manual process to update traceability between the various MS Excel and MS Word documents that are being used. This manual process poses a significant risk that traceability will not be in sync and that relationships between requirements, design, and eventually testing will not be fully understood and compromise testing or code quality.

The RTM should be the authoritative source for traceability of requirements to design, business processes, RICEFW items, and test cases. The Florida PALM IV&V Team considers this a medium-level priority as the design is still relatively early.

The Capability Maturity Model Integration (CMMI) for Development states that: “when the requirements are managed well, traceability can be established from the source requirement to its lower-level requirements and from the lower-level requirements back to their source. Such bidirectional traceability helps determine that all source requirements have been completely addressed and that all lower-level requirements can be traced to a valid source.” CMMI also states, “Requirements traceability can also cover the relationships to other entities such as intermediate and final work products, changes in design documentation, and test plans. The traceability can cover horizontal relationships, such as across interfaces and vertical relationships. Traceability is particularly needed in assessing the impact of requirements changes on the Project’s activities and work products.”

As defined in CMMI, the typical work products for requirements management are:

1. Requirements traceability matrix
2. Requirements tracking system

The leading cause for discrepancies between FDs, RICEFW, and the RTM is that the documentation must be manually updated across all the documents. Therefore, to keep everything consistent, the RTM and RICEFW would need to be updated concurrently with each of the 52 FDs associated with Segment I. This will continue to get more difficult as there are another 441 FDs to be completed and, most likely, several hundred test cases that must be linked to requirements and design.

The effect of inconsistency in documentation can result in either rework when the design does not fully include all applicable requirements or incomplete testing when test cases don’t fully

address the design or requirements. Either of these effects could result in project schedule delays or deploying a system that has not been fully tested.

The table below shows the counts of inconsistencies that were noted as part of the IV&V review of D636. The specific inconsistencies noted in the table were provided to the Florida PALM Project Team; they have now been corrected by updating either the RTM or the RICEFW inventory.

Table 2: Count of Inconsistencies between D636, RICEFW, and RTM

Comparison Criteria	Counts
Listed as a requirement applicable to the functional design in D636 but not included in the RTM	4 requirements
Requirements listed in the RTM for the functional design but not included in D636	4 requirements
Business processes listed as applicable to the functional design but not in the RICEFW inventory	1 business process
Business processes listed in the RICEFW but not included in D636	24 business sub-processes across 20 functional designs

In addition to inconsistencies associated with D636, the Florida PALM IV&V Team also reviewed the working version of the RTM to ensure that Segment I business subprocesses were all mapped to the associated requirements. The business subprocesses from Segment I below currently do not have requirements mapped to them in the latest RTM:

- 10.1.4 Enterprise Add or Modify Budgetary Codes;
- 10.1.6 Agency Set Up and Maintain SpeedKeys;
- 30.3.5 Process Pcard Disbursements; and
- 30.3.6 Prompt Payment Interest Calculation.

Referencing the RICEFW Inventory for these business subprocesses, they are mapped to some RICEFW items. When doing a reverse lookup for these RICEFW items in the RTM, the requirements mapped to this business subprocess can be found. However, the subprocess is not listed in the RTM under Column K, “Business Subprocess/Technical Subcategory.”

In conclusion, incomplete mapping may result in inadequate test coverage due to a lack of consistent requirements traceability between requirements, RICEFW items, and business process/ subprocess.

The Florida PALM IV&V Recommends:

1. Florida PALM SSI Vendor should cross-check requirement traceability between design and test documents before submitting them for review. **Note: the Florida PALM Project team has updated the RTM and RICEFW inventory to address the inconsistencies noted in a review of D636. It is in the process of updating the RTM based on the missing Segment I business subprocesses.**

2. Deliverables should reference the source systems for requirements traceability and not embed requirement traceability or RICEFW inventory information in multiple documents or deliverables.

Open Findings

No findings remained open in this reporting period.

Potential Findings Closing

No findings were closed in this reporting period.

Focus Area Update Details

Please note that for September 2023, since this is the initial IV&V Mid-Month Progress Report and the first time the Focus Areas are being utilized to report progress, the dial indicators in the Focus Area Update Details section are projected indicators for this month only. In all upcoming Mid-Month Progress Reports, the dials will reference the previous month's risk indicators from the Monthly Assessment Reports.

Project Management



Schedule

The Florida PALM IV&V Team attended the Florida PALM PMO Weekly Checkpoints, where the Florida PALM Schedule is routinely reviewed and discussed. The IV&V Team is tracking the updates to the Project Schedule management processes and the progress against key milestones and critical tasks throughout

September. The Mid-Month trend is unchanging, and the risk remains in the mid-green as there are still tasks reporting late, and the Schedule Performance Indicator (SPI) continues to level.

Resources

The Florida PALM PMO Team demonstrated the intended changes with staffing growth and realignment in an updated Organizational Chart. This addition of resources is seen as a positive trend for the Florida PALM Project to aid in the upcoming growth of project workload, and the changes are proactively mitigating potential risks to meeting critical tasks and milestones on the schedule.

Project Status Reporting

The Florida PALM IV&V Team is reviewing the Implementation Activities status reporting presented to the ESC each month by the SSI Vendor. The IV&V Team is looking to provide recommendations to the Florida PALM Project Team that will allow for the status reporting to provide the ESC and Florida PALM Project Leadership with appropriate levels of detail and insight to make confident decisions on project progress and direction.

Organizational Change Management



Readiness Workplan

The Florida PALM Project Team released the updated Readiness Workplan (RW) for the Financials and Payroll Waves on 9/11/23. It documents the activities that Agencies will perform to improve their readiness for implementation. The Florida PALM IV&V Team

observed the development and review process for the RW and found no significant concerns. A follow-up walkthrough session was conducted where Agencies were invited to understand the intention of the RW, the overall timeline of activities, and to ask any questions they might have regarding their role in the Florida PALM Project. The Florida PALM Project Team answered questions effectively and continued providing supporting material so that Agencies may use the RW in their planning efforts. The IV&V Team will observe how Agencies engage with the RW and its tasks and review the tasks in the task tracker to ensure all OCM areas are covered.

Agency Engagement Sessions

The Florida PALM Project Team plans to facilitate various sessions during the week of 9/18/23. These include Payroll Business Process Models (BPM) Review Sessions, Technical Liaison Town Halls, and the September Advisory Council meeting.

- The Payroll BPM Review Sessions allow Agencies to ask questions about how Payroll processes will function in Florida PALM.
- The Technical Liaison Town Halls provide information on technical aspects of how Florida PALM will be configured and when Agencies can expect more information on different aspects of the solution design.

Overall, the Florida PALM IV&V Team anticipates good attendance and engagement from the Agencies in these sessions. The IV&V Team will assess whether these efforts will translate to a good understanding and completion of activities on the part of the Agencies, which in turn provides insight into understanding the effectiveness of the Florida PALM Project Team’s outreach efforts.

Requirements and Design



The Florida PALM IV&V Team attended design discussions where Pre-Functional Design and Functional Design documents were reviewed, and solution designs were discussed. Design discussions are focused on Speedkey interfaces, spreadsheet upload, and inbound encumbrance web service, Voucher approval workflow, and Voucher approval reports. In addition, the

IV&V Team attended the design discussions for webservice design for MyFloridaMarketPlace (MFMP). Although the design is progressing, the Florida IV&V Team has noted that drafting and reviewing the Segment II designs takes longer than expected. About 27% of the functional designs were more than a week late in completing the draft versions. Additionally, 35% of the team manager reviews were completed over a week late. The Florida PALM Project Team has taken action to increase resources to support payroll design activities, but IV&V sees the risk trend as increasing in this area.

The Payroll Wave Business Process Models review is scheduled with Agencies for September 18, and 19, 2023, and a Technical Town Hall to discuss the approach to interfaces, conversion, readiness, and data warehouse activities. Additionally, solution design workshops are planned for October 3, and 4, 2023, to review the Segment I design with Agency technical and functional staff. The Florida PALM IV&V Team will continue to attend the workshops and design review meetings.

Testing

The Florida PALM IV&V Team began the review of the Deliverable Expectation Document for the D643-Updated System Testing Plan; the Florida PALM IV&V Team will deliver any observations made in a Deliverable Assessment Report in September.

Production Support



The Florida PALM Project Director approved Project Change Request (PCR) 104 on 9/15/23. This enhancement allows the Department of Treasury to exclude canceled transactions from the Manual Reconciliation page, improving the efficiency of reconciliation activities. The Florida PALM IV&V Team has no comments or concerns about this PCR.

Key Metrics or Analysis

This section provides metrics used by the Florida PALM IV&V Team to assess processes and activities.

Requirement and Design Metrics

How Requirements Are Met by Wave

The metric shows how requirements are met and which are associated with each implementation wave. This metric is derived from the Requirements Traceability Matrix (RTM) working version as of 9/15/23. The metric indicates that most requirements will be implemented with the Financials/Payroll Wave. Also, about 67% are met through either configuration or delivered PeopleSoft functionality. This illustrates the overall scope of the Financials/Payroll wave and the effort to use delivered functionality when possible.

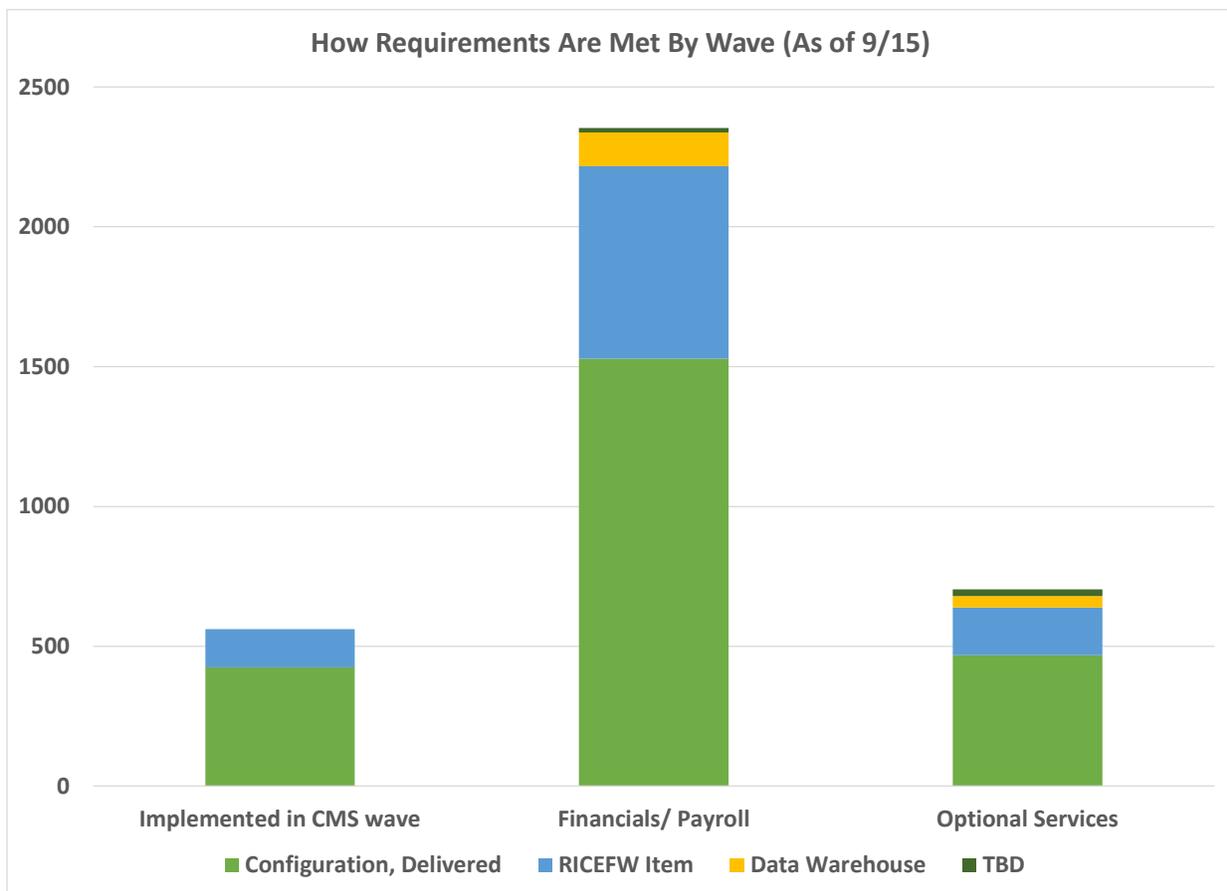


Figure 1: How Requirements Are Met by Wave

RICEFW Counts Over Time

The metric compares snapshots of the RICEFW inventory over time. It is based on the RICEFW inventory working file. Overall, there have not been any significant increases in the number of RICEFW items. The total count of RICEFW items has gone down 2.7% since the end of May 2023. This indicates that the scope of the RICEFW items is well controlled.

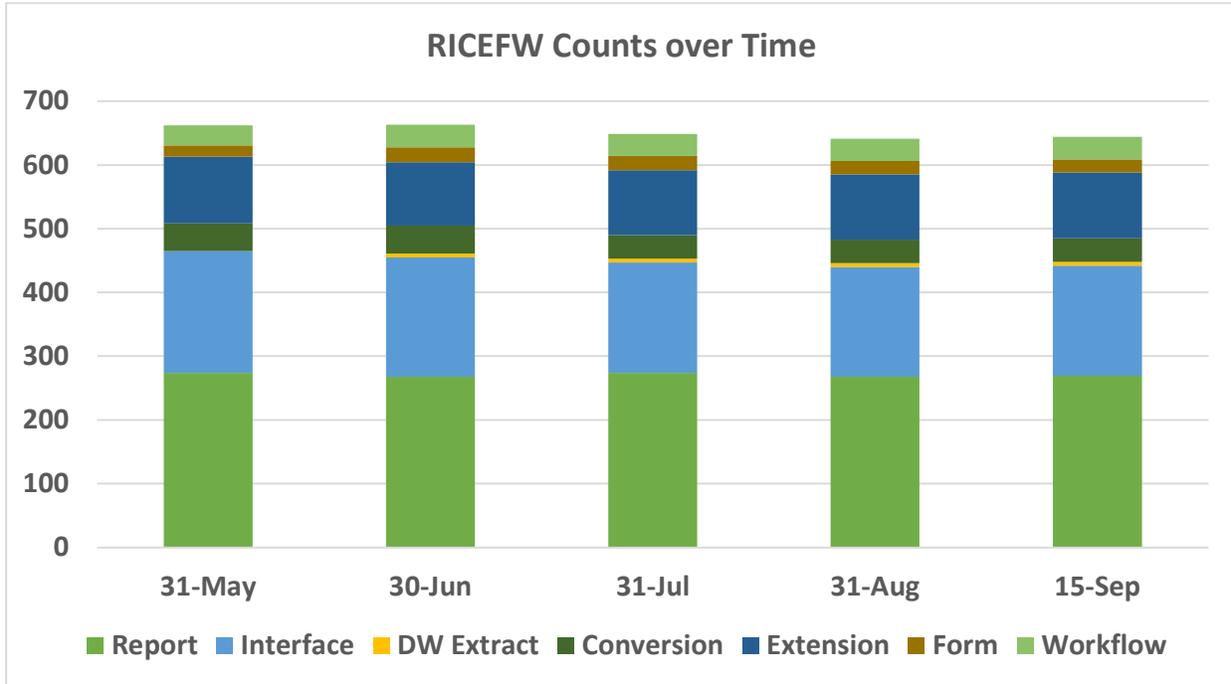


Figure 2: RICEFW Counts Over Time

Expected to Actual Functional Design Reviews (Segment II)

The metric compares the functional design drafting and reviews targeted dates to the actual dates. This information is based on the Design Work Unit Tracker as of 9/15/23. 37 of the 88 functional designs for Segment II have been drafted. Overall, it does appear that the drafting and reviewing of the functional designs is taking longer than expected. The data indicates that 27% of the functional designs have been drafted more than one week late, and 35% of the functional designs are more than one week delayed in completing the team manager review.

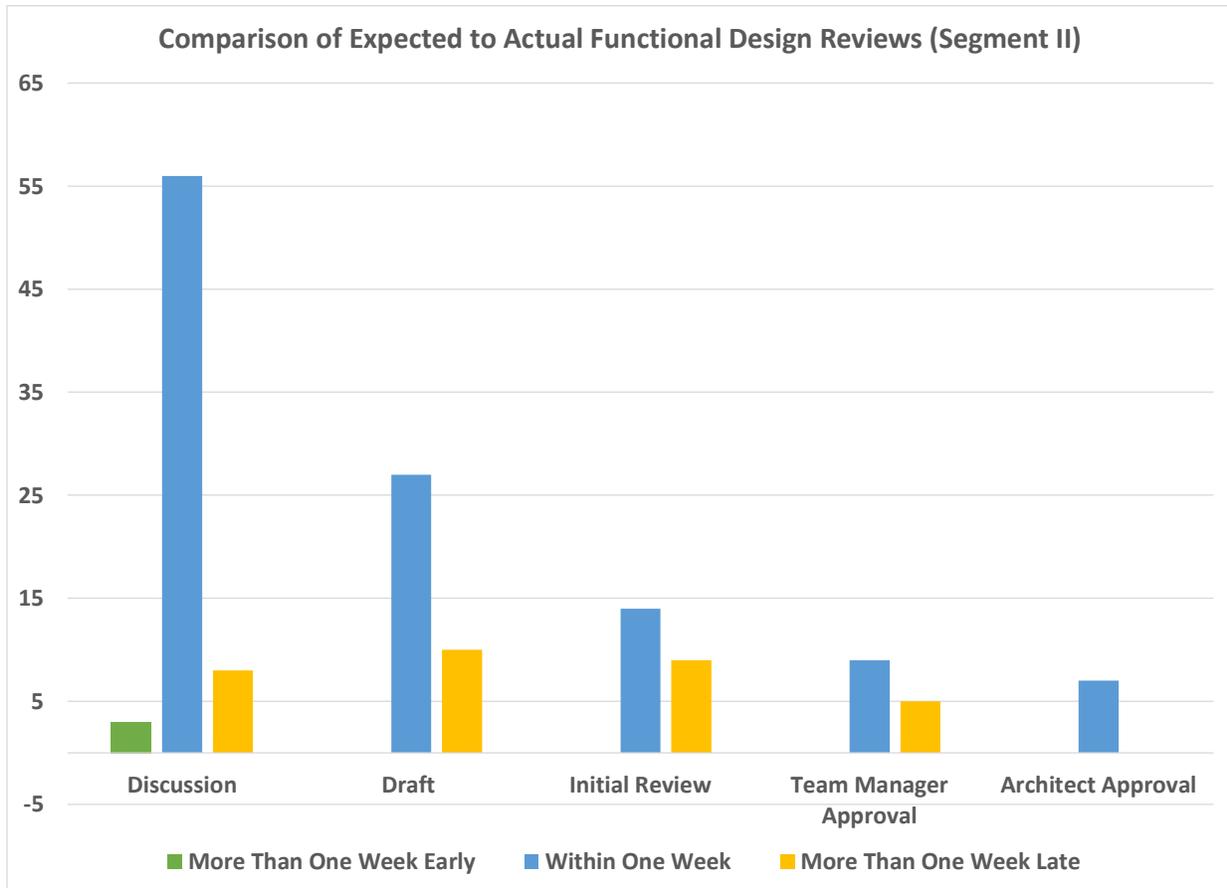


Figure 3: Comparison of Expected to Actual Functional Design Reviews

IV&V Upcoming Schedule Activities

Project Management

- Assess the Florida PALM Project Schedule SPI and schedule variances, including potential impacts of late tasks to the Critical Path; and
- Review the Implementation Activities status reporting for the Executive Steering Committee.

Organizational Change Management

- Plan, schedule, and conduct Agency interviews to collect feedback regarding Agency understanding of funding availability for project needs. Interviews will be conducted with a selection of Agencies for initial feedback and to help determine the next steps for feedback solicitation and recommendations in this area.
- Continued review of tasks in the Readiness Workplan to determine if there are any risk areas or recommendations.

Requirements and Design

- Participate in Payroll BPM Sessions;
- Participate in Technical Town Hall Meetings;
- Continue review and analysis of Design Work Unit Tracker, RICEFW Inventory, and RTM;
- Participate in Functional Design Workshops; and
- Review Functional Design Specifications.

Testing

- Continue and complete the review of the Deliverable Expectation Document for the Florida PALM System Testing Plan.

IV&V Information Requests

The table below includes the status of the outstanding Florida PALM IV&V Team information requests from the Florida PALM Project Team.

Table 3: IV&V Information Requests

Information Request	Date of Request	Status
Microfocus Response to SLE Analysis Questions	8/25/2023	Closed on 9/8/2023

Appendix A – Documents Reviewed

The table below shows documents the Florida PALM IV&V Team reviewed during the period.

Table 4: IV&V Documents Reviewed

Document Name	Date	Version
I-WP126 Readiness Workplan (RW) and RW Task List via Smartsheet	9/1/2023-9/14/23	1.0
I-WP126 Readiness Workplan Roadmap	9/1/2023-9/14/23	1.0
Readiness Workplan Task Tracker Job Aid	9/1/2023-9/14/23	1.0
D643 – Updated System Testing Plan	9/14/23	1.0

Appendix B – IV&V Documents Delivered

The table below shows documents the Florida PALM IV&V Team delivered during the period.

Table 5: IV&V Documents Delivered

Document Name	Date	Version	Delivered Date	Follow Up Required
Florida PALM IV&V Monthly Assessment Report August 2023	9/13/23	1.0	9/13/23	None

Appendix C – Risk Priority Matrix

The Florida PALM IV&V Analysts will use the following table to assign a Risk probability rating to each identified Risk.

Table 6: Risk Probability Rating

Risk Probability Rating	Probability of Occurrence	Probability Description
1	Improbable	Risk has between a 1%-19% likelihood of occurring.
2	Unlikely	Risk has between a 20%-39% likelihood of occurring.
3	Possible	Risk has between a 40%-59% likelihood of occurring.
4	Likely	Risk has between a 60%-79% likelihood of occurring.
5	Probable	Risk has between an 80%-99% likelihood of occurring.

The Risk Impact Criteria the Florida PALM IV&V Analysts will use to assign a Risk impact rating to each identified Risk are described in the table below.

Table 7: Risk Impact Rating

Risk Impact Rating	Magnitude of Impact	Impact Description
1	Negligible	Risk will have an impact so small that it can be ignored when studying the larger effect.
2	Minor	Risk will have a small impact on the Project that should not be ignored when studying the larger effect.
3	Moderate	Risk will have a noticeable impact on the Project.
4	Significant	Risk will have a large impact on the Project
5	Critical	Risk will have a large impact and may jeopardize the success of the Project.

The table below outlines the Risk Priority Ratings for a Finding based on a combination of impact and probability of occurrence.

Table 8: Risk Probability vs Impact

Probability of Occurrence	Magnitude of Impact				
	Negligible 1	Minor 2	Moderate 3	Significant 4	Critical 5
Probable 5	Low	Medium	High		
Likely 4					
Possible 3					
Unlikely 2					
Improbable 1					

The table below defines the levels of the Risk Priority Ratings.

Table 9: Risk Rating Definition

Rating	Definition
High	The possibility of substantial impact to product quality manageability cost or schedule. Major disruption is likely, and the consequences would be unacceptable. A different approach is required. Mitigation strategies should be evaluated and acted upon immediately.
Medium	The possibility of moderate impact to product quality manageability cost or schedule. Some disruption is likely, and a different approach may be required. Mitigation strategies should be evaluated and implemented as soon as feasible.
Low	The possibility of a slight impact to product quality manageability cost or schedule. Minimal disruption is likely, and some oversight is needed to ensure that it remains low. Mitigation strategies should be evaluated and considered for implementation when possible.