CHIEF FINANCIAL OFFICER
JEFF ATWATER
STATE OF FLORIDA

LEGISLATIVE BUDGET REQUEST

September 15, 2015

Cynthia Kelly, Director
Office of Policy and Budget
Executive Office of the Governor
1701 Capitol
Tallahassee, Florida 32399-0001

JoAnne Leznoff, Staff Director
House Appropriations Committee
221 Capitol
Tallahassee, Florida 32399-1300

Cindy Kynoch, Staff Director
Senate Committee on Appropriations
201 Capitol
Tallahassee, Florida 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, our Legislative Budget Request for the Department of Financial Services is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our proposed needs for the 2016-17 Fiscal Year. I approve of this submission.

Jeff Atwater
Chief Financial Officer

JA:tjm

OFFICE OF INSURANCE REGULATION

FINANCIAL SERVICES COMMISSION

RICK SCOTT
GOVERNOR

JEFF ATWATER
CHIEF FINANCIAL OFFICER

PAM BONDI
ATTORNEY GENERAL

ADAM PUTNAM
COMMISSIONER OF
AGRICULTURE

KEVIN M. MCCARTY
COMMISSIONER

September 15, 2015

Cynthia Kelly, Director
Office of Policy and Budget
Executive Office of the Governor
1701 Capitol
Tallahassee, FL 32399-0001

JoAnne Leznoff, Staff Director
House Appropriations Committee
221 Capitol
Tallahassee, FL 32399-1300

Cindy Kynoch, Staff Director
Senate Committee on Appropriations
201 Capitol
Tallahassee, FL 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, our Legislative Budget Request for the Office of Insurance Regulation is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our proposed needs for the 2016-17 Fiscal Year. I have approved this submission as the Insurance Commissioner of the State of Florida.

Sincerely,

Kevin M. McCarty

• • •

KEVIN M. MCCARTY • COMMISSIONER
200 EAST GAINES STREET • TALLAHASSEE, FLORIDA 32399-0305 • (850) 413-5914 • FAX (850) 488-3334
WEBSITE: WWW.FLOIR.COM • EMAIL: KEVIN.MCCARTY@FLOIR.COM
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Affirmative Action / Equal Opportunity Employer

FLORIDA OFFICE OF FINANCIAL REGULATION
www.FLOFR.com

DREW J. BREAKSPEAR
COMMISSIONER

Legislative Budget Request

September 15, 2015

Cynthia Kelly, Director
Office of Policy and Budget
Executive Office of the Governor
1701 Capitol
Tallahassee, Florida 32399-0001

JoAnne Leznoff, Staff Director
House Appropriations Committee
221 The Capitol
Tallahassee, Florida 32399-1300

Cindy Kynoch, Staff Director
Senate Appropriations Committee
201 The Capitol
Tallahassee, Florida 3399-1100

Dear Directors:

Persuant to Chapter 216, Florida Statutues, our Legislative Budget Request for the Office of Financial Regulation is submitted in the format prescribed in the budget instructions. The information provided electronically and contained herein is a true and accurate presentation of our proposed needs for the 2016-17 Fiscal Year. This submission has been approved by Drew J. Breakspear, Commissioner.

Sincerely,

J. Ross Nobles
Chief Financial Officer

Schedule VII – Agency Litigation Inventory

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Governor's website.

Agency:	Department of Financial Services

Contact Person:	David Lewis	Phone Number:	850-413-4307

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	*State of Florida ex rel. Norman Alan Thigpen and James H. Wasdin v. US Foods, Inc., a foreign corporation f/k/a U.S. Foodservice, Inc.*
Court with Jurisdiction:	Leon County Circuit Court
Case Number:	2012-CA-003244
Summary of the Complaint:	The complaint was filed under the *qui tam* provisions of Florida's False Claims Act, section 68.083, Florida Statutes, alleging Defendant engaged in unlawful pricing and rebate schemes to overcharge the Department of Corrections under a contract for the purchase of food products for the state prison system
Amount of the Claim:	$ Greater than $500,000
Specific Statutes or Laws (including GAA) Challenged:	N/A
Status of the Case:	DFS negotiated a settlement for $15.5 million. The Department must distribute a portion of the settlement to the False Claims Act relators, which will amount to 15 – 25% of the settlement amount. The "relator's share" has yet to be finally determined. Once the relator's share is finally resolved, the remainder of the settlement proceeds ($11.63 million – $13.18 million) will be released to the state treasury.

Who is representing (of record) the state in this lawsuit? Check all that apply.	X	Agency Counsel
		Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel

If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	N/A.

Office of Policy and Budget – July 2015

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Governor's website.

Agency:	Department of Financial Services

Contact Person:	Gregory D. Venz	Phone Number:	850-413-4270

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	1. *Charlotte/Collier/Manatee/Nassau/Okaloosa/Polk/St. Lucie/Walton County v. Daly et al.*; 2. *Martin County v. Daly et al.*; 3. *Hillsborough County v. Daly et al*; 4. *Bay County v. Daly et al*; 5. *Alachua County v. Daly et al.*
Court with Jurisdiction:	Leon County Circuit Court
Case Number:	2014-CA-001885 (consolidated); 2015-CA-001279 (*Alachua County* – not yet consolidated)
Summary of the Complaint:	Department of Juvenile Justice (DJJ) has failed to reimburse counties for overcharges of counties' share of costs for juvenile detention as provided in section 985.686, Florida Statutes. The CFO/Department of Financial Services is a nominal defendant, but has no active role in the dispute between the counties and DJJ.
Amount of the Claim:	$ Uncertain, but in excess of $500,000
Specific Statutes or Laws (including GAA) Challenged:	Application of section 985.686, Florida Statutes
Status of the Case:	Pre-trial. Motions to dismiss have been denied; complaints have been answered.

Who is representing (of record) the state in this lawsuit? Check all that apply.	X	Agency Counsel
		Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel

If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	N/A

Office of Policy and Budget – July 2015

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Governor's website.

Agency:	**Office of Insurance Regulation**		
Contact Person:	Richard Fox	Phone Number:	850-413-5024

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	N/A
Court with Jurisdiction:	N/A
Case Number:	N/A
Summary of the Complaint:	N/A
Amount of the Claim:	$
Specific Statutes or Laws (including GAA) Challenged:	N/A
Status of the Case:	N/A

Who is representing (of record) the state in this lawsuit? Check all that apply.		Agency Counsel
		Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel
If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	N/A	

Office of Policy and Budget – July 2015

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Governor's website.

Agency:	**Office of Financial Regulation**

Contact Person:	Colin Roopnarine	Phone Number:	850-410-9601

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	Office of Financial Regulation and Office of the Attorney General v. Western Sky Financial, LLC, Cashcall, Inc., WS Funding, Delbert Services Corp., and John Paul Reddam.
Court with Jurisdiction:	Circuit Court of the Thirteenth Judicial Circuit; Second District Court of Appeals
Case Number:	13-CA-015462 and
Summary of the Complaint:	Action against Defendants for violation of Florida's Consumer Finance Act (Ch. 516, Florida Statutes), Florida's Interest Usury and Lending Practices (Ch. 687, Florida Statutes) and Florida Deceptive and Unfair Trade Practices act (Ch. 501, Part II, Florida Statutes). Appeal is from an order from the judge imposing an injunction on the Defendants.
Amount of the Claim:	$ Not yet determined, but it is anticipated to be in excess of $500,000.
Specific Statutes or Laws (including GAA) Challenged:	N/A
Status of the Case:	Currently in litigation, and awaiting the decision from the Second District Court of Appeals.

Who is representing (of record) the state in this lawsuit? Check all that apply.	X	Agency Counsel
	X	Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel

If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	N/A

Office of Policy and Budget – July 2015

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Governor's website.

Agency:	**Office of Financial Regulation**		
Contact Person:	Colin Roopnarine	Phone Number:	850-410-9601

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	Office of Financial Regulation and First Solutions, Inc., d/b/a Credit One and Andrew Mangini
Court with Jurisdiction:	OFR will be referring the matter to the Division of Administrative Hearings (DOAH)
Case Number:	
Summary of the Complaint:	First Solutions Inc., d/b/a Credit One and Andrew Mangini have been charged with one count of having violated sections 687.14(4)(a)&(b) and 687.141(1), Florida Statutes for conducting themselves as a loan broker and in 140 instances unlawfully requiring an advance fee as defined in section 687.14(1), Florida Statutes. Pursuant to section 687.143(3), Florida Statutes, the Office may impose and collect an administrative fine of up to $5,000 per violation.
Amount of the Claim:	$700,000.00
Specific Statutes or Laws (including GAA) Challenged:	N/A
Status of the Case:	To be forwarded for a formal administrative hearing at DOAH

Who is representing (of record) the state in this lawsuit? Check all that apply.	X	Agency Counsel
		Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel

If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	

Schedule VII: Agency Litigation Inventory

For directions on completing this schedule, please see the "Legislative Budget Request (LBR) Instructions" located on the Governor's website.

Agency:	**Office of Financial Regulation**

Contact Person:	Colin Roopnarine	Phone Number:	850-410-9601

Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	In re: Vertical Integration Group, LLC d/b/a Churchill Clearing Corp.; Richard V. Morello, Jr.; and, Junior L. Alexis (collectively referred to as, "Respondents")
Court with Jurisdiction:	Case closed through Default Final Order because entities did not challenge the administrative complaint.
Case Number:	
Summary of the Complaint:	Respondents induced investors to invest in precious metals (gold, silver, platinum and palladium) promising significant profits. OFR charged them with operating a "boiler room" in violation of Section 517.301, Florida Statutes and for engaging in a course of business which operated as a fraud or deceit in violation of Section 517.301(1)(a)3., Florida Statutes.
Amount of the Claim:	$500,000.00 for Alexis; $530,000.00 for Morello; and, $550,000.00 for VIG/CCC
Specific Statutes or Laws (including GAA) Challenged:	N/A
Status of the Case:	Closed

Who is representing (of record) the state in this lawsuit? Check all that apply.	X	Agency Counsel
		Office of the Attorney General or Division of Risk Management
		Outside Contract Counsel

If the lawsuit is a class action (whether the class is certified or not), provide the name of the firm or firms representing the plaintiff(s).	

DEPARTMENT OF FINANCIAL SERVICES

CHIEF FINANCIAL OFFICER
JEFF ATWATER

Office of Insurance Consumer Advocate — Sha'Ron James

Office of Inspector General — Teresa Michael

CHIEF OF STAFF — Robert "Budd" Kneip

Office of Internal Operations & Appointments — Susan Miller

DEPUTY CHIEF FINANCIAL OFFICER — Jay Etheridge

- Division of Insurance Fraud — Simon Blank
  - Assistant Director Timothy Cannon
  - Professional Stds & Training Janet Hartman
  - Bureau of WC Fraud Lovel Hand
  - Regions Vacant
- Division of Public Assistance Fraud — Jack Heacock
  - Assistant Director Georgia Pellegrino
- Division of State Fire Marshal — Julius Halas
  - Assistant Director Mark Sauls
  - Bureau of Forensic Services Carl Chasteen
  - Bureau of Fire & Arson Investigations Joseph Steadman
  - Bureau of Fire Prevention Casia Sinco
  - Bureau of Fire Fighters' Standards & Training William Wentlandt Jr.

GENERAL COUNSEL — Drew Parker

- Deputy General Counsel Chasity O'Steen
- Deputy General Counsel Greg Venz
- Division of Risk Management — R.J. Castellanos
  - Assistant Director Molly Merry
  - Bureau of Loss Prevention Shannon Segers
  - Bureau of State Employee WC Claims Tod Stupski
  - Bureau of State Liability & Property Claims Marc Stemle
- Division of Rehabilitation & Liquidation — Toma Wilkerson

Div of Info Systems — Charles Ghini

- Deputy Director of Info. Sys. Robin Kinsey
- Deputy Director of Info. Sys. Vacant
- Div Info Systems Asst Director Roosevelt Sawyer
  - Bureau of Customer Support Serv. Jonathan Yeaton
  - Bureau of Enterprise Applications Tabatha Hunter
  - Bureau of Distributed Infrastructure Nicholas Platt

DEPUTY CHIEF FINANCIAL OFFICER — Paul Whitfield

- Div of Funeral, Cemetery & Consumer Services — Doug Shropshire
  - Assistant Director Ellen Simon
- Division of Ins. Agents & Agency Services — Greg Thomas
  - Bureau of Investigation Barry Lanier
  - Bureau of Licensing Matt Tamplin
- Division of Administration — Stephanie Iliff
  - Bureau of General Services Donna Vollertsen
  - Bureau of HR Management Vacant
  - Office of Publications Pamela Griffis
- Division of Workers' Compensation — Tanner Holloman
  - Assistant Director Andrew Sabolic
  - Bureau of Financial Accountability Greg Jenkins
  - Bureau of Monitoring & Audit Pam Macon
  - Bureau of Employee Assistance Stephen Yon
  - Bureau of Compliance Robin Delaney
  - Office of Data Quality & Collection Lisel Laslie
  - Division of Budget & Finance Teri Madsen
    - Bureau of Financial Services Mike Alexander
- Div of Acctg & Auditing — Christina Smith
  - Assistant Director Rachael Lieblick
  - Bureau of State Payrolls John Bennett
  - Bureau of Financial Reporting Vacant
  - Assistant Director Rick Sweet
  - Office of Fiscal Integrity Steve Horn
  - Bureau of Unclaimed Property Walter Graham
  - Bureau of Auditing Mark Merry
- Division of Treasury — Bert Wilkerson
  - Bureau of Collateral Mgnt. Kenneth Lee
  - Bureau of Funds Management Melisa Hevey
  - Bureau of Deferred Comp. Vacant

DEPUTY CHIEF OF STAFF — VACANT

DEPUTY CHIEF FINANCIAL OFFICER — Michelle Dahnke

- Office of Legislative Affairs Elizabeth Boyd
- Office of Communications Vacant
- Office of Cabinet Affairs Robert Tornillo
- Office of Program Management Vacant
- Office of Research & Planning Katie Hayden
- Div of Consumer Services — Tasha Carter
  - Assistant Director Trish Commander
  - Bureau of Education Advocacy & Research Vacant
  - Bureau of Consumer Assistance Kevin Elliott

FINANCIAL SERVICES COMMISSION

Office of Insurance Regulation — Kevin McCarty

- Chief of Staff Belinda Miller
  - Deputy Chief of Staff Vacant
- Deputy Director Richard Robleto
  - Bureau of L&H F&R (L&H Prod Rev) Eric Jonson
  - Bureau of L&H Insurer Solvency (L&H FinOv) Carolyn Morgan
- General Counsel Anoush Brangaccio
- Deputy Director David Altmaier
  - Bureau of P&C Forms & Rates (P&C Prod Rev) Sandra Starnes
  - Bureau of P&C Ins Solv (P&C Fin Ov) David Altmaier

Office of Financial Regulation — Drew Breakspear

- General Counsel Colin Roopnarine
  - Inspector General Karen Fisher
- Director of Fin Institutions Barry Gilman
  - Bureau of Bank Reg Dist I Jeremy Smith
  - Bureau of Bank Reg Dist II Randy Herndon
  - Bureau of CU Reg William Ricca

Deputy Commissioner — Vacant

- Director of Finance Greg Oaks
  - Bur of Fin Reg Andy Grosmaire
  - Bur of Reg Rev-Fin Jason Booth
- Director of Securities Pamela Epting
  - Bur of Sec Reg Leo Kell
  - Bur of Reg Rev-Sec Alisa Goldberg
- Communication Director Jamie Champion
  - Bureau of Financial Investigations Robert Kynoch

Revised as of 08/7/2015

FINANCIAL SERVICES, DEPARTMENT OF

		FISCAL YEAR 2014-15	
SECTION I: BUDGET		**OPERATING**	**FIXED CAPITAL OUTLAY**
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		321,914,771	3,461,442
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoes, Budget Amendments, etc.)		1,293,390	0
FINAL BUDGET FOR AGENCY		323,208,161	3,461,442

SECTION II: ACTIVITIES * MEASURES	Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)				3,461,442
Provide Analysis On Securities Held For Deposit And Qualified Public Depositories * Number of analyses performed on the financial condition of qualified public depositories and custodians, and securities held for regulatory collateral deposit.	6,488	60.91	395,173	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.	65,278	16.26	1,061,667	
Investment Of Public Funds * Dollar Volume of Funds Invested	22,300,000,000	0.00	718,046	
Provide Cash Management Services * Number of cash management consultation services.	33	31,779.00	1,048,707	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.	2,800,000	0.60	1,680,077	
Administer The State Supplemental Deferred Compensation Plan * Number of participant account actions processed by the state deferred compensation office.	1,644,859	1.03	1,696,827	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Resource System.	35,777	128.07	4,581,909	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.	9,017,888	0.12	1,077,539	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements	328,808	13.00	4,274,589	
Conduct Post-audits Of Major State Programs * Post-audits completed of major state programs to determine compliance with statutes and contract requirements	9	247,533.22	2,227,799	
Process State Employees Payroll * Payroll payments issued	2,966,278	0.81	2,413,548	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes	11	16,749.73	184,247	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.	16	57,898.13	926,370	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.	2,036,306	1.40	2,843,734	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.	388,323	8.05	3,126,903	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.	7,182	74.49	534,992	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.	15,565	262.12	4,079,963	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.	573	922.43	528,555	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.	1,344	459.54	617,624	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.	3,324	4,262.97	14,170,113	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.	203,753	9.95	2,028,184	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.	8,349	114.60	956,817	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.	11,637	99.65	1,159,605	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.	2,773,057	0.15	426,207	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.	21,066	1,635.55	34,454,489	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.	4,363	3,295.51	14,378,324	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.	168	14,899.10	2,503,048	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.	1,228	1,928.70	2,368,443	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.	35	18,308.71	640,805	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.	115,935	23.93	2,774,714	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.	40,046	35.23	1,410,653	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.	1,705,434	0.42	723,554	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.	214,881	1.96	421,347	
Investigate Agents And Agencies * Number of agent and agency investigations completed.	3,405	1,761.00	5,996,189	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers' compensation).	1,389	12,878.18	17,887,791	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed (not including general fraud investigations).	697	7,371.29	5,137,791	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.	57,596	72.82	4,194,246	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.	282,586	2.36	666,620	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.	334,348	14.08	4,707,737	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.	1,723	1,330.14	2,291,839	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.	87,525	49.88	4,365,556	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.	34,282	405.58	13,903,974	
Facilitate The Informal Resolution Of Disputes With Injured Workers, Employers And Insurance Carriers * Number of injured workers that obtained one or more benefits due to intervention by the Employee Assistance Office.	1,049	4,675.48	4,904,583	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.	2,514	538.11	1,352,812	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.	121,030,038	0.01	688,804	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.	5,561,949	0.68	3,791,162	
Reimbursement Disputes * Number of petitions for reimbursement dispute resolution resolved annually	8,858	170.60	1,511,208	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.	3,689	1,629.83	6,012,427	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority processed	96	9,810.43	941,801	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities	597	5,343.24	3,189,913	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.	7,896	2,090.83	16,509,205	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.	14,134	589.09	8,326,196	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.	178	26,144.57	4,653,733	
Evaluate And Process Applications For Licensure As A Financial Services Entity. * Applications processed or evaluated for licensure or registration as a non-depository financial services entity.	18,568	104.50	1,940,404	
Examine And Enforce Laws Regarding Banks, Trusts, And Credit Unions To Ensure Safety And Soundness. * Number of domestic financial institutions examined to ensure safety and soundness.	200	61,643.59	12,328,718	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.	24	32,059.67	769,432	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.	189	19,440.47	3,674,248	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.	595	9,942.79	5,915,961	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conducted examinations of securities firms and branches.	282	21,640.65	6,102,664	
Evaluate And Process Applications For Registration As A Securities Firm, Branch, And/Or Individual. * Securities applications processed for registration of firms, branches, and/or individuals.	56,750	45.76	2,596,872	
TOTAL			256,796,462	3,461,442

SECTION III: RECONCILIATION TO BUDGET				
PASS THROUGHS				
TRANSFER - STATE AGENCIES				
AID TO LOCAL GOVERNMENTS				
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS			1,045,371	
OTHER			35,556,811	
REVERSIONS			29,809,540	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)			323,208,184	3,461,442

SCHEDULE XI/EXHIBIT VI: AGENCY-LEVEL UNIT COST SUMMARY

(1) Some activity unit costs may be overstated due to the allocation of double budgeted items.

(2) Expenditures associated with Executive Direction, Administrative Support and Information Technology have been allocated based on FTE. Other allocation methodologies could result in significantly different unit costs per activity.

(3) Information for FCO depicts amounts for current year appropriations only. Additional information and systems are needed to develop meaningful FCO unit costs.

(4) Final Budget for Agency and Total Budget for Agency may not equal due to rounding.

ACTIVITY ISSUE CODES SELECTED:

   TRANSFER-STATE AGENCIES ACTIVITY ISSUE CODES SELECTED:

     1-8:

   AID TO LOCAL GOVERNMENTS ACTIVITY ISSUE CODES SELECTED:

     1-8:

THE FOLLOWING STATEWIDE ACTIVITIES (ACT0010 THROUGH ACT0490) HAVE AN OUTPUT STANDARD (RECORD TYPE 5)

AND SHOULD NOT:

     *** NO ACTIVITIES FOUND ***

THE FCO ACTIVITY (ACT0210) CONTAINS EXPENDITURES IN AN OPERATING CATEGORY AND SHOULD NOT:

(NOTE: THIS ACTIVITY IS ROLLED INTO EXECUTIVE DIRECTION, ADMINISTRATIVE SUPPORT AND INFORMATION

TECHNOLOGY)

     *** NO OPERATING CATEGORIES FOUND ***

THE FOLLOWING ACTIVITIES DO NOT HAVE AN OUTPUT STANDARD (RECORD TYPE 5) AND ARE REPORTED AS 'OTHER' IN

SECTION III: (NOTE: 'OTHER' ACTIVITIES ARE NOT 'TRANSFER-STATE AGENCY' ACTIVITIES OR 'AID TO LOCAL

GOVERNMENTS' ACTIVITIES. ALL ACTIVITIES WITH AN OUTPUT STANDARD (RECORD TYPE 5) SHOULD BE REPORTED

IN SECTION II.)

BE	PC	CODE	TITLE	EXPENDITURES	FCO
43500400	1205000000	ACT1020	HOLOCAUST VICTIMS ASSISTANCE	299,651	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	610,880	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	10,335,380	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	565,297	
43200100	1601000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	2,745,964	
43200100	1601000000	ACT2190	ARTICLE V - CLERK OF THE COURTS	123,912	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	2,370,275	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	12,358,029	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	1,864,892	
43500400	1205000000	ACT9010	TRANSFER TO FLORIDA CATASTROPHIC	1,500,000	
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	2,532,531	
43600100	1102020000	ACT9940	TRANSFER TO THE UNIVERSITY OF	250,000	

TOTALS FROM SECTION I AND SECTIONS II + III:

```
DEPARTMENT: 43                          EXPENDITURES          FCO

FINAL BUDGET FOR AGENCY (SECTION I):     323,208,161        3,461,442

TOTAL BUDGET FOR AGENCY (SECTION III):   323,208,184        3,461,442

                                        ---------------    ---------------

DIFFERENCE:                                        23-

(MAY NOT EQUAL DUE TO ROUNDING)         ===============    ===============
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Schedule XII - Series Outsourcing or Privatization of State Service or Activity

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2016-17 Legislative Budget Request)

Schedule XIII-Proposed Consolidated Financing of Deferred-Payment Commodity Contracts

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2016-17 Legislative Budget Request)

Schedule XIV – Variance from Long Range Financial Outlook

Schedule XV - Contract Reporting

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2016-17 Legislative Budget Request)

Schedule IV- B – Information Technology Projects

Schedule IV- B – Information Technology Projects

(DFS did not submit since the original project business objectives, business benefits, cost estimates, funding model, project scope, implementation approach, or timeline have significantly changed for the PALM project)

SCHEDULE IV-B FOR REAL SYSTEM SUPPORT AND IMPROVEMENT PROJECT

For Fiscal Year 2016-17

September 15, 2015

OFFICE OF FINANCIAL REGULATION

Contents

1. Schedule IV-B Cover Sheet

Schedule IV-B Cover Sheet and Agency Project Approval	
Agency: Office of Financial Regulation	Schedule IV-B Submission Date: September 15, 2015
Project Name: REAL System Support and Improvement Project	Is this project included in the Agency's LRPP? X Yes ____ No
FY 2016-17 LBR Issue Code: 1) 36332C0 2) 36333C0 3) 36334C0	FY 2016-17 LBR Issue Title: 1) Regulatory Enforcement & Licensing (REAL) System Continued Operations & Maintenance Vendor Re-procurement & Transition 2) Migration of Division of Financial Institutions Multiple Systems into REAL 3) REAL System Custom Portal Replacement
Agency Contact for Schedule IV-B (Name, Phone #, and E-mail address): Anne Frost 850-410-9601 anne.frost@flofr.com	
AGENCY APPROVAL SIGNATURES	

I am submitting the attached Schedule IV-B in support of our legislative budget request. I have reviewed the estimated costs and benefits documented in the Schedule IV-B and believe the proposed solution can be delivered within the estimated time for the estimated costs to achieve the described benefits. I agree with the information in the attached Schedule IV-B.

Agency Head: Printed Name: Drew J. Breakspear, Commissioner	Date: 9-14-15
Agency Chief Information Officer (or equivalent): Printed Name: Charles Ghinni	Date: 9-9-2015
Budget Officer: Printed Name: J. Ross Nobles	Date: 9/3/15
Planning Officer: Printed Name: Anne Frost	Date: 09/03/15
Project Sponsor: Printed Name: Drew J. Breakspear, Commissioner	Date: 9-10-15
Schedule IV-B Preparers (Name, Phone #, and E-mail address):	

Schedule IV-B Preparers	
Business Need:	
Cost Benefit Analysis:	
Risk Analysis:	
Technology Planning:	
Project Planning:	

Executive Summary

INTRODUCTION

The mission of the Office of Financial Regulation (OFR) is to protect the citizens of Florida, promote a safe and sound financial marketplace, and contribute to the growth of Florida's economy with smart, efficient and effective regulation of the financial services industry. In fulfilling its mission, the OFR affects the financial well-being of every Floridian and promotes a healthy and fair business environment in Florida.

Agency Programs/ Services Environment

The OFR is organized to regulate and provide services to over 400,000 registrants across the financial services industry, including the:

- Division of Consumer Finance: Licensing and Regulation of 91,000 Consumer Finance entities,
- Division of Securities: Registration and regulation of over 314,000 Securities and Investment firms and individuals,
- Division of Financial Institutions: Licensing, examination and regulation of the 222 state chartered financial institutions, totaling nearly $100 billion in assets under regulation,
- Bureau of Financial Investigations: Criminal justice arm of the OFR that conducts complex investigations of the financial services industry and participates in joint investigations with local, state and federal law enforcement agencies.

Program Successes

During the previous decade, the OFR completed a project to transform the way the Division of Consumer Finance, Division of Securities and Bureau of Financial Investigations operate and provide services; this was accomplished via the implementation of a system called the Regulatory Enforcement and Licensing (REAL) System. This project was critical to the ongoing success of the OFR, and implemented a comprehensive computer database and application that incorporates the Division of Securities, Consumer Finance, Legal, and Financial Investigations regulatory information and processes, and provides automation of previously manual processes including the use of a logical work flow engine, business rules engine and electronic document management capability.

Since REAL system project completion, the OFR has continued to drive process improvements, including further reductions in application processing time, reductions in complaint handling time, reduction in manual processes for correspondence and notifications, establishment of performance management benchmarks, and improvements in the automated exchange of data with external entities.

BUSINESS NEED

Opportunities and challenges to foster further success and continue to protect the benefits achieved. Three areas of need have been identified that are critical to furthering the mission of the OFR:

1. Providing for a seamless and controlled transition of REAL system Operations and Maintenance (O&M) Services as the existing contract ends in June 2017 in order to continue meeting OFR service expectations.
2. Reducing the dependence on manual business processes, multiple database and spreadsheets by the Division of Financial Institutions to achieve process improvements.
3. Addressing the risks of maintaining custom system components that are aging and moving toward unsupported platforms (e.g. Microsoft .NET 2.0 architecture). Some custom code has been applied to address key needs such as security protection and support. The business need is to sunset the custom portal and replace with a Commercial-Off-the-Shelf (COTS) solution (i.e. standard Online Services Portal) mitigating the risk of exposure to an emergency scenario such as a prolonged, unexpected outage.

Achieving viable solutions to the three areas of need identified above are critical to protecting the investment made in, and benefits realized by, the REAL system implementation. The REAL platform is critical to its stakeholders by providing for the availability, reliability and security of the REAL system in the long term, and establishing process improvements for the Division of Financial Institutions.

PROPOSED SOLUTION

OFR is positioning the organization for the next generation REAL contract for O&M (REAL Next Gen). In addition to creating a smooth transition of the existing contract to the new contract of core REAL service levels, the OFR has a plan to address the risks of maintaining aging and unsupported custom system components (i.e., implement standard online portal); and, reduce the dependence of manual processes by its Division of Financial Institutions through process improvements leveraging the REAL platform.

Figure 1: Proposed Level - High Level

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II.   Schedule IV-B Business Case – Strategic Needs Assessment

A. Background and Strategic Needs Assessment

Purpose: To clearly articulate the business-related need(s) for the proposed project.

1.   Business Need

Agency Programs/ Services Environment
OFR's mission and organization

The mission of the Office of Financial Regulation (OFR) is to protect the citizens of Florida, promote a safe and sound financial marketplace, and contribute to the growth of Florida's economy with smart, efficient and effective regulation of the financial services industry. In fulfilling its mission, the OFR affects the financial well-being of every Floridian and promotes a healthy and fair business environment in Florida.

The OFR is dedicated to safeguarding the private financial interests of the public by licensing, chartering, and examining financial services companies and regulating financial institutions in the State of Florida. The OFR strives to protect consumers from financial fraud, while preserving the integrity of Florida's markets and financial services companies. The mission is accomplished by conducting financial investigations, performing examinations, handling consumer complaints, and licensing financial services entities.

The OFR was created in 2003 as the result of the Cabinet Reorganization Act of 2002. OFR's roots as a banking, consumer finance and securities regulator date back to the mid-1800s with the creation of the former Comptroller's OFR. The OFR reports to the Financial Services Commission made up of the members of the Florida Cabinet: Governor, Chief Financial Officer, Attorney General and Agriculture Commissioner.

The OFR regulates over 400,000 registrants across the financial services industry. In order to achieve smart, efficient and effective regulation, OFR is organized into the following business units:

Division of Consumer Finance
- The Division of Consumer Finance licenses and regulates the non-depository financial service industry and conducts examinations and investigations.

Division of Financial Institutions
- Through the Division of FInancial Institutions, state-chartered financial institutions are licensed, examined and regulated to ensure safety and soundness, compliance with state statutes, and that private funds deposited in Florida's state-chartered financial institutions are protected from potential loss due to failure or insolvency.

Division of Securities
- The Division of Securities regulates the sale of securities and investment advice in, to or from Florida by firms (securities dealers, issuer dealers and investment advisers), branch offices and individuals affiliated with these firms to determine compliance with Florida law.

Bureau of Financial Investigations
- The Bureau of Financial Investigations is a criminal justice arm of OFR that conducts complex investigations of the financial services industry and participates in joint investigations with local, state and federal law enforcement agencies.

Figure 2: OFR Business Units

OFR personnel and locations

The OFR maintains its headquarters in Tallahassee and has four (4) regional offices located in Miami, West Palm Beach, Tampa and Orlando. Regional offices conduct examinations to ensure regulatory compliance by financial services companies and financial institutions.

As of Fiscal Year 2015-16, in order to best serve a diverse and complex business landscape in Florida, the OFR is comprised of the following personnel for each business unit and maintains regional locations throughout the State:

Organizational Unit	Positions	Budget
Division of Consumer Finance	98	$11,197,283
Division of Financial Institutions	113	$11,807,253
Division of Securities	95	$7,868,908
Bureau of Financial Investigations	39	$3,351,997
Executive Direction and Support	15	$3,928,301
Total	**360**	**$38,153,742**

Regional Locations
Tallahassee, Central HQ
Miami
West Palm Beach
Tampa
Orlando

The OFR is administratively housed within the Department of Financial Services (DFS). While OFR is considered a separate agency, DFS is charged with providing administrative support services, including human resources and technology support to the OFR. The DFS is primarily responsible for supporting the installation, maintenance and upgrades to OFR's current and future mission-essential information technology infrastructure which resides on a DFS-hosted virtual server.

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Stakeholders served

Each OFR organizational unit plays a critical role for Florida's citizens and businesses. The OFR balances the need for efficient processing of licensing and registration applications and renewals with careful consideration of the safety and soundness of the financial institutions Floridians depend on.

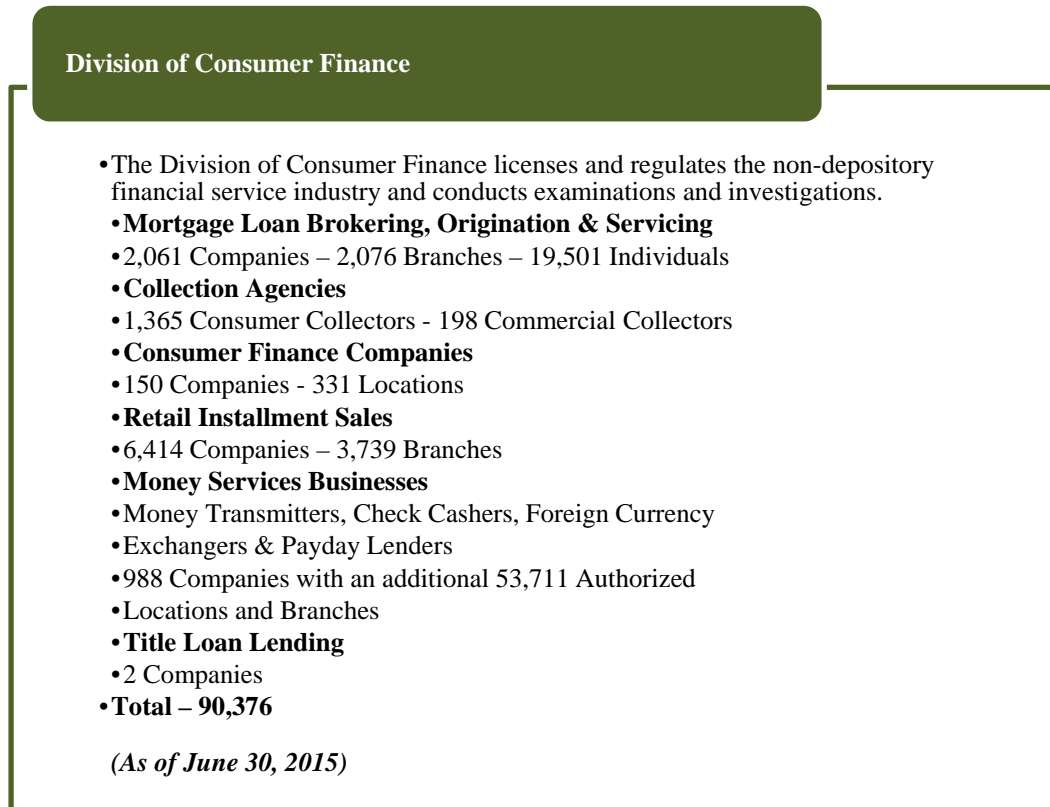Listed below are the stakeholders served by each OFR business unit:

Division of Consumer Finance

- The Division of Consumer Finance licenses and regulates the non-depository financial service industry and conducts examinations and investigations.
  - **Mortgage Loan Brokering, Origination & Servicing**
  - 2,061 Companies – 2,076 Branches – 19,501 Individuals
  - **Collection Agencies**
  - 1,365 Consumer Collectors - 198 Commercial Collectors
  - **Consumer Finance Companies**
  - 150 Companies - 331 Locations
  - **Retail Installment Sales**
  - 6,414 Companies – 3,739 Branches
  - **Money Services Businesses**
  - Money Transmitters, Check Cashers, Foreign Currency
  - Exchangers & Payday Lenders
  - 988 Companies with an additional 53,711 Authorized
  - Locations and Branches
  - **Title Loan Lending**
  - 2 Companies
- **Total – 90,376**

  (As of June 30, 2015)

Figure 3: Consumer Finance Stats

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Division of Financial Institutions

- Through the Office of Financial Regulation, state-chartered financial institutions are licensed, chartered, examined and regulated to ensure that private funds deposited in Florida's state-chartered financial institutions are protected from potential loss due to failure or insolvency.
  - **Banks**
    - 114 States - $52,271 in Assets (Millions)
  - **Credit Unions**
    - 72 States - $33,252 in Assets (Millions)
  - **International Bank Offices**
    - 24 States - $13,595 in Assets (Millions)
  - **Trusts**
    - 12 States - $98 in Assets (Millions)
  - **Totals**
    - 222 States - $99,216 in Assets (Millions)

  (As of June 30, 2015)

Figure 4: Financial Institutions Data

Division of Securities

- The Division of Securities regulates the sale of securities and investment advice in, to or from Florida by firms (securities dealers, issuer dealers and investment advisers), branch offices and individuals affiliated with these firms to determine compliance with Florida law.
  - **Registrants:**
    - Dealers – 2,717
    - Investment Advisers – 5,499
    - Branches – 10,531
    - Stockbrokers – 306,341
    - **Total – 325,088**

  (As of June 30, 2015)

Figure 5: Securities Data

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Bureau of Financial Investigations

- The Bureau of Financial Investigations is a criminal justice arm of the agency that conducts complex investigations of the financial services industry and participates in joint investigations with local, state and federal law enforcement agencies.
- **Fiscal Year 2014-15 Statistics**
  - Formal Investigations Closed – 82
  - Investigations Resulting in Enforcement Actions – 42
  - Criminal Actions – 22
  - Civil Actions – 1
  - Administrative Actions – 13
  - *Some investigations resulted in multiple actions
- **Imprisonment Results**
  - 37 Total Defendants Convicted; 24 Received Prison
- **Terms**
  - 142 Years of Prison
  - 155 Years of Probation
  - Average loss to the victims per each defendant convicted was $1.1 million.

  (As of June 30, 2015)

Figure 6: Financial Investigations

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Office of Financial Regulation
FY 2016-17

Program Successes

In Fiscal Year 2006-07, the Florida Legislature authorized the OFR to implement a project to transform the way it achieved its mission with the financial services industry – the Regulatory Enforcement and Licensing (REAL) System Project. This project was critical to the ongoing success of the OFR, and on completion achieved the following objectives for the Division of Consumer Finance, Division of Securities, and Bureau of Financial Investigations:

- Implemented a comprehensive computer database and application that incorporated the Division of Securities Division of Consumer Finance, Legal, and Bureau of Financial Investigations regulatory information and processes, and provided automation for those functions that previously required significant manual input or manipulation, including the use of a logical work flow engine, business rules engine and electronic document management capability.
- Implemented a high-quality solution which utilizes the best combination of the following types of components to meet the stated requirements in the most effective and cost efficient manner: Commercial-off-the Shelf (COTS) software package (with supportable customizations as needed), existing custom-built solutions (with modifications as needed) and new custom development.
- Improved the effectiveness of the Securities and Consumer Finance examination and Financial Investigations processes.
- Improved public access to appropriate regulatory information, including integration of a customer self-service portal via web interface.
- Provided sufficient, efficient, and effective data accessibility and reporting by the OFR staff to the comprehensive database encompassed by the REAL system, without negatively impacting the responsiveness of the internal and external online systems.
- Significantly reduced manual processes.

During analysis and development of the original REAL project business case, the OFR determined at the time that the Division of Financial Institutions would not be part of the REAL project. Since completion of the REAL project and the original business case, the OFR has continued to leverage the REAL system capabilities in new ways to further drive business benefits. The REAL system utilizes a Commercial-off-the-Shelf (COTS) software application that has continued to evolve through the product lifecycle bringing new capabilities to the OFR for automation and further reduction in manual tasks.

In addition, OFR continues to foster a culture of process improvement following the transformative changes implemented as part of the REAL project.

Listed below are additional successes the OFR has realized in recent years:

Continued Reduction in Application Processing Times

Both the Division of Securities and Division of Consumer Finance continue to realize reductions in application processing times for registrants and licensees through business process tuning and optimized use of REAL System capabilities. The Figures below illustrate the continued reduction in application processing times during recent fiscal years for the Division of Consumer Finance.

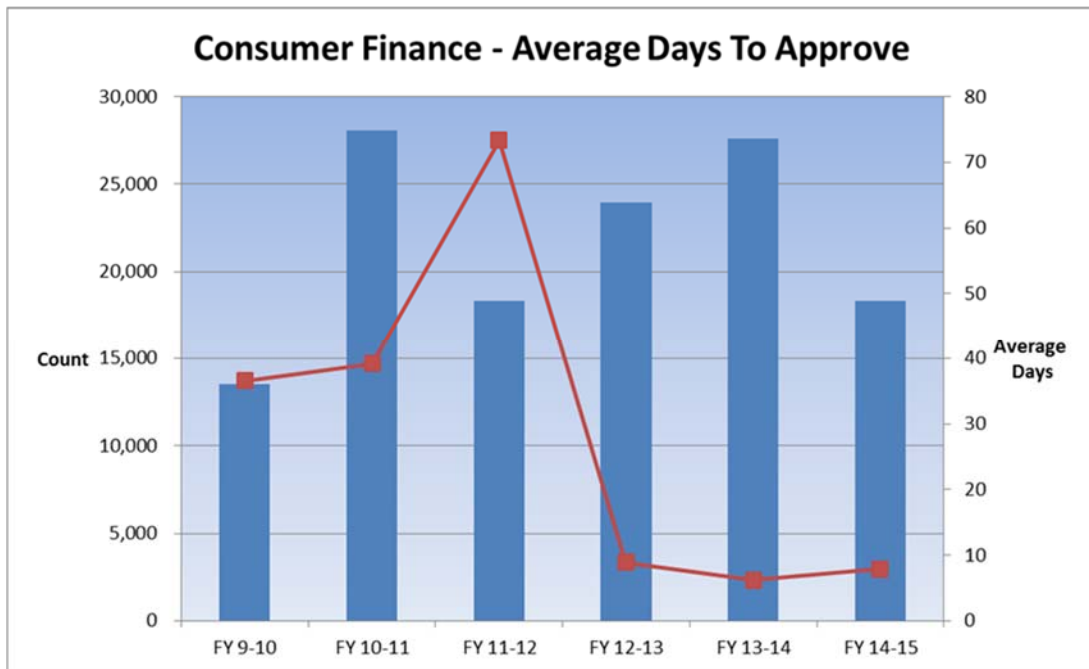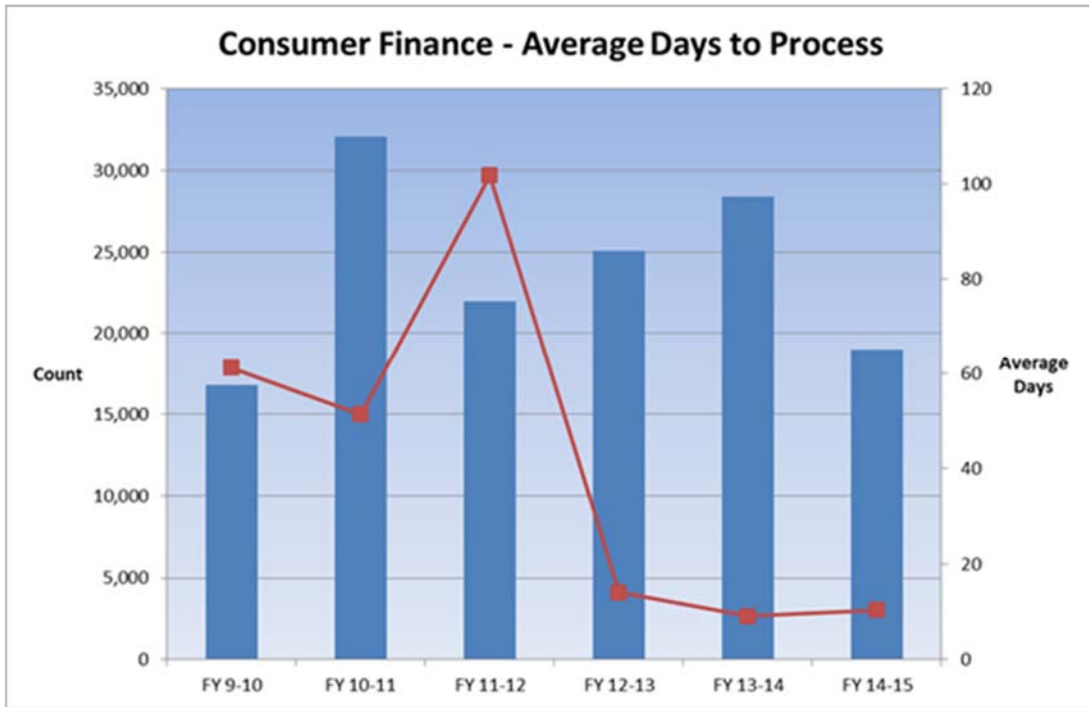*<<This space intentionally left blank>>*

Figure 7: Response Times

Continued reduction in application processing times have been achieved by the OFR despite continued growth in Securities registration volume. The Figure below illustrates that reductions in application processing time are being sustained even during periods of increasing volume.
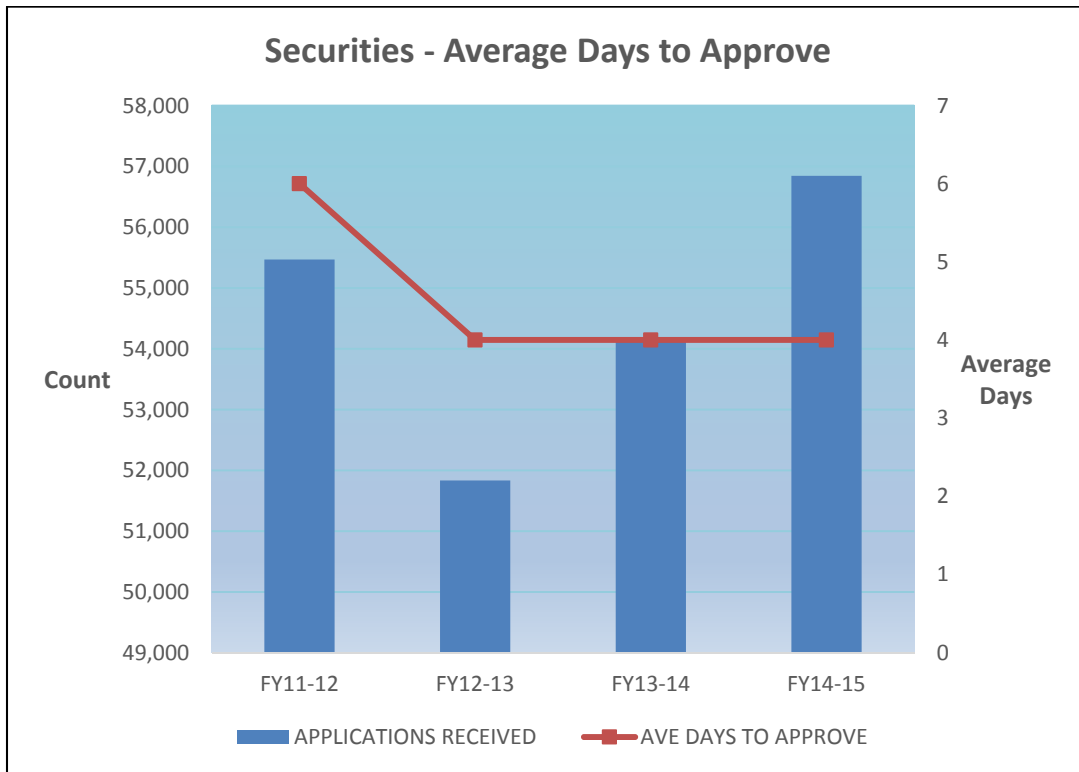

Figure 8: Average Days to Approve

Complaint Resolution Efficiency

The OFR has experienced a 50% decrease in the time it takes to handle a complaint by developing process improvements and making full use of the workflow capabilities of the REAL system.

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Improved Self-Service capabilities for Money Transmitter businesses

Over the past few years, Florida has seen a steady growth in Money Transmitter businesses, with the larger of these businesses managing thousands of locations statewide. The figure below illustrates this trend over the past seven years.
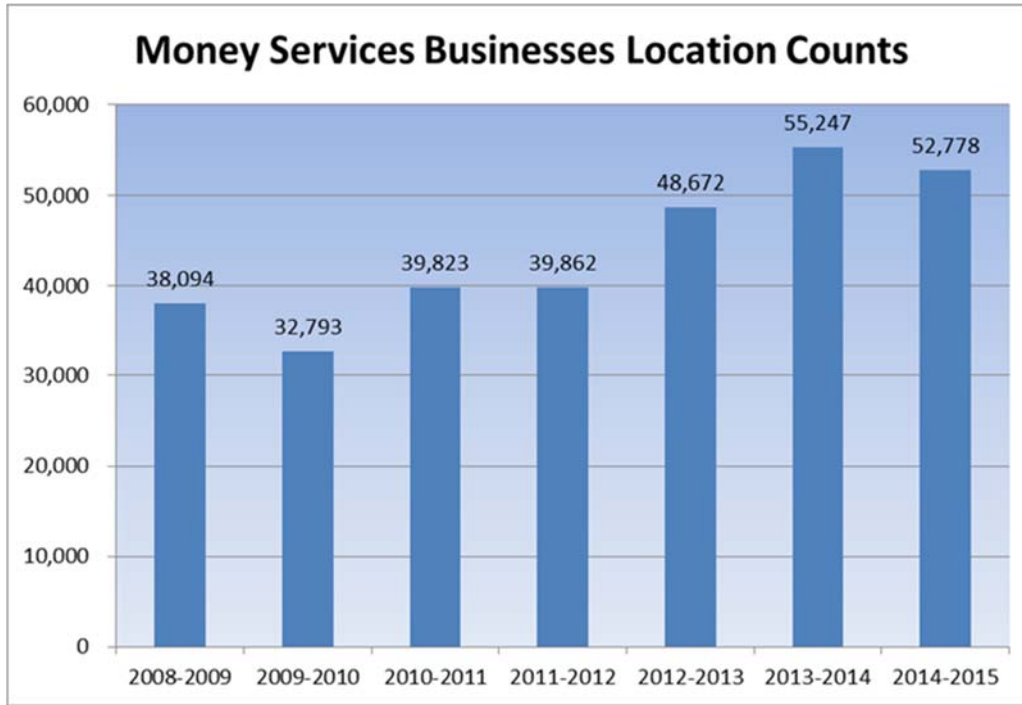

Figure 9: MSB Location Counts

This trend was not in evidence at the time of REAL system planning almost 10 years ago. To better serve the needs of these businesses, OFR responded by expanding the REAL system Online Services Portal to include additional self-service functions to facilitate Money Transmitter companies in searching, adding, retiring and maintaining mass lists of locations. The OFR worked closely with the business community in incorporating this additional feature, resulting in a reduction in time needed for business to register locations with OFR.

Automation of Fingerprint Processing

The OFR leveraged the external interface capabilities of the REAL system to take advantage of the file exchange interface available from the Florida Department of Law Enforcement (FDLE) for fingerprint background check results. . As a result of implementing fingerprint processing automation, the OFR was able to redirect staff from the manual process of handling paper fingerprint cards and validating results to focus on streamlining application processing and responding to customer service requests. This achievement had the further benefit of reducing the backlog of fingerprint requests to process.

National Mortgage Licensing System and Registry Integration

In October 2010, the OFR completed the automated integration of the REAL system with the Nationwide Mortgage Licensing System and Registry (NMLS) to provide for improved coordination and information sharing among regulators, increased efficiencies for industry, and enhanced consumer protection. Automated integration of REAL with NMLS contributed toward further reductions in application processing times and facilitated redirection of staff to improve customer service and responsiveness.

Automation of Business Notifications and Correspondence

As REAL system COTS components have continued to evolve, the OFR has been able to leverage the capability to

generate automated electronic notifications and correspondence to registrants and licensees, replacing manual processing of individual correspondence for each registrant and licensee. Communications are now able to be sent en masse to related groups of customers. As a result of this change, the OFR was able to redirect staff members toward application processing and customer service activities.

Improved Performance Management Process

Through the reporting capabilities of the REAL system, the OFR has achieved benchmarks for key personnel activities, including the examination process that is actively used in performance management and employee performance evaluations. Application of this important management tool has led to a more productive staff, as well as improved and more effective interactions with businesses and registrants during the examination process.

Statement of Need
Problem Statement

While the REAL system project assisted the OFR in achieving many organizational goals and better serving the financial services industry in Florida, opportunities and challenges remain to foster further success and continue to protect the benefits achieved. Four areas of need have been identified that are critical to furthering the mission of the OFR, as described below:

1. Provide for a seamless and controlled transition of REAL system operations and maintenance (O&M) services as the existing contract ends in June 2017 in order to continue meeting OFR service expectations.
2. Reduce the dependence on manual business processes and multiple databases and spreadsheets by the Division of Financial Institutions to achieve process improvements.
3. Address the risks of maintaining custom system components that are aging and moving toward unsupported platforms. Additionally, some custom code has been applied to address key needs such as security protection and support.
4. Proactively sunset the custom portal and replace with a standard technology (i.e. standard Online Services Portal) prior to an emergency scenario down the road where OFR's customers may be exposed to an unexpected outage that is not easily recoverable.

REAL Operations and Maintenance Services

The current REAL system operations and maintenance (O&M) services contract will end in June 2017. While the REAL system utilizes COTS software that is highly configurable and has a robust and evolving product lifecycle from the manufacturer, REAL system COTS components are deeply specialized for the licensing and regulatory industry. The current REAL O&M services contract provides for a minimal contract staff of 4.5 full time equivalent (FTE) staff. The OFR has been able to continue achieving its mission due to the skills and experience of the current REAL system O&M contract team, as explained below:

- While only 4.5 FTEs in size, the majority of the current REAL system O&M contract team members had key roles as part of the original REAL system implementation, and have deep product, industry and organizational knowledge of the OFR and its business processes.
- Collectively, the current REAL system O&M contract team has 50 years of experience in integrating and maintaining the COTS licensing and regulatory system components utilized by the REAL system at OFR and other State of Florida agencies utilizing these products.

Due to the specialized nature of the skills and experience of the current REAL system O&M contract team members, replacement of O&M support staff, either by the current vendor or through the re-procurement process due to approaching end of contract is a critical activity for the OFR over the next 12 months. Dependence by OFR on a few uniquely skilled practitioners to provide O&M support services introduces the risk of service interruptions in the event of vendor staff attrition. A larger team size will be required in order to practically meet support requirements, ensure no interruption in services that support the OFR's mission, and provide for backup personnel in the event a specific resource is temporarily unavailable. The re-procurement process for O&M is a key activity that will be telling to the future capacity required to support the OFR's stakeholders.

Due to the specialized product and integration knowledge necessary to adequately maintain the REAL system, a healthy transition period prior to the end of the current REAL system O&M services contract is needed to ensure the OFR and its hundreds of thousands of customers do not experience service interruptions.

The current REAL system O&M Services contract also provides a limited service level agreement that does not meet the future needs of the OFR, and introduces the risk of service interruptions. A stronger service level agreement is needed to incentivize vendors responsive to a future re-procurement to provide skilled and experienced staff dedicated to the availability, reliability and security of the REAL system.

In summary, the OFR has a critical business need to provide a seamless and healthy transition of REAL system O&M Services, achieve a stronger service level agreement to ensure the availability, reliability and security of the REAL system, and provide adequate staff resources to reduce the risk of service interruptions.

Division of Financial Institutions Business Process Challenges

During analysis and development of the original REAL project business case, the OFR determined that the Division of Financial Institutions would not be part of the REAL project. The Division of Financial Institutions continues to utilize primarily manual business processes to meet the mission of promoting a safe and sound financial marketplace. Listed below are a few examples of manual business processes currently in use and resulting challenges for the OFR.

Example Manual Process	Supporting Tools	Challenge(s)
Notifications and Correspondence: The Division of Financial Institutions manually generates and mails notifications and correspondence to facilitate interactions with state-chartered financial institutions	Notifications and Correspondence are stored locally on Division staff workstations and also stored collectively on a secure network file share	• Correspondence and Notifications are not tracked to provide management information for volume and trends • Correspondence and Notifications are not directly associated with licensing and examination records; retrieval requires a time consuming manual search • While Correspondence and Notifications are stored in a secure location, they are not subject to version control and may be deleted inadvertently through human error
Performance Management: The Division utilizes supervisor feedback to determine employee performance evaluations	Qualitative supervisor judgment of employee performance	• Quantitative benchmarks exist for key personnel activities, however it is difficult to measure the success of process improvement activities due to the primarily manual process involved.
Workflow: The Division utilizes email to route work packages and assignments through the organization	Email	• Work assignments and completion times are tracked manually, which result in processing delays impacting financial services businesses due to missed or delayed communications • Quantitative benchmarks exist for key personnel activities, however it is difficult to measure the success of process improvement activities due to the

Example Manual Process	Supporting Tools	Challenge(s)
		primarily manual process.
Reporting: The Division enters examination results into a custom in-house developed system that captures 30 data points, then manually extracts data to manipulate information to formats needed for reporting	- Microsoft Access based in-house developed system capturing 30 data points – the Financial Information Tracking Objective (FITO) - Microsoft excel for manipulating data into required formats	- Reporting is time consuming requiring manual manipulation of data by staff into required formats - Each report must be manually put together by staff – if changes are needed the process must start over consuming staff time - Management is unable to directly access critical information about Division performance

In addition to current manual business processes, the Division of Financial Institutions utilizes information support tools inadequate to mission needs. Information on financial institution health and examination results is manually tracked by staff members in spreadsheets and Access databases individually created by employees. The primary data system developed in-house to record examination data currently only stores 30 data points related to examination results, and provides only limited data entry and data export capabilities using Microsoft Access as the user interface.

The Division of Financial Institutions also manually generates data matching with Federal entities in time consuming processes on a quarterly basis as part of assessing whether financial institution health is within expected parameters. This includes downloading data files for each bank entity from the Federal Financial Institutions Examination Council (FFIEC) for manual comparison, as well as copying data from the National Credit Union Administration (NCUA) and the Federal Deposit Insurance Corporation (FDIC) for each individual credit union so that data can be compared in validating financial health. Utilizing the REAL system automated interface capabilities, staff time spent performing manual data matches could be redirected toward improved customer service for financial entities.

The Division of Financial Institutions has achieved improvements in some business process areas that are more standardized across the OFR through utilization of REAL system features. These include:

- Complaints: Citizen Complaint submission functionality has been enabled by the OFR through the REAL Online Services Portal to facilitate citizen access and tracking of complaints to resolution. This improvement allowed OFR staff to redirect effort toward customer service and complaint resolutions instead of manually recording and processing complaints received by phone, email and fax.
- Training Completion Tracking: The Division of Financial Institutions is utilizing a feature of the REAL system to track completion of training courses by employees. Having a central repository of approved training that can be directly related to staff to determine completion has enabled division staff to focus on training compliance and employee performance instead of the physical task of managing paper copies and scanned images of training completion.

As Florida's economic and financial landscape continues to grow and evolve, the Division of Financial Institutions lacks the flexibility and ability to adapt that other OFR Divisions have achieved. Due to the time consuming process of manually compiling data critical to decision making, management lacks the situational awareness to respond effectively to unforeseen and emerging threats to Florida's financial industry health.

In order to reduce dependence on manual business processes and achieve the benefits realized by other OFR Divisions, improved process automation across the Division of Financial Institutions is needed, including but not limited to, the process areas of:

- Application Forms and Processing
- Renewal Forms and Processing
- Examination Results
- Workflow Automation

- Notifications and Correspondence Automation and tracking
- Centralized and robust Reporting
- Interface automation

Customer Service Business Process Challenges

At the time of REAL system implementation, existing COTS components were leveraged to their full extent as part of the system architecture. In evaluating available solutions, there was not an Online Services Portal as a Commercial off-the-Shelf product that met project requirements for the licensing and regulatory industry. As a result, the REAL system Online Services Portal was developed as a custom application component tailored to meet OFR business needs, given the criticality of driving 100% self-service for some license types such as Mortgage Brokers as economic factors were generating ever increasing volume.

While the current custom REAL Online Services Portal has been a successful tool for excellent customer service and process automation, several challenges are emerging that the OFR must address:

- Address the risks of maintaining custom system components that are aging and moving towards unsupported platforms. Additionally, some custom code has been applied to address key needs such as security protection and support. The software and technical architecture underpinning the custom Online Services Portal is aging and no longer supported by the manufacturer (i.e. Microsoft .NET 2.0 is utilized for the portal and no longer supported).
- Proactively sunset the custom portal and replace with a standard technology (i.e. standard Online Services Portal) prior to an emergency scenario down the road where OFR's customers may be exposed to an unexpected outage that is not easily recoverable.
- The required skillsets needed to maintain the aging software architecture will be difficult and expensive to obtain in the future because as technology becomes obsolete, but remains operational, the skilled professionals have retooled themselves to the latest technology and actively seek systems with newer technology to stay relevant in their field. It becomes more difficult to keep professionals around to maintain outdated technology, and more expensive.
- Modifications to the Online Services Portal to meet the changing demands of Florida financial services businesses require a full software development lifecycle, generating an ever increasing application code base that must be supported in the long term. One near term example is modifications needed to meet the needs of licensure for Crowd Sourcing (Crowdfunding) financial businesses – a new regulatory requirement.
- The custom Online Services Portal is integrated directly with REAL system COTS components to provide one seamless system. This integration is accomplished through reliance on available services exposed by COTS components from the manufacturer. As COTS software components continue to evolve to meet current security and support requirements, the risk is increasing that integration points the Online Service Portal is dependent on may no longer be supported by the COTS software manufacturer. Should this risk be realized, remediation of the Online Services Portal would be necessary requiring the full software development lifecycle, or if necessary the OFR may have to engage COTS vendors in providing additional support or custom integration points to continue business functions.

2. **Business Objectives**

Linkage of Proposal to Agency Performance Measures, Long Range Program Plan goals and objectives supported- LRPP

The business needs documented above are directly aligned with the OFR's Long Range Program Plan, Agency mission, Agency goals and associated objectives, including:

GOAL #1: Improving taxpayer value

- Improve metrics to measure OFR results to foster an atmosphere of continuous improvement.

GOAL #2: Delivering value to businesses

- Improve service to securities services applicants and registrants by processing submissions in a timely manner.
- Improve service to finance services applicants and registrants by processing submissions in a timely manner.
- Provide fair, balanced and responsive service to Division of Financial Institutions' customers, the state chartered

or licensed financial institutions.

GOAL #3: Promoting a safe and sound financial marketplace

- Examine all state financial institutions within statutory timeframes
- Examine all money services businesses within statutory timeframes.
- Examine companies and individuals regulated under the Florida Securities & Investor Protection Act to more effectively protect Florida investors.
- Increase percentage of financial investigations completed that result in administrative, civil and/or criminal action against individuals or entities that conduct fraudulent or illegal financial services activities.
- Improve investigative efficiency by reducing the time required to prepare a legally sufficient case for potential enforcement action.

GOAL #4: Improving customer service

- Improve customer service provided by the Division of Securities by reducing the overall call wait time.

The sections below identify how OFR LRPP goals are supported by each identified need area.

Operations and Maintenance Services Business Objectives

Need: Providing for a seamless and controlled transition of REAL system operations and maintenance (O&M) Services as the existing contract ends in June 2017 in order to continue meeting OFR service expectations

Supported Goals and Objectives:

The OFR has an organizational goal of achieving excellence in all OFR does. OFR year-on-year has utilized REAL system workflow automation and the Online Services Portal to continue driving down application processing times and to achieve prompt regulatory action for stakeholders. Providing for a seamless and controlled transition of REAL system O&M Services will safeguard the organizational gains made.

Timely conducting of examinations, investigations and enforcement cases pursuant to the Florida Securities & Investor Protection Act, as well as improvements in efficiency of the finance examination program by decreasing the time to refer a priority examination to legal services supports the OFR's goal to enforce compliance with state laws related to the financial industry. The OFR has achieved its current level of timeliness and efficiency by integrating the business process automation capabilities of the REAL system into everything the Division of Consumer Finance, Division of Securities and Bureau of Financial Investigations does to maximize system benefits. Supporting the seamless and controlled transition of REAL system O&M Services will ensure that timely and efficient services to stakeholders is not interrupted or degraded.

Division of Financial Institutions Business Objectives

Need: Reduce the dependence on manual business processes by the Division of Financial Institutions to achieve process improvements

Supported Goals and Objectives:

To continue achieving excellence in all OFR does, the underpinnings and tools supporting continuous improvement activities are needed for the Division of Financial Institutions. Workflow automation will assist in providing quick, responsive services to applicants, establishing benchmarks for expected processing times, and providing management and decision makers with quantitative information for situational awareness.

To further improve examination of all state financial institutions within statutory timeframes and provide fair, balanced and responsive service to Division of Financial Institutions' customers, as well as state-chartered or licensed financial institutions, process automation is needed across division activities, including application processing, recording examination results, generating notifications and correspondence, centralized and robust reporting, and interfacing with Federal regulatory entities. Reducing dependence on manual processes also will assist in providing fair, balanced and responsive licensing and chartering service to OFR's customers, the state chartered or licensed financial institutions, and applicants for new charters.

Customer Service Business Process Challenges

Need: Address the risks of maintaining custom system components that are aging and no longer supported by the manufacturer for security protection and support

Supported Goals and Objectives:

Through the investment in the REAL system project, the OFR has achieved significant and measurable excellence in providing quick, responsive service to applicants and developing an atmosphere of continuous improvement. Risks are now emerging that the OFR must address related to the REAL system's aging custom Online Services Portal in order to continue to meet expectations of the hundreds of thousands of businesses and individuals doing business with the OFR every year.

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B. Baseline Analysis

Purpose: To establish a basis for understanding the business processes, stakeholder groups, and current technologies that will be affected by the project and the level of business transformation that will be required for the project to be successful.

1. Current Business Process(es)

How the OFR mission is currently being met

The OFR currently utilizes two disparate sets of business processes:

1. End-to-end integrated and automated business processes for the Division of Consumer Finance, Division of Securities and Bureau of Financial Investigations utilizing the REAL system
2. Primarily manual business processes for the Division of Financial Institutions with some in-house developed applications for subsets of information

OFR Business Processes utilizing REAL

The figure below illustrates how the business of regulating Florida's financial services industry is accomplished using the REAL system for the Division of Consumer Finance, Division of Securities and Bureau of Financial Investigations:

Regulatory Licensing and Enforcement System (REAL)

Customer Self-Service Processes	System Enabled Processes	
Apply for a License / Registration	Configured Business Rules	Approve Licensure / Registration
Renew a License / Registration	Automated Workflow	Process Complaint
Inquire about a License / Registration	Imaging / Document Management	Conduct Examination
Make a Payment	Reporting / Business Intelligence	Conduct Investigation
Submit Financial Information	Automated Data Exchange	Conduct Legal Process
File a Complaint	Notifications / Correspondence	Manage Training
Maintain Business Information		Improve Processes

Figure 10: REAL View

Customer Self-Service Processes:

- **Apply for a License / Registration:** Individuals and businesses seeking licensure or registration with the OFR utilize the REAL Online Services Portal to complete their application, fill out required forms, and upload needed documentation which is then routed to the appropriate OFR worker queue for review and approval.
- **Renew a License / Registration:** Renewals for licensure or registration are completed via the Online Services

Portal with renewal requirements determined by pre-configured business rules.

- **Inquire about a License / Registration:** Citizens and businesses in Florida can access information on licensed and registered businesses 24x7 via the Online Services Portal without the need to engage OFR staff.
- **Make a Payment:** Payments are completed via self-service based on pre-configured rules to determine required payment amounts.
- **Submit Financial Information:** Periodically required submission of financial and other business information can be completed by the licensee or registrant.
- **File a Complaint:** Citizens access the Online Services Portal to submit complaints to the OFR for processing. Validation is applied before a complaint may be submitted so that OFR staff have the required information for timely responses.
- **Maintain Business Information:** Licensed or registered individuals and businesses maintain their own information where appropriate via the Online Services Portal without the need to engage OFR staff via manual channels.

System Enabled Processes:

- **Configured Business Rules:** Federal and state requirements are enforced during all business activities by pre-configured business rules that drive compliance and process excellence.
- **Automated Workflow:** Routing of worker assignments for review, processing, and approval is driven by pre-configured workflow rules that enforce accountability and timely responses to business requests.
- **Imaging / Document Management:** Management of supporting documents, correspondence and notifications is integrated and seamless with immediate retrieval of documents associated with a license or registrant.
- **Reporting / Business Intelligence:** The REAL system provides a single, central repository of business information with integrated tools for standard and ad-hoc reporting for management decision making.
- **Automated Data Exchange:** The REAL system supports automated interfaces with numerous external data sources, eliminating manual data comparisons and providing one seamless view of information.
- **Notifications / Correspondence:** Notifications and correspondence with licensees and registrants are automatically generated, with mass notification capability enabled to reduce manual effort.
- **Approve Licensure / Registration:** Applications received through the Online Services Portal are routed with all required information to OFR staff for review and approval.
- **Process Complaint:** Complaint processing is facilitated by automated workflow to ensure complaints are responded to promptly.
- **Conduct Examination:** Examinations are conducted and entered into REAL, and worker performance is compared against established examination benchmark times.
- **Conduct Investigation:** All investigation activities are facilitated within the REAL system.
- **Conduct Legal Process:** Automated workflow generates requests to Legal resources for processing.
- **Manage Training:** Required staff training is tracked to completion with approved courses.
- **Improve Processes:** Quantitative data on worker performance and business process flow enables OFR to continuously improve system and employee performance.

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Division of Financial Institutions Current Business Processes

The figure below illustrates how the Division of Financial Institutions (Division) currently ensures the safety and soundness of Florida's Financial Institutions with primarily manual business processes:

**Division of Financial Institutions
Current Business Processes**

Manual Processes

Apply for a State Charter	Submit Financial Information	Imaging / Document Management
Approve State Charter	Maintain Business Information	Data Exchange
Make a Payment	Inquire about a Financial Institution	Notifications / Correspondence
Conduct Legal Process	Manage Workflow	Improve Processes
Manage Business Rules	Distribution of Reports of Examination	Reporting / Business Intelligence

Customer Self-Service Processes

File a Complaint

System Enabled Processes

Conduct Examination	Record Examination
Process Complaint	Manage Training

Figure 11: REAL Current View

Manual Processes:

- **Apply for a State Charter:** Businesses seeking charter as a Florida financial institution contact the OFR for pre-application discussions, then the OFR works with potential financial institutions to complete required paperwork and application requirements.
- **Approve State Charter:** The Division manually reviews completed application forms and supporting documentation, and makes an approval decision based on Federal and State requirements.
- **Conduct Legal Process:** Legal staff manually receive requests for review or legal action.
- **Manage Business Rules:** Federal and State requirements for regulating financial institutions are managed by professional staff based on experience and skill.
- **Make a Payment:** Due to the typically large payment amounts associated with application fees, financial institutions submit a business check to the Division for processing. Payments are manually tracked.
- **Submit Financial Information:** The OFR works directly with financial institutions primarily by encrypted email for submission of required periodic financial statements and other information.

- **Maintain Business Information:** Changes in information associated with key personnel and other business attributes of financial institutions are effected through direct customer interaction.
- **Inquire about a Financial Institution:** Citizens inquire about Florida chartered financial institutions by contacting the OFR directly via email, phone or fax. The OFR assigns communication to staff for a response via email.
- **Manage Workflow:** The primary mechanism to effect work assignments within the Division is via email correspondence with staff.
- **Imaging / Document Management:** Formal correspondence is completed on a case-by-case basis with past correspondence stored on a secure network file share.
- **Data Exchange:** Data files are individually downloaded or copied from external partners for each chartered financial institution, then compared manually against Division examination data using spreadsheets.
- **Notifications / Correspondence:** Formal correspondence is completed on a case-by-case basis with past correspondence stored on a secure network file share.
- **Improve Processes:** Supervisors apply professional judgment and experience to evaluate employee performance on a case-by-case basis.
- **Reporting / Business Intelligence:** Data is extracted from Division and external data sources, then reports are generated individually on a case-by-case basis via spreadsheets.
- **Reports of Examination:** Examination results are reported using manual developed spreadsheets and are distributed using manual processes (e.g. emailed and printed to distribution list). If any data changes in the report, the entire process has to be restarted and is time consuming.

Customer Self-Service Processes:

- **File a Complaint:** Citizens access the Online Services Portal to submit complaints to the OFR for processing. Validation is applied before a complaint may be submitted so that OFR staff have the required information for timely responses.

System Enabled Processes:

- **Conduct Examination:** Examinations of financial institutions are facilitated by federally mandated and supplied information systems.
- **Record Examination:** Examination results are exported by Division staff from federally mandated and supplied information systems, then entered into the custom in-house developed Financial Information Tracking Objective (FITO) system, a Microsoft Access based system tracking 30 points of data related to examinations. FITO provides a data export feature for Division users to receive data in raw format for import into spreadsheets in manually building reports.
- **Manage Training:** Required Division staff training is currently tracked to completion with approved courses in the REAL system.
- **Process Complaint:** Complaint processing is facilitated by a workflow process to ensure complaints are responded to promptly.

Benefits delivered to the OFR

The benefits of the current end-to-end integrated and automated business processes utilizing the REAL system include, but are not limited to:

- Ability to handle increases in business volume as Florida's economy changes by providing customer self-service capabilities,
- Reduction in human error through the use of integrated workflow assignments, correspondence and notifications,
- Measurable continuous improvement and performance management,
- Redirection of work effort from manually handling individual work items and data reporting to reductions in

processing times and improved customer service,

- Situational awareness and business operations insight for management through standardized and ad-hoc reporting against a centralized data repository, and
- Enforcement of Federal, State, and Administrative rules in business operations through integrated and configurable business rules.

While the REAL system generated benefits to the OFR for all business units that participated, there are some advantages to how the Division of Financial Institutions provides services for Florida businesses, as well as the challenges that come with a primarily manual business process. The benefit delivered by the current manual processes utilized by the Division of Financial Institutions includes direct and constructive relationships with Florida's financial institutions to regulate financial safety and soundness.

Key outcomes

The use of two different methods of operating and providing services leads to differences in outcomes.

The achievement of end-to-end integrated and automated business processes by the Division of Consumer Finance, Division of Securities and Bureau of Financial Investigations utilizing the REAL system has generated substantial gains in responsiveness and efficiency. Ongoing business operations and excellent customer service for these business units is, however, now entirely dependent on the continued health and maintenance of the REAL system that supports them. Emerging risks related to the skills, experience, and architecture necessary to maintain the REAL system must be addressed by the OFR to protect the investment made and benefits realized.

The Division of Financial Institutions builds effective relationships with every regulated financial institution in Florida. Management lacks comprehensive information on business operations for decision making, and reporting on an individual basis by manually compiling and manipulating information from multiple data sources increases risk of error or inconsistency. Controls on business processes are enforced entirely through professional judgment, which takes years to develop and weakens organizational resiliency when staff attrition occurs. Improvements in business processes are challenging to implement due to the lack of flexible and configurable tools in use.

Issues with Current Process and Technology

The key outcomes of OFR's current business process result in issues directly related to the areas of need:

- O&M service issues
- Disconnect between systems
- Lack of centralized information source
- Excessive manual processes
- Customer service issues

O&M services issues

While based on commercially available software, REAL system COTS components are deeply specialized for the licensing and regulatory industry. Due to the specialized nature of the skills and experience of the current REAL system O&M contract team members, replacement of O&M support staff, either by the current vendor or through the re-procurement process due to approaching end of contract is a critical activity for the OFR over the next 12 months. Dependence by OFR on a few uniquely skilled practitioners to provide O&M support services introduces the risk of service interruptions in the event of vendor staff attrition.

The current REAL system O&M Services contract also provides a limited service level agreement that does not meet the future needs of the OFR, introduces the risk of service interruptions, and does not provide for the availability, reliability and security of the REAL system.

As a result of the current issues, OFR is planning for a period of six - twelve months prior to the end of the current contract to adequately transfer knowledge and transition services from the existing contract to a new contractor.

Disconnect between systems

The Division of Financial Institutions manually generates data matching with Federal entities in time consuming processes on a quarterly basis as part of assessing whether financial institution health is within expected parameters.

This includes downloading data files for each bank entity from the Federal Financial Institutions Examination Council (FFIEC) for manual comparison, as well as copying data from the National Credit Union Administration (NCUA) for each individual credit union so that data can be compared in validating financial health.

Lack of centralized information source

The Division of Financial Institutions enters examination results into a custom in-house developed system, then manually extracts data to manipulate information to formats needed for reporting. This is a Microsoft Access based system capturing 30 data points – the Financial Information Tracking Objective (FITO) (formally the Database of General Information (DOGI)). FITO is inadequate to meet the needs of the OFR, due to its limited flexibility, lack of integrated business rules, workflow and document management, and poor reporting capabilities. To produce reports for operations and management, staff export raw data into Microsoft Excel for manipulation into required formats. Reporting is time consuming, requiring manual manipulation of data by staff into required formats. Each report must be manually put together by staff – if changes are needed. The process must start over consuming staff time. Management is unable to directly access critical information about Division of Financial Institutions performance.

In addition to FITO, DFI relies on multiple homegrown technologies that will be identified as requirements and migrated into REAL as a part of the requested REAL improvements.

Excessive manual processes

The Division of Financial Institutions currently utilizes time consuming manual processes that limit the ability to pursue process improvement activities, including:

- Correspondence and notifications are not tracked to provide management information for volume and trends,
- Correspondence and notifications are not directly associated with licensing and examination records; retrieval requires a time consuming manual search,
- While correspondence and notifications are stored in a secure location, they are not subject to version control and may be deleted inadvertently through human error,
- Manual processes for measuring the success of process improvement activities (i.e. lack of standard approach, currently leveraging individual spreadsheets and tabulations manually maintained by managers and supervisors to provide insight into performance); and
- Work assignments and completion times are not quantitatively tracked which may result in processing delays impacting financial services businesses due to missed communications.

Customer service issues

While the current custom REAL Online Services Portal has been a successful tool for excellent customer service and process automation, several challenges are emerging that the OFR must address, as described below:

- An aging architecture is moving towards unsupported levels by the software manufacturer for security updates and support. OFR needs to mitigate risks by sun setting current custom code and implement standard supported code for the Online Services Portal.
- The required skillsets needed to maintain the aging software architecture will be difficult and expensive to obtain in the future because as technology becomes obsolete, but remains operational, the skilled professionals have retooled themselves to the latest technology and actively seek systems with newer technology to stay relevant in their field. It becomes more difficult to keep professionals on board to maintain outdated technology, and thus more expensive.
- Modifications to the Online Services Portal to meet the changing demands of Florida financial services businesses require a full software development lifecycle, generating an ever increasing application code base that must be supported in the long term.
- As COTS software components continue to evolve to meet current security and support requirements, the risk is increasing that integration points the Online Service Portal is dependent on may no longer be supported by the COTS software manufacturer. Should this risk be realized, remediation of the Online Services Portal would be necessary requiring the full software development lifecycle, or if necessary the OFR may have to engage COTS vendors in providing additional support or custom integration points to continue business functions.

Business Process Improvement Recommendations

In order to address issues with current processes and technology, the following business process improvements are recommended:

- Secure adequate long-term resources with the skills and experience necessary to continue support of REAL. system O&M
- Establish an integrated end-to-end solution to support the Division of Financial Institutions business processes.
- Address the risks posed by the REAL system's aging custom Online Services Portal to continue excellence in customer service.

2. Assumptions and Constraints

Assumptions

- Timely availability of project funding for FY2016-17 will be achieved.
- The project duration will be two years, including re-procurement and transition activities for O&M services prior to end of contract in June 2017.
- Adequate long-term resources with the skills and experience necessary to support REAL system O&M services are available at competitive rates.
- The mitigation of risks posed by the aging custom Online Services Portal to continuing excellence in customer service will not be realized prior to project completion.

Constraints

- As part of establishing an integrated end-to-end solution to support the Division of Financial Institutions business processes, division staff will be required to adjust work schedules to support this effort in addition to regular job duties without significantly impacting customer service.
- OFR currently does not have any State of Florida positions providing direct application support services that can be leveraged for this project.
- OFR does not have historical organizational skills and experience in directly providing application support services for mission critical systems.

C. Proposed Business Process Requirements

Purpose: To establish a basis for understanding what business process requirements the proposed solution must meet in order to select an appropriate solution for the project.

1. Proposed Business Process Requirements

Operations and Maintenance Services Business Requirements

The following requirements will support OFR's O&M Service needs:

- The solution must be fully established during FY2016-17 prior to the end of the current O&M Services contract in June 2017.
- Establishment of robust Service Level Agreements are needed to ensure the availability, reliability and security of the REAL system.
- Adequate skilled and experienced resources prior to end of the current O&M contract in June 2017 are needed to effectively transition O&M services for the REAL system.
- Adequate resources are needed to support long term O&M services taking into account the specialized nature of REAL system licensing and regulatory COTS components.

Division of Financial Institutions Business Requirements

Reduction in manual business processes and establishment of an end-to-end integrated workflow will establish the following high level business processes as a foundation for ongoing process improvement:
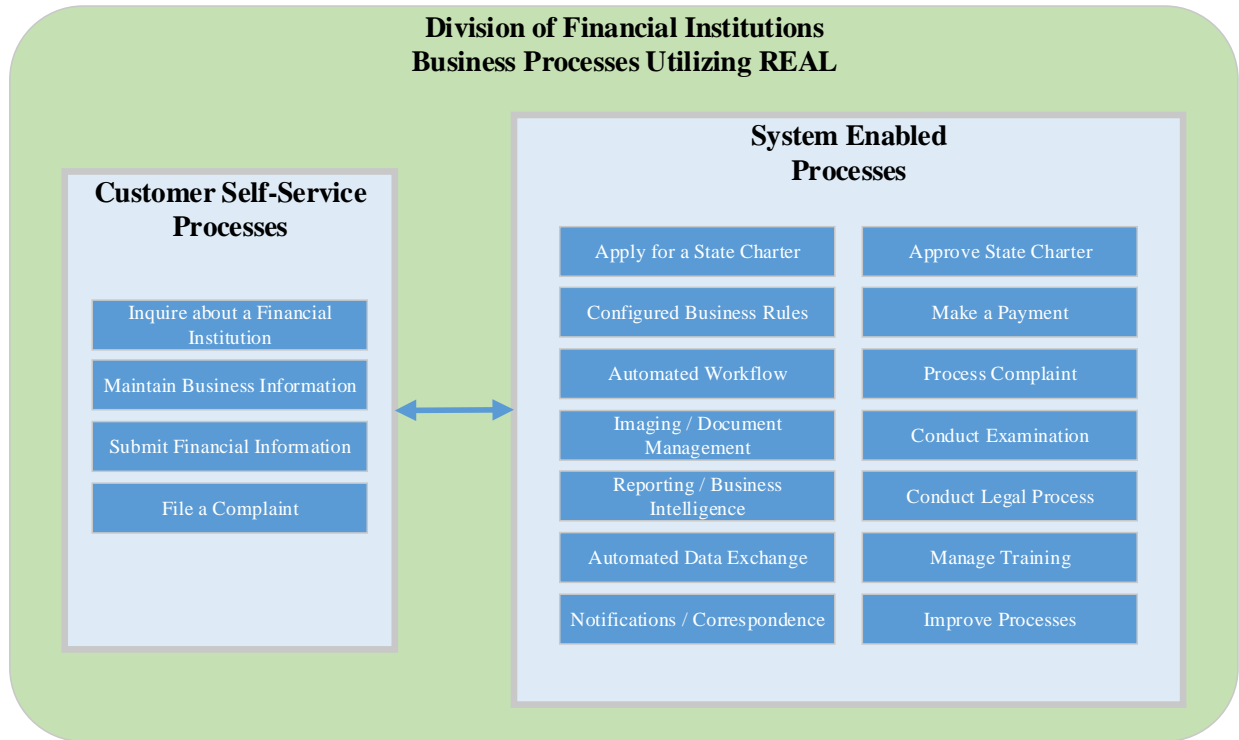
Figure 12: REAL Business Processes

Customer Self-Service Processes:

- **Inquire about a Financial Institution:** Citizens will be enabled to receive appropriate information on Florida chartered financial institutions 24x7 via the Online Services Portal, reducing the manual effort of responding to inquiries received directly by Division staff.
- **Maintain Business Information:** Information appropriate to be modified by authorized users will be made available securely via the Online Services Portal, improving the timeliness of customer service.
- **Submit Financial Information:** Periodically required financial statements and other supporting documents will be uploaded directly by financial institutions and be automatically routed to appropriate Division staff for processing.
- **File a Complaint:** Citizens will continue to access the Online Services Portal to submit complaints to the Division for processing. Validation is applied before a complaint may be submitted so that Division staff have the required information for timely responses.

System Enabled Processes:

- **Apply for a State Charter:** Potential Florida financial institutions rely on a direct relationship with the Division to ensure all regulatory requirements have been met. Division staff will utilize automated checklists and pre-configured business within the REAL system in processing applications, while maintaining the same quality business culture financial institutions have come to expect in Florida.
- **Approve State Charter:** Applications will move through approval steps and be assigned to staff based on

configured checklists and automated workflow rules.

- **Make a Payment:** Payments will be tracked and integrated with the financial institution record and will link to FLAIR.
- **Configured Business Rules:** Federal and state requirements will be enforced during all business activities by pre-configured business rules that drive compliance and process excellence.
- **Automated Workflow:** Routing of worker assignments for review, processing, and approval will be driven by pre-configured workflow rules that enforce accountability and timely responses to business requests.
- **Imaging / Document Management:** Management of supporting documents, correspondence and notifications will be integrated and seamless with documents immediately that are associated with a license or registrant.
- **Reporting / Business Intelligence:** The REAL system will provide a single, central repository of business information with integrated tools for standard and ad-hoc reporting for management decision making.
- **Automated Data Exchange:** The REAL system will support automated interfaces with external data sources, eliminating manual data comparisons and providing one seamless view of information.
- **Notifications / Correspondence:** Notifications and correspondence will be directly associated and integrated with the financial institution record in REAL
- **Process Complaint:** Complaint processing will continue to be facilitated by automated workflow to ensure complaints are responded to promptly.
- **Conduct Examination:** Examinations will continue to be facilitated by federally required and supplied information systems. Initially, examination date will be required to be re-entered into REAL and associated with the financial institution record. Following project completion, the Division will evaluate opportunities for automation of a data exchange between Federal examination systems and REAL. Having the data in REAL will enable establishment of performance benchmarks for the examination process over time.
- **Conduct Legal Process:** Automated workflow generates requests to Legal resources for processing.
- **Manage Training:** Training completion against approved courses will continue to be managed in REAL.
- **Improve Processes:** Quantitative data on worker performance and business process flow will enable the Division to continuously improve system and employee performance.

Customer Service Business Requirements

The following requirements will support OFR's customer service needs:

- The Online Services Portal will be migrated to software version or platform fully supported by the underlying software architecture manufacturer(s).
- The Online Services Portal will be optimized to improve the configurability of business functions and reduce the dependence on custom development for changes.

  2.   **Business Solution Alternatives**

Operations and Maintenance Services Alternatives

Since original implementation of the REAL system, the OFR has ensured the availability, reliability and security of the REAL system through a contract vehicle with an operations and maintenance services contractor, including contractual service level agreements. Currently, the OFR does not have any state positions providing direct application support services. The OFR also does not have historical organizational skills and experience in providing application support services for mission critical systems. These are key considerations in developing alternatives.

The following alternatives were evaluated to address business requirements for REAL system O&M Services:

Competitive Re-procurement for REAL System O&M Services

With end of contract approaching in FY2016-17 for the current O&M Services agreement, the OFR could engage in a competitive re-procurement to secure the services of a system integrator vendor in time to completely transition services prior to end of contract. In order to refine the budget required to secure a new contract, a re-procurement would need to take place in FY2015-16 to understand the current market value for these services and be in position to select a vendor presenting the best value to the state.

Listed below are the benefits and risks associated with the competitive re-procurement option.

Benefits	Risks
A seamless transition of critical application support services can be achieved through contractual requirements and service level agreements.	If the re-procurement and contract award do not complete prior to September 2016, the transition of services to the selected vendor will not complete by end of contract in June 2017. **Mitigation:** Begin the re-procurement process in FY2015-16 Q2 for a timely completion of the re-procurement.
Requires no organizational changes or increase in the required experience and skills of OFR staff	If the market value of required application support services is greater than anticipated, additional budget would be required. **Mitigation:** Schedule the re-procurement process to receive technical and cost proposals prior to the beginning of the FY2016-17 legislative session to allow for adjustments if needed.
Provides an opportunity for new competitive pricing among competing companies who desire to provide services in the licensing and regulatory industry	
Avoids the investment and organizational changes that would be needed for OFR to directly support the application with state staff	
Leverages a large potential talent pool to provide the highly specialized licensing and regulatory application support services OFR requires in order to meet customer demands and continue to make process improvements	

Utilize State Personnel for REAL system O&M Services

With end of contract approaching in FY2016-17 for the current REAL system O&M Services agreement, the OFR could establish an application support team consisting of OFR staff. Additional full time positions would be needed since OFR currently does not have any dedicated application support staff, nor experience as an organization in providing these services. In this alternative, OFR would also need to establish backup positions to establish a deeper bench of team members since the OFR would not have the talent pool of a large corporation to draw upon when attrition occurs.

Benefits	Risks
Provides direct control by OFR over application support team resources for performance management	If service interruptions occur, customers and OFR staff may experience extended delays in REAL system availability to the lack of contractual service level requirements.

	If attrition occurs due to local market forces, it may take an extended period to provision replacement staff reducing application support services provided.
	If federal or state business requirements change, additional FTEs would be required to support REAL system enhancements.
	If the OFR is unable to acquire resources with the specialized skills and experience needed to support licensing and regulatory applications for the available budget, service interruptions will occur and ongoing process improvement initiatives will be delayed.
	If the OFR is unable to acquire the management skills needed to monitor and control highly technical application support services, then the performance of the application support team will be reduced and service interruptions may occur.

Division of Financial Institutions Alternatives

In order to address the need of reducing the dependence on manual business processes by the Division of Financial Institutions (Division) and achieve process improvements, the OFR considered the following alternatives based on available resources, organizational experience and practical solutions.

Competitive Re-procurement to Migrate the Division of Financial Institutions to the REAL System

The OFR has leveraged REAL system capabilities to make substantial gains in customer service and process improvement for the Division of Consumer Finance, Division of Securities and Bureau of Financial Investigations. The configurable nature of REAL system COTS components enables additional licensing and regulatory business types and rules to be added without custom application development. In order to migrate the Division of Financial Institutions to the REAL system, professional services would be required for the following activities:

- Configuration of financial institution types and associated business rules, automated workflow, application checklist requirements and other COTS configurations aligned to Division needs
- Development of Correspondence and Standard Reports for inclusion in REAL to replace manual processes
- Implementation of customer service functions for inquiring about a financial institution, maintaining business information and submitting financial information in the Online Services Portal
- Implementation of automated interfaces to replace current manual file download and spreadsheet comparison
- Data conversion from the limited data available in the existing custom in-house developed Financial Institution Tracking Objective (FITO) system, including homegrown spreadsheets and applications developed to perform current processes

Benefits	Risks
Leverages investment in REAL system capabilities including a highly configurable COTS based system	If the organizational changes required to adapt Division business processes to the REAL system are not planned and managed through the lifecycle of the project, Division performance could suffer and realization of benefits would require an extended period.

Benefits	Risks
	Mitigation: Include organizational change management services in the competitive re-procurement.
Provides the ability to handle increases in business volume as Florida's economy changes by providing customer self-service capabilities	If the market value of required System Configuration and Integration services is greater than anticipated, additional budget would be required. **Mitigations:** Schedule the re-procurement process to receive technical and cost proposals prior to the beginning of the FY2016-17 legislative session to allow for adjustments if needed. Leverage the organizational knowledge of other OFR business units in successful use of the system.
Enables the reduction in human error through the use of integrated workflow assignments, correspondence and notifications	
Establishes measurable continuous improvement and performance management through quantitative data	
Allows redirection of work effort from manually handling individual work items and data reporting to reductions in processing times and improved customer service	
Gives increased situational awareness and business operations insight for management through standardized and ad-hoc reporting against a centralized data repository	
Enforces Federal, State, and Administrative rules in business operations through integrated and configurable business rules	
By leveraging a system utilizing COTS components for the core licensing and regulatory functions, the Division will be able to take advantage of ongoing improvements, product lifecycle and security features supported by the manufacturer	
The Division can leverage the collective institutional knowledge of the other OFR business units in successful use of the system	

Competitive Re-procurement to provide a stand-alone custom system for the Division of Financial Institutions

Since the Division currently utilizes primarily manual business processes, one alternative to address needs is to competitively procure a stand-alone custom system solely for the Division of Financial Institutions.

Benefits	Risks
A system developed to be dedicated to the Division could be customized as an exact fit for Division business processes.	If integration with the primary OFR business solution REAL is required in the future, it would require a separate custom development effort.
Future modifications and improvements to a stand-alone system would be tailored solely for Division needs.	If a custom solution is selected to address Division business needs, a larger investment may be needed to establish the underlying infrastructure and architecture since none exists today for the Division.
	If a custom solution is selected to address Division business needs, a procurement of similar size and cost to the REAL system may be needed including initial purchase of software licenses.
	If a custom solution is selected to address Division business needs, funding would be required to address ongoing lifecycle support to ensure underlying software components remain upgraded and supported by the manufacturer for security.
	If a custom solution is selected to address Division business needs, institutional knowledge of product features would need to be established and maintained within the Division without prior experience.

Continue Status Quo

Finally, to address Division of Financial Institution's needs, the current manual business processes could continue to be utilized.

Benefits	Risks
No additional funding required	If maintaining the status quo is the selected alternative, then Division staff will continue to spend significant time on manual tasks and process improvement initiatives will be limited. Related challenges for this alternative include, but are not limited to: • Correspondence and Notifications are not tracked to provide management information for volume and trends. • Correspondence and Notifications are not directly associated with licensing and examination records; retrieval requires a time consuming manual search. • While Correspondence and Notifications are stored in a secure location, they are not subject to version control and may be deleted inadvertently through human error. • Since quantitative benchmarks do not exist for key personnel activities, the Division is unable to measure the success of process improvement activities. • Work assignments and completion times are not tracked which may result in processing delays impacting financial services businesses due to missed communications. • Since quantitative benchmarks do not exist for key personnel activities, the Division is unable to measure the success of process improvement activities. • Reporting is time consuming requiring manual manipulation of data by staff into required formats. • Each report must be manually put together by Division staff – if changes are needed, the process must start over consuming staff time. • Management is unable to directly access critical information about Division performance.

Customer Service Alternatives

The Online Service Portal is tightly integrated with the REAL system COTS component capabilities. Practical alternatives considered to address the risks of maintaining custom system components that are aging and no longer supported by the manufacturer for security protection and support include:

Competitive Re-procurement to take advantages of REAL system COTS improvements

Following the initial investment in the REAL system and as part of the ongoing COTS product lifecycle, new COTS features are available that enable a highly configurable Online Services Portal for the licensing and regulatory industry. In the current REAL system, the primary COTS software product that facilitates the work of OFR staff is

called Versa:Regulation, manufactured and licensed by Iron Data Solutions, Inc. (recently merged with MicroPact, Inc.). The current Online Services Portal uses integration points exposed by the Versa:Regulation COTS licensing software to achieve the seamless integration of customer self-service functions with back office processing by staff.

As part of Iron Data's software suite, an additional product called Versa:Online is available as a configurable Online Services Portal for licensing and regulatory agencies. This product is already in use by major State of Florida Departments to leverage COTS solution and reduce customization, including Department of Business and Professional Regulation. Other projects are currently in progress by Florida licensing and regulatory agencies to implement Versa:Online as their Online Services Portal, including the Department of Health.

Benefits	Risks
The Online Services Portal will be warranted by the manufacturer to be secure.	If there are current custom Online Services Portal features that are not part of existing Versa:Online product specifications, then customer service will be reduced and business process effectiveness will be impacted. **Mitigation:** Plan and budget to incorporate all required custom Online Services Portal features into the base COTS software for Versa:Online.
A highly configurable COTS software product reduces the dependence on custom developed solutions that must be supported the OFR.	If assistance is needed from the REAL system O&M team to complete the transition from the custom Online Services Portal to the COTS based Versa:Online solution, additional systems integration team members will be needed to assure a timely and seamless transition. **Mitigation:** Incorporate additional professional services and resources into the team supporting the REAL system to assist with transition.
As new COTS product features become available as part of a supported product lifecycle, the OFR can evaluate features for benefits and process improvement opportunities.	
Once established and under a standard software maintenance agreement, the OFR will no longer have to seek additional budget in future fiscal years for remediation of those components to keep them supported and secure as they age.	
As Federal and state requirements change, the OFR can be timely in implementing changes and serving customer needs.	

Continue Status Quo

As an alternative to transition of the custom Online Service Portal to the COTS software Versa:Online, the OFR could continue to maintain the existing custom portal architecture at current service levels.

Benefits	Risks

No additional funding is required.	If the software framework and architecture underlying the custom Online Services Portal is not upgraded to be supported by the manufacturer as secure, future availability, reliability and security of the Online Services Portal may be compromised.
	If the Status Quo is maintained with the Online Service Portal, the required skillsets needed to maintain the aging software architecture will be difficult and expensive to obtain in the future, because as technology becomes obsolete, but remains operational, the skilled professionals have retooled themselves to the latest technology and actively seek systems with newer technology to stay relevant in their field. It becomes more difficult to retain professionals to maintain outdated technology, and thus more expensive.
	If the Status Quo is maintained with the Online Service Portal, then modifications to the Online Services Portal to meet the changing demands of Florida financial services businesses will require a full software development lifecycle, generating an ever increasing application code base that must be supported in the long term.
	If the Status Quo is maintained with the Online Service Portal, integration points the Online Service Portal is dependent on may no longer be supported by the COTS software manufacturer and remediation of the Online Services Portal would be necessary requiring the full software development lifecycle, or if necessary the OFR may have to engage COTS vendors in providing additional support or custom integration points to continue business functions.

3.   Rationale for Selection

Introduction

Analysis of business solution alternatives results in the emergence of common themes to support decision making. Solutions are desired for the OFR that achieve the following outcomes:

- Protect and continue to leverage assets from past investments made in business process improvements
- Foster ongoing process improvement and customer service excellence
- Improve performance of individual OFR staff members
- Reduce and mitigate future risks related to the availability, reliability and security of critical systems supporting OFR processes
- Provide realistic solutions aligned with the OFR's institutional past experience and skills

Comparative Analysis

O&M Services Alternatives

Alternative	Lowest Risk	Service Levels	Lowest Organizational Change	Highest Customer Service
Competitive Re-procurement	✓	✓	✓	✓
Support In-house				

Division of Financial Institutions Alternatives

Alternative	Lowest Risk	Highest Process Improvement	Leverages Past Investments	Highest Customer Service
Migrate to REAL		✓	✓	✓
Custom System				
Status Quo	✓			

Customer Service Alternatives

Alternative	Lowest Risk	Highest Supportability	Highest Flexibility for Change	Highest Customer Service
Versa:Online	✓	✓	✓	✓
Status Quo				

4. Recommended Business Solution

In order to address OFR business needs, the following business solutions are recommended:

- Competitive Re-procurement of REAL system O&M Services
- Competitive Re-procurement to Migrate the Division of Financial Institutions to the REAL System
- Competitive Re-procurement to take advantages of REAL system COTS improvements

D. Functional and Technical Requirements

Purpose: To identify the functional and technical system requirements that must be met by the project.

List of High Level Functional and Technical Requirements

#	Requirement Type	Area of Need	Requirement Description
1	Technical	O&M Services	Transition planning and execution will take place during FY2016-17 prior to the end of the current O&M Services contract in June 2017.
2	Technical	O&M Services	Service Level Agreements will be contractually required to ensure the availability, reliability and security of the REAL system.
3	Technical	O&M Services	Adequate skilled and experienced resources will be provided prior to end of contract in June 2017 to effectively transition O&M services for the REAL system.
4	Technical	O&M Services	Adequate resources to support long term O&M services will be provided taking into account the specialized nature of REAL system licensing and regulatory COTS components.
5	Functional	Division of Financial Institutions	Inquire about a Financial Institution: Citizens will be enabled to receive appropriate information on Florida chartered financial institutions 24x7 via the Online Services Portal, reducing the manual effort of responding to inquiries received directly by Division staff.
6	Functional	Division of Financial Institutions	Maintain Business Information: Information appropriate to be modified by authorized users will be made available securely via the Online Services Portal, improving the timeliness of customer service.
7	Functional	Division of Financial Institutions	Submit Financial Information: Periodically required financial statements and other supporting documents will be uploaded directly by financial institutions and be automatically routed to appropriate Division staff for processing.
8	Functional	Division of Financial Institutions	File a Complaint: Citizens will continue to access the Online Services Portal to submit complaints to the Division for processing. Validation is applied before a complaint may be submitted so that Division staff have the required information for timely response.
9	Functional	Division of Financial Institutions	Apply for a State Charter: Potential Florida financial institutions rely on a direct relationship with the Division to ensure all regulatory requirements have been met. Division staff will utilize automated checklists and pre-configured business within the REAL system in processing applications, while maintaining the same quality business culture financial institutions have come to expect in Florida.
10	Functional	Division of Financial	Approve State Charter: Applications will move through approval steps and be assigned to staff based on configured checklists and

#	Requirement Type	Area of Need	Requirement Description
		Institutions	automated workflow rules.
11	Functional	Division of Financial Institutions	Make a Payment: Payments will be tracked and integrated with the financial institution record.
12	Functional	Division of Financial Institutions	Configured Business Rules: Federal and state requirements will be enforced during all business activities by pre-configured business rules that drive compliance and process excellence.
13	Functional	Division of Financial Institutions	Automated Workflow: Routing of worker assignments for review, processing, and approval will be driven by pre-configured workflow rules that enforce accountability and timely responses to business requests.
14	Functional	Division of Financial Institutions	Imaging / Document Management: Management of supporting documents, correspondence and notifications will be integrated and seamless with documents immediately that are associated with a license or registrant.
15	Technical	Division of Financial Institutions	Reporting / Business Intelligence: The REAL system will provide a single, central repository of business information with integrated tools for standard and ad-hoc reporting for management decision making.
16	Technical	Division of Financial Institutions	Automated Data Exchange: The REAL system will support automated interfaces with external data sources, eliminating manual data comparisons and providing one seamless view of information.
17	Functional	Division of Financial Institutions	Notifications / Correspondence: Notifications and correspondence will be directly associated and integrated with the financial institution record in REAL.
18	Functional	Division of Financial Institutions	Process Complaint: Complaint processing will continue to be facilitated by automated workflow to ensure complaints are responded to promptly.
19	Functional	Division of Financial Institutions	Conduct Examination: Examinations will continue to be facilitated by federally required and supplied information systems. Initially, examination data will be required to be re-entered into REAL and associated with the financial institution record. Following project completion, the Division will evaluate opportunities for automation of a data exchange between Federal examination systems and REAL. Having the data in REAL will enable establishment of performance benchmarks for the examination process over time.
20	Functional	Division of Financial Institutions	Conduct Legal Process: Automated workflow generates requests to Legal resources for processing.
21	Functional	Division of Financial	Manage Training: Training completion against approved courses

#	Requirement Type	Area of Need	Requirement Description
		Institutions	will continue to be managed in REAL.
22	Functional	Division of Financial Institutions	Improve Processes: Quantitative data on worker performance and business process flow will enable the Division to continuously improve system and employee performance.
23	Technical	Customer Service	The Online Services Portal will be migrated to software version or platform fully supported by the underlying software architecture manufacturer(s).
24	Technical	Customer Service	The Online Services Portal will be optimized to improve the configurability of business functions and reduce the dependence on custom development for changes.

III.   Success Criteria

Purpose: To identify the critical results, both outputs and outcomes, that must be realized for the project to be considered a success.

The Benefit Realization Date column represents the project full utilization of the benefit. Benefit realization initiatives starting 6/30/2017 will require time to be fully realized.

SUCCESS CRITERIA TABLE				
#	Description of Criteria	How will the Criteria be measured/assessed?	Who benefits?	Benefit Realization Date (MM/YY)
1	Successful Transition Completion for O&M Services	OFR approval of a Transition Completion Report representing completion of transition activities in accordance with an approved Transition Plan	Citizens, Financial Services Industry Individuals and Businesses; OFR	06/30/17
2	REAL system availability and reliability meets Customer and OFR staff expectations.	Contractual Service Levels are met following transition.	Citizens, Financial Services Industry Individuals and Businesses; OFR	07/01/17
3	Planned Division of Financial Institutions Customer Self-Service features are implemented and adopted by customers.	Volume of Self-Service Transactions relative to the number of state chartered institutions	Citizens, Financial Services Industry Individuals and Businesses; Division of Financial Institutions	12/31/18
4	Implementation of Division of Financial Institutions business processes in the REAL system	• Reallocation of staff from current manual staff	Citizens, Financial Services Industry Individuals and	06/30/19

	enables redirection of manual effort by OFR staff toward process improvement and customer service.	• Reduction is processing times for key activities.	Businesses; Division of Financial Institutions	
5	The Online Services Portal is migrated to a software version or platform fully supported by the underlying software architecture manufacturer(s).	Physical inventory of updated platform components compared to expectations	Citizens, Financial Services Industry Individuals and Businesses; OFR	06/30/18
6	The Online Services Portal is optimized to improve the configurability of business functions and reduce the dependence on custom development for changes.	Comparison of before and after effort for equivalent Portal modifications	Citizens, Financial Services Industry Individuals and Businesses, OFR	06/30/19

IV.   Schedule IV-B Benefits Realization and Cost Benefit Analysis

A. Benefits Realization Table

Purpose: To calculate and declare the tangible benefits compared to the total investment of resources needed to support the proposed IT project.

BENEFITS REALIZATION TABLE					
#	Description of Benefit	Who receives the benefit?	How is benefit realized?	How is the realization of the benefit measured?	Realization Date (MM/YY)
1	**Minimize Maintenance Transition Costs** – Cost Avoidance of more expensive contracted services post-contract by completing all O&M transition activities prior to end of contract	Citizens, Financial Services Industry Individuals and Businesses; OFR	Cost Avoidance	Avoidance of the estimated non-recurring cost of post-contract O&M transition services based on State Term Contract rates	06/30/17
2	**Minimize Service Interruptions** – Cost avoidance of lost productivity due to system outages and major defects by completing transition of O&M Services prior to end of contract and establishing strong contractual service levels	Citizens, Financial Services Industry Individuals and Businesses; OFR	Cost Avoidance	Avoidance of estimated non-recurring cost of OFR FTE time not applied toward productive work due to system outages and defects	07/01/17
3	**Process Improvement Cost Redirection** – Cost	Citizens, Financial Services Industry	Cost	Estimated cost of effective	06/30/19

	redirection of current manual effort toward higher value activities of reducing processing times and improving customer service	Individuals and Businesses; Division of Financial Institutions	Redirection	recurring FTE increase due to productivity gains	
4	**Supported Online Services Portal Platform** – Cost Avoidance of future remediation of the custom Online Services Portal to bring it up to software versions warrantied by the manufacturer for security and supported	Citizens, Financial Services Industry Individuals and Businesses; OFR	Cost Avoidance	Avoidance of estimated non-recurring cost of remediating the custom Online Services Portal to s supported platform based on State Term Contract rates	06/30/18
5	**Configurable Online Services Portal Platform** – Cost redirection of future modifications to the custom Online Services Portal by establishing a configurable solution where modifications require a fraction of the time for custom development	Citizens, Financial Services Industry Individuals and Businesses; OFR	Cost Redirection	Estimated recurring cost of effective FTE increase due to productivity gains	06/30/18

Minimize Maintenance Transition Costs

If O&M Services supporting the REAL system are not successfully transitioned prior to end of contract, the OFR will face additional costs to procure transition services post-contract. A conservative estimate of required transition time based on system complexity, industry knowledge required, experience and skillsets is a minimum transition period of 6 months to avoid service interruptions and provide a seamless transition.

The current O&M Services contract has a provision requiring transition services at no cost if they occur prior to end of contract. Detailed transition activities and associated costs for transition services after end of contract are documented in the contract with the total of all required services being $913,920. This one-time cost can be avoided by completing all O&M transition activities prior to end of contract in FY 16/17.

Minimize Service Interruptions

By completing transition of O&M Services prior to end of contract and establishing strong contractual service levels, the cost of lost productivity due to system outages and major defects due to an unprepared support team can be avoided. A conservative estimate of productivity loss due to periodic system outages or system defects introduced by an unprepared team is 5% over 6 month period while application support personnel learn on the job how to support the system. The OFR's approved salary rate for all positions currently utilizing the REAL system for FY2015-16 is $13,511,204 for the year. During a 6 month period, this equates to $337,780 in lost productivity as a one-time cost.

Minimize Service Interruptions Benefit			
Loss in Productivity due to system outages and defects	5%	10%	15%
Cost of Lost Productivity	$337,780	$675,560	$1,013,340

Process Improvement Cost Redirection

Replacement of current manual processes for the Division of Financial Institutions will provide an effective FTE gain for the Division, enabling redirection of effort toward higher value activities including reducing processing times and improving customer service. Analyst estimates for the productivity gain associated with establishing an end-to-end integrated business process including automated workflow range between 25% – 30%. Current manual tasks that would be reduced by migrating to the REAL system include:

- Correspondence and Notifications Management,
- Manual development of reporting data and development of every report as a one-off exercise,
- Management time spent integrating disparate information to achieve situational awareness,
- Workflow assignments, tracking and management, and
- Performance Management.

The current Division of Financial Institutions approved salary rate for FY2015-16 is $6,701,824. Once implemented and adopted, a conservative estimate of effective FTE gain due to increased productivity is 15%. This equates to an effective annual FTE salary gain of $1,005,274 on an annual recurring basis.

Process Improvement Cost Redirection Benefit			
Productivity Gain by replacing manual business processes	15%	20%	25%
Effective FTE cost gain for the Division	$1,005,274	$1,340,365	$1,675,456

Supported Online Services Portal Platform

The current custom developed Online Services Portal for REAL is aging and contains software architecture and framework components that are no longer warrantied by the manufacturer for security and support. As new software versions continue to be released by manufacturers in response to emerging challenges and security threats, the cost of remediating the Online Services Portal to recover the architecture to supported levels is increasing year on year. This cost of future remediation of the custom Online Services Portal can be avoided by transitioning the Portal to the Versa:Online COTS component of the Iron Data product suite that integrates directly with the REAL system.

The custom Online Services Portal consists of over 1,000 custom components of varying complexity. Due to the software framework being several major versions behind current software levels, a conservative estimate requires 40% of software components to be modified to bring them to compatibility. Using an industry best practice for estimating custom software modifications by complexity including design, development and testing effort, the resulting cost of achieving a supported platform for the Online Services Portal is a non-recurring cost of $2,159,652.

Listed below is the cost avoidance benefit if the remediation of the Online Services Portal were to occur at today's costs. Future costs would be expected to be higher.

Supported Online Services Portal Platform Benefit			
Percentage of software components requiring remediation	40%	50%	60%
Cost of Online Services Portal platform remediation	$2,159,652	$2,699,565	$3,239,478

Configurable Online Services Portal Platform

Modifications to the current custom Online Services Portal in support of the financial services industry and changes in Federal and State requirements are time-consuming, requiring custom development efforts by skilled developers. By establishing a more configurable COTS based portal, OFR will be able to make modifications to meet business

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needs in a fraction of the time utilizing business analyst skills with significantly reduced developer support. This approach to increase productivity provides an effective FTE gain for the application support team, increasing the services that can be provided for the same cost.

A conservative estimate of modification effort for a configurable system versus a custom developed system is that modifications will only require 40% of the effort for custom development. This provides an effective FTE gain of 250% for application support personnel. One example of recent changes in Florida's economy is the requirement for OFR to regulate Crowd-Sourcing financial entities. If 50% of the application support team's effort is engaged in supporting modifications to the REAL system in Florida's ever changing economy, this provides an adjusted FTE gain of 125%. While a competitive re-procurement for a REAL system Maintenance and Operation vendor will likely result in a larger team size, for the purpose of determining this benefit a conservative approach is to use the current team makeup of 2 applicable FTEs and representative State Term Contract rates.

Configurable Online Services Portal Platform Benefit			
Effective application support FTE gain	125%	150%	175%
Effective FTE gain cost	$528,000	$633,600	$739,200

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B. Cost Benefit Analysis (CBA)

Purpose: To provide a comprehensive financial prospectus specifying the project's tangible benefits, funding requirements, and proposed source(s) of funding.

The OFR has submitted three separate D-3A's within the FY16/17 budget cycle. The Cost-Benefit Analysis Forms submitted with this Schedule IV-B in the next subsection is a rollup of all three D-3A's. The following tables are inputs into the CBA forms.

REAL Schedule IV-B Cost Models						
Cost Category	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Total
O&M Re-procurement	$1,871,600	$1,216,000	$1,216,000	$1,216,000	$1,216,000	$6,735,600
Financial Institutions Migration	$3,064,500	$621,150	$624,536	$628,176	$632,090	$5,570,452
Online Services Portal Transition	$3,862,500	$177,375	$190,678	$204,979	$220,352	$4,655,885
Total Additional Budget Needed	**$8,798,600**	**$2,014,525**	**$2,031,214**	**$2,049,155**	**$2,068,442**	**$16,961,937**
Forecasted Benefits Realization	**$3,601,172**	**$1,871,054**	**$1,533,274**	**$1,533,274**	**$1,533,274**	**$10,072,048**

Combined All D-3A for CBA form							
Cost Type	Cost Category	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Total
Recurring	Contracted Services	$0	$1,792,000	$1,792,000	$1,792,000	$1,792,000	$7,168,000
Recurring	Software	$207,000	$222,525	$239,214	$257,155	$276,442	$1,202,337
Nonrecurring	Contracted Services	$8,420,600	$0	$0	$0	$0	$8,420,600
Nonrecurring	Software	$171,000	$0	$0	$0	$0	$171,000
	Total	**$8,798,600**	**$2,014,525**	**$2,031,214**	**$2,049,155**	**$2,068,442**	**$16,961,937**

REAL Appropriation Funding Needs						
Cost Category	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Total
Existing Appropriation (FY15-16)	$1,367,365	$1,367,365	$1,367,365	$1,367,365	$1,367,365	$6,836,825
Additional Budget Needed	$8,798,600	$2,014,525	$2,031,214	$2,049,155	$2,068,442	$16,961,937
Total Appropriation Needed	**$10,165,965**	**$3,381,890**	**$3,398,579**	**$3,416,520**	**$3,435,807**	**$23,798,762**

1. **The Cost-Benefit Analysis Forms**

See Appendix

V. Schedule IV-B Major Project Risk Assessment

Purpose: To provide an initial high-level assessment of overall risk incurred by the project to enable appropriate risk mitigation and oversight and to improve the likelihood of project success. The risk assessment summary identifies the overall level of risk associated with the project and provides an assessment of the project's alignment with business objectives.

A. Risk Assessment Summary

Shown below is a summary of the initial high level assessment of project risk. Details of the assessment may be found in the tool which is included in the Appendix:
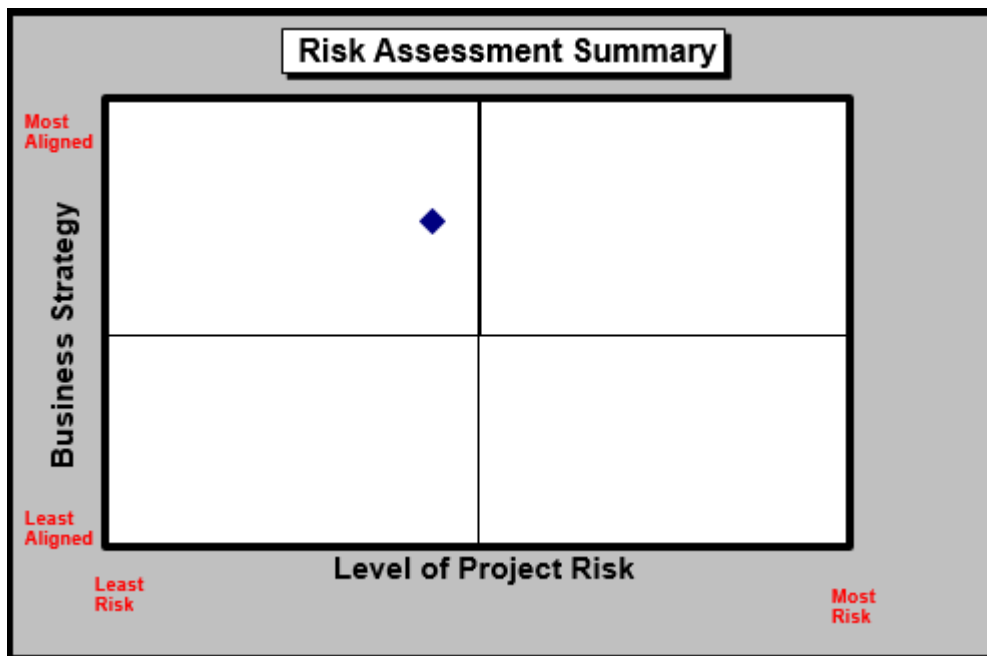
Figure 13: Risk Assessment View

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Shown below is the initial high level risk assessment for each risk component:

Project Risk Area Breakdown	
Risk Assessment Areas	Risk Exposure
Strategic Assessment	LOW
Technology Exposure Assessment	MEDIUM
Organizational Change Management Assessment	HIGH
Communication Assessment	LOW
Fiscal Assessment	MEDIUM
Project Organization Assessment	LOW
Project Management Assessment	HIGH
Project Complexity Assessment	MEDIUM
Overall Project Risk	MEDIUM

Figure 14: Risk Area Breakdown

Please refer to Appendix B for the completed risk assessment form.

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VI.   Schedule IV-B Technology Planning

Purpose: To ensure there is close alignment with the business and functional requirements and the selected technology.

A. Current Information Technology Environment

1. Current System

a. Description of current system

Regulatory Enforcement and Licensing System (REAL)

The OFR's current environment primarily consists of a fully integrated Regulatory Enforcement and Licensing System (REAL). The OFR deployed REAL in 2008 and utilizes the REAL System to manage licensing and enforcement activities for entities under Chapter 494, 516, 517, 520, 537, 559, 560, 655, 657, 658, 660, 662, 663, 665, 667, and 687, Florida Statutes.

The REAL system consists of the following major components:

- Versa:Regulation: Versa:Regulation is commercial off-the-shelf (COTS) software owned and licensed by Iron Data Solution, LLC (recently merged with MicroPact, Inc.). The OFR is currently under a software maintenance and support agreement with this vendor. It performs license and enforcement tracking for the enterprise and is the main system of record. It is a Java based application running on the Jboss platform with Oracle 10g as its data store. Its User Interface is 508 compliant and completely browser based. In addition to interactive processing, there are two major components of the product:

    - DataMart – This Business Intelligence tool provides ad hoc reporting capabilities from the Versa:Regulation application on a near real time basis. It is a separate database that is populated through triggers and updates from the main Versa:Regulation application.

    - Batch Scheduler – This component of Versa:Regulation provides scheduled event handling. The primary functions of the Versa:Regulation Batch Scheduler are letter processing, scheduled license batch processing, scheduled report generation and interface batch processing. It is a powerful batch scheduler that can be used beyond Versa:Regulation for any scheduled functions.

- Online Services Portal: The REAL System online portal is a custom developed component which provides self-service processing to the general public and licensees. It was developed in C# using a .NET architecture framework. The portal uses an Oracle 10g database strictly for user and application management. Its primary business functions are handled through web services calls to an application programming interface (API) and are exposed by the Versa:Regulation system. The OFR owns all custom code associated with the portal. Web Services are owned by Iron Data Solution, LLC and covered under its software maintenance and support agreement with OFR.

- FileNet: The FileNet application provides scanning, imaging, document management and record retention capabilities to the enterprise. Documents related to license application or license enforcement are managed by the FileNet component. Electronic documents are scanned and indexed in the FileNet database and referenced to their related license records. Versa:Regulation and the Online Portal utilize symbolic links to these physical documents to provide access to them through their respective interfaces.

- Payment Authorization Vendor: This vendor provides online payment functions for the self-service channel. The Online Portal uses the vendor's common gateway to request credit card validation and processing.

- Active Directory: The Active Directory structure is utilized to provide single sign on functionality for the Versa:Regulation package. Versa:Regulation utilizes custom built APIs to access the users Active Directory information and map it to Versa:Regulation security structure.

The REAL System provides the following functionality to the OFR:

- On-Line application filing
- On-Line complaint filing
- On-Line compliance filings (renewals, quarterly reports, amendments)
- On-Line Public Searches for legal orders, licensed entities, etc.
- Case Management for Examinations, Complaints, Investigations, Legal, and Public Records Requests
- License processing for applications, renewals, amendments
- Tracking and accounting for fees received related to licenses, fines and examinations
- Workflow functionality, i.e. assignment of work based on pre-defined business rules and advancement of work based on case or license processing activities
- Imaging and electronic storage of related documents
- Ad-Hoc Reports
- Interfacing with Department of Financial Services systems, Payment Authorization Vendor, Florida Department of Law Enforcement, and the Deferred Presentment Provider system
- Integration with the Nationwide Mortgage Licensing System (NMLS)

The REAL system hardware infrastructure was converted from a physical set of servers to virtual servers, managed by the Department of Financial Services' Division of Information Services. Application support for the REAL system is provided under an O&M contract with an external support provider located in Tallahassee, Florida. The OFR oversees all activities and functions of the external support provider.

The REAL system has the following technology characteristics:

- Self-service and State Portals implemented using C# and .NET framework technology and Oracle databases.
- The core Versa:Regulation application, where the functionality, business rules and data associated with client applications is located.
- A reporting architecture using SQL Reporting Services and Versa:Regulation DataMart.
- A batch architecture using the existing Versa:Regulation batch architecture.
- A scanning and electronic document management system utilizing shared storage for imaged documentation.

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The REAL system architecture is depicted in the following figure:
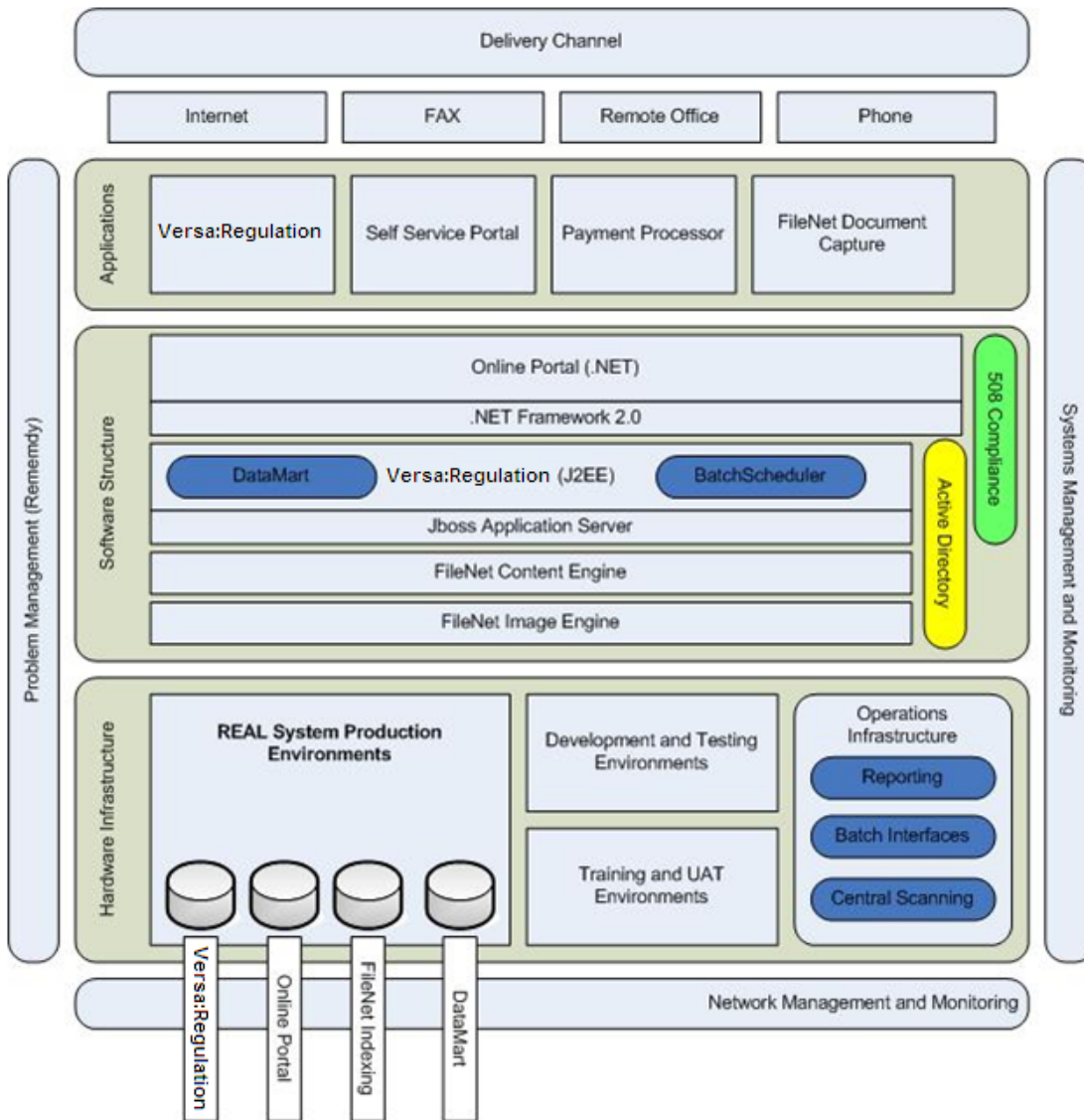
Financial Institution Tracking Objective system (FITO)

In addition to other individual databases and spreadsheets, the Division of Financial Institutions utilizes a custom in-house developed system to track limited financial institution examination information called the Financial Institution Tracking Objective system (FITO). This system was previously referred to as the Database of General Information (DOGI). FITO utilizes a Microsoft Access based user interface integrated with a Microsoft SQL Server 2008 database. FITO is maintained by Division staff and helps track the following information for the Division:

- List of financial institutions
- Examination records
- Administrative actions resulting from examinations
- Financial institution branch offices
- Financial Institution License & Charter information

- Financial Institution Officers

FITO provides a limited information repository for the Division focused on examination related data. While FITO does have approximately 20 canned reports available for users, the primary mechanism the Division uses for reporting is to export raw data from FITO, then manipulate raw FITO data in spreadsheets to build reports for management consumption on a case-by-case basis. Each report must be manually manipulated in a spreadsheet each time the report is desired, and when information needs change, reports must be manually recreated.

FITO is accessed by running an executable file on a secure network share. Features not available in FITO include but are not limited to:

- No integration of correspondence and notifications
- No workflow
- No configurable business rules
- No Ad-hoc reporting capability
- No charter application processing and controls
- No complaint tracking functionality
- **NOTE: In addition to FITO, DFI relies on multiple homegrown technologies that will be identified as requirements and migrated into REAL as a part of the requested REAL improvements.**

b. *Current system resource requirements*

The following resources are required to support the REAL system:

- The Department of Financial Services (DFS), Division of Information Systems (DIS) supports REAL system hardware, operating system and database administration as part of an overall service level agreement for data processing services with the OFR
- REAL system application support is provided through contracted services with an operations and maintenance services vendor via a competitively procured contract

The following resources are required to support the FITO system:

- DFS DIS supports FITO system hardware, operating system and database administration as part of an overall service level agreement for data processing services with the OFR
- OFR state personnel maintain the Microsoft Access based user interface on a part-time as needed basis, augmented as needed by DFS DIS personnel provided at professional services rates. Given the limitations of the Microsoft Access based FITO user interface,

c. *Current system performance*

REAL system performance is currently meeting expectations, with hundreds of thousands of Florida citizens and businesses transacting business with OFR each day. As volume for specific license types has grown in recent years, the REAL system continues to meet performance expectations and no capacity issues are expected during the next few years.

FITO system performance currently does not meet OFR needs. Its limited capabilities, antiquated user interface and lack of support personnel hamper OFR staff and require extensive manual work effort for tasks FITO does not support.

2. Information Technology Standards

REAL System Information Technology Standards

The REAL system complies with and supports DFS DIS information technology standards, and was originally developed in compliance with the DIS Information Systems Development Methodology (ISDM). DIS standards and procedures address implementation and operation information technology systems, including:

- Application Environment
- Applications Development Standards
- Application Development Enterprise Architecture

- Web Services Standards
- DFS .NET Development Template
- Reusable Code Repository
- Shared Web Systems Platform and Deployment Standards
- Web Accessibility and Content Standards
- Database Environment
- Database Standards for ADABAS
- Database Standards for DB2
- Database Standards for ORACLE
- Database Standards for SQL Server
- Crystal Reports Supporting Documentation
- Security
- Standards for Encryption
- System Security Plan Instructions
- Infrastructure
- FTP Server
- Batch Processes
- Control M
- Operating Procedures
- Change Management Procedure (DIS-015)
- Database Change Procedure (DIS-010)
- Information Technology Security Policy (AP&P 4-03)
- Application Access Control (AP&P 4-05)
- Change Management and Control Policy (AP&P 4-17)
- Project Management-Information Technology Resource Projects (AP&P 4-28)

Additional information and specific standards guidance can be found on the DIS Portal at:

http://www.myfloridacfo.com/Division/DIS/ISDM/standardsProcedures.htm

FITO System Information Technology Standards

The FITO system (previously referred to as the Database of General Information (DOGI)) was originally developed in 1997 as a temporary in-house effort using Microsoft Access, and continues to be regarded by the OFR as a stop-gap temporary measure that in no way meets OFR needs now or in the future. As such, the application itself does not conform to any particular standard. DFS DIS personnel apply their organizational standards to their support of the underlying database infrastructure.

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B. Current Hardware and/or Software Inventory

REAL System Hardware and Software Inventory

Environment	Solution Element	Major Function	Supporting Software	Server Count
Production	User Web Server	Hardware	Virtual Server	2
Production	User Web Server	Software	Apache Web Server	2
Production	Online Services Portal	Hardware	Virtual Server	2
Production	Online Services Portal	Software	.Net/IIS	2
Production	Datamart/Reporting	Hardware	Virtual Server	1
Production	Datamart/Reporting	Software	JBoss	1
Production	Datamart/Reporting	Software	IIS Server	1
Production	User Application Server	Hardware	Virtual Server	4
Production	User Application Server	Software	JBoss	4
Production	User Application Server	Software	Versa:Online	4
Production	Online Services Application Server	Hardware	Virtual Server	2
Production	Online Services Application Server	Software	JBoss	2
Production	Online Services Application Server	Software	IIS Server	2
Production	Document Management Server	Hardware	Virtual Server	2
Production	Document Management Server	Software	IBM Filenet	2
Production	Database Server	Hardware	Physical Machine	1
Production	Database Server	Software	Oracle	1
Testing	User Web Server	Hardware	Virtual Server	1
Testing	User Web Server	Software	Apache Web Server	1
Testing	Online Services Portal	Hardware	Virtual Server	1
Testing	Online Services Portal	Software	.Net/IIS	1
Testing	Datamart/Reporting	Hardware	Virtual Server	1
Testing	Datamart/Reporting	Software	JBoss	1
Testing	Datamart/Reporting	Software	IIS Server	1
Testing	User Application Server	Hardware	Virtual Server	1
Testing	User Application Server	Software	JBoss	1
Testing	User Application Server	Software	Versa:Online	1

Environment	Solution Element	Major Function	Supporting Software	Server Count
Testing	Online Services Application Server	Hardware	Virtual Server	1
Testing	Online Services Application Server	Software	JBoss	1
Testing	Online Services Application Server	Software	IIS Server	1
Testing	Document Management Server	Hardware	Virtual Server	1
Testing	Document Management Server	Software	IBM Filenet	1
Testing	Database Server	Hardware	Physical Machine	1
Testing	Database Server	Software	Oracle	1
Development	User Web Server	Hardware	Virtual Server	1
Development	User Web Server	Software	Apache Web Server	1
Development	Online Services Portal	Hardware	Virtual Server	1
Development	Online Services Portal	Software	.Net/IIS	1
Development	Datamart/Reporting	Hardware	Virtual Server	1
Development	Datamart/Reporting	Software	JBoss	1
Development	Datamart/Reporting	Software	IIS Server	1
Development	User Application Server	Hardware	Virtual Server	1
Development	User Application Server	Software	JBoss	1
Development	User Application Server	Software	Versa:Online	1
Development	Online Services Application Server	Hardware	Virtual Server	1
Development	Online Services Application Server	Software	JBoss	1
Development	Online Services Application Server	Software	IIS Server	1
Development	Document Management Server	Hardware	Virtual Server	1
Development	Document Management Server	Software	IBM Filenet	1
Development	Database Server	Hardware	Physical Machine	1
Development	Database Server	Software	Oracle	1

C. Proposed Solution Description

1. Summary description of proposed system

OFR is positioning the organization for the next generation REAL contract for O&M (REAL Next Gen). In addition to creating a smooth transition of the existing contract to the new contract of core REAL service levels, the OFR has a plan to address the risks of maintaining aging and unsupported custom system components (i.e., implement standard online portal); and, reduce the dependence of manual processes by its Division of Financial Institutions through process improvements leveraging the REAL platform.

| FY15/16 ITN | Risk Management | 3-5 Year Plan | Secure Funding |
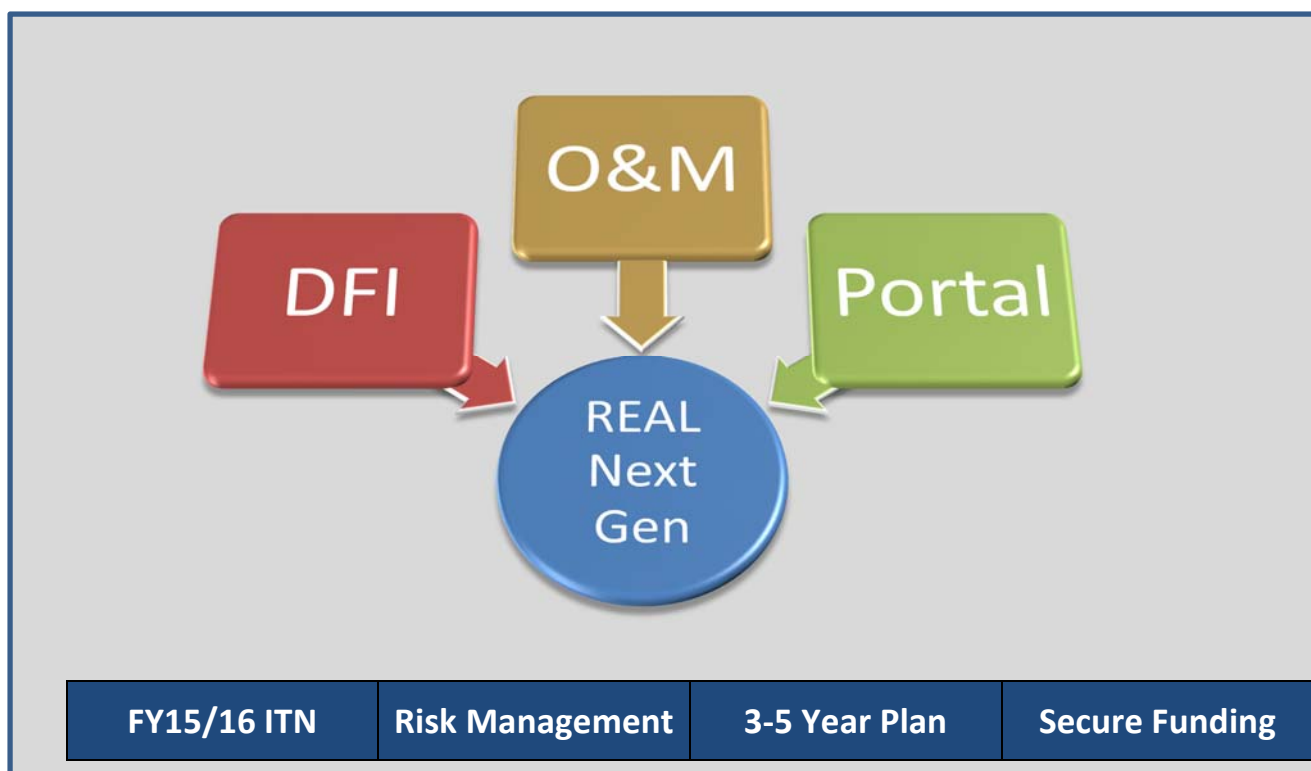
2. Resource and summary level funding requirements for proposed solution (if known)

The following tables display high-level investments necessary to achieve the proposed solution described in the summary above.

REAL Schedule IV-B Cost Models						
Cost Category	FY16-17	FY17-18	FY18-19	FY19-20	FY20-21	Total
O&M Re-procurement	$1,871,600	$1,216,000	$1,216,000	$1,216,000	$1,216,000	$6,735,600
Financial Institutions Migration	$3,064,500	$621,150	$624,536	$628,176	$632,090	$5,570,452
Online Services Portal Transition	$3,862,500	$177,375	$190,678	$204,979	$220,352	$4,655,885
Total Additional Budget Needed	**$8,798,600**	**$2,014,525**	**$2,031,214**	**$2,049,155**	**$2,068,442**	**$16,961,937**

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D. Capacity Planning
(historical and current trends versus projected requirements)

The OFR works with the Department of Financial Services (DFS), Division of Information Systems (DIS) on an annual basis for overall capacity planning as part of the service level agreement with DIS. Existing and planned future capacity for the REAL system is adequate for the purposes of this project, including anticipated increases in OFR users and customer interaction. No additional capacity is needed beyond what is already anticipated for the current REAL system.

The 114 current Division of Financial Institutions staff and the hundreds of state chartered financial institutions and their staff will not add a material volume of system transactions when compared to the other OFR business units. The Division of Consumer Finance and Division of Securities together serve several hundred thousand customers with a high transaction volume. The OFR can benefit from this existing robust capacity when migrating the Division of Financial Institutions to the REAL system.

VII. Schedule IV-B Project Management Planning

Purpose: To require the agency to provide evidence of its thorough project planning and provide the tools the agency will use to carry out and manage the proposed project. The level of detail must be appropriate for the project's scope and complexity.

This section describes the project planning and the tools which will be used to execute and manage the proposed project. The project management planning components covered in the section include:

- Project Scope – Provide the baseline definition of the project's objectives and what the project will deliver.
- Project Phasing Plan – For projects greater than one fiscal year, provide a project phasing plan that defines, where possible and appropriate, independent phases/subprojects.
- Baseline Schedule – Identify the high-level tasks and major milestones for the project to include, where appropriate, procurement, analysis, design, development, configuration, data conversion, testing, training, and implementation.
- Project Organization – Define in narrative and chart formats the project's governance structure, to include the sponsor, executive steering committee, oversight entities, and project management and implementation teams.
- Quality Assurance Plan – Describe OFR's approach to quality measurement and control. Tools may include a deliverable acceptance plan, phase gate process, project change/contract management plan, status reporting, testing plans, and independent verification & validation (IV&V).
- Risk Management – Describe OFR's processes for identifying, documenting, and mitigating project issues and risks.
- Implementation Plan – Describe approach for placing the system into production and retire current system(s). Tools may include a transition plan, knowledge transfer plan, and organizational change management.

Project Scope

Project Scope is draft until vendor has been selected through the re-procurement process.

The scope of this project will be to provide a modern integrated and secure information system for the OFR while providing continuation of mission critical processes. The system must address and comply with Department of Financial Services (DFS), Division of Information Systems (DIS) technology standards and be deployed via the Intranet/Internet. It must be capable of supporting on-line licensing and registration inquiries. Security, confidentiality, business requirements and required interfaces with other systems must be addressed in the development and implementation of this project. The new system will support centralized administration and provide a flexible architecture that can adjust to changing business needs. The REAL system is an office-wide effort to integrate the infrastructure and data of many of OFR's licensing and enforcement functions in order to streamline business processes, eliminate duplication, increase service delivery, enhance enforcement efforts, and facilitate information exchange.

The REAL solution shall provide the following services:

- Online Authentication - Online Account Creation and Authentication functionality targets existing and new customers that will create an online master account and sub-accounts to further conduct business with the OFR licensing unit.
- Online Filing - The online filing processes control how the external users interact with the system. The external users (master and sub account users) can have multiple interactions with the system in order to create and submit applications, amendments, renewals, withdrawals, terminations and compliance filings to the OFR.
- Licensing - Core licensing functionality manages all filings during the period between the initial submission of a filing (regardless of channel being online or paper) through the final outcome of that filing. The final outcome is determined by the supporting business process, results of the licensing unit user(s) review and submission and storage of supporting information from the applicant/licensee. It provides a database of licensing information and the ability to view other OFR regulatory information.
- Examinations - The REAL system Examinations module provides functionality for both examiners and their supervisors to track and manage individual examinations and all associated activities/information. Capabilities also include supervisory functions for creating and assigning exams. It provides a database of exam information and the ability to view other OFR regulatory and licensing information as well as interact with external entities and external exam modules.
- Investigations - The Investigations module provides functionality for both Investigators and their supervisors to track and manage individual Investigations and all associated activities/information. Capabilities also include supervisory functions for creating and assigning Investigations. It provides a database of Investigation information and the ability to view other OFR regulatory and licensing information.
- Complaints - Complaints functionality manages all complaint work items from initial submission through the final outcome. The final outcome is determined by the supporting business process, results of the user(s) review and submission and storage of supporting information from the complaint. Complaint processing provides support to and receives support from the other business units including licensing, and enforcement (investigations and examinations).
- Fiscal - This functional design describes the fiscal functions of the REAL system including, but not limited to: Linking of Unassigned fees, Processing/Tracking Refund Requests, Processing Corrections/Returned checks.
- Legal - Legal processing functionality manages all legal work items from the initial submission of a request for Legal review through the final outcome of that case. The final outcome is determined by the supporting business process, results of the Legal unit user(s) review and submission and storage of supporting information from the case.
- Consumer Services – Online Consumer Services functionality targets existing and new consumers that will interact with the REAL system to accomplish various tasks. For example, make a public inquiry to retrieve a list of licensed entities with OFR.
- Common Functions - The Common Functions use cases pertain to the common functionality that will be used across business units for all OFR internal users.
- Employee Training - The Employee Training module provides functionality, at different levels of authority, for both employees and their supervisors to track and manage individual training and development plans, curriculums and activities.
- Scanning and Imaging - The Scanning and Imaging module is utilized to capture licensing transactions submitted via traditional paper forms. This front-end production process will provide licensing the ability to capture a new application, a renewal of an existing application or additional information required to continue or complete an existing application or renewal. This also includes ad hoc scanning in support of enforcement and legal functions electronic document management.
- Indexing and Setup - The Indexing and Setup module allows scanned batches of OFR transactions to be committed (stored) and Filing transactions established. There are two main functional steps in this process: Indexing and Setup. Indexing is the assignment of metadata values to each transaction. Setup is where a Filing transaction is created and made available to the appropriate business unit for processing.
- Super User - The Super User functionality is targeted for business unit leads within OFR so that they can effectively control aspects of system behavior that pertain to their unit without requiring special work requests to the System Administrator or other technical support staff.

- System Administration - The System Administrator functionality is targeted for resources responsible for the system maintenance as well as for supporting the business users in their work.
- The system shall support electronic commerce activities consistent with those identified through public law, the Office, and the Department of Management Services (DMS). It shall afford the Office the ability to meet the changing demands and functions of the State and the Office of Financial Regulation.

Project Phasing Plan

The OFR intends to complete all phases of the REAL project by July 1, 2017. The OFR has planned a phased implementation approach for the REAL solution. The table below summarizes each phase of the Systems Development Life Cycle (SDLC) which will encompass the three (3) key modules of the re-procurement, namely the O&M re-procurement, financial institutions migration, and the Online Services Portal transition.

Phase	Summary
Phase One: Procure REAL Next Gen	Targeted for completion during FY 15/16 - The objective of this phase is to use the competitive Invitation to Negotiate (ITN) procurement process to solicit proposed solutions to meet the OFR's business need, select the next generation REAL contractor, implement critical enhancements, and transition O&M into next four-year window.
Phase Two: Initiate and Plan	Targeted for completion during FY 16/17 - The objective of this phase is for the Contractor and OFR to create the overarching planning documentation for the Project. The Contractor shall submit the core planning deliverables.
Phase Three: Transition with Enhancements	Targeted for completion during FY 16/17 - The objective of this phase is to provide the existing and future contractors adequate time for knowledge transfer and collaboration on the key business needs of integrating DFI into REAL, and for integrating a common solution for the Online Services Portal.
Phase Four: SDLC	Targeted for completion during FY 16/17 - The objective of this phase is to standup ongoing SDLC processes for enhancing and supporting the next generation REAL platform.
Phase Five: Maintain	Targeted to begin during FY 17/18 - The objective of this phase is to ensure that the system continues to work as specified and to maintain the system.

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A preliminary timeline to contract and implement the REAL solution is depicted below. The actual project timeline will be dependent on the technology solution option selected by the OFR.

REAL Next Gen				
FY15/16	FY16/17	FY17/18	FY18/19	FY19/20

ITN

Transition O&M

DFI Migration

PORTAL

Current REAL O&M

REAL Next Gen O&M

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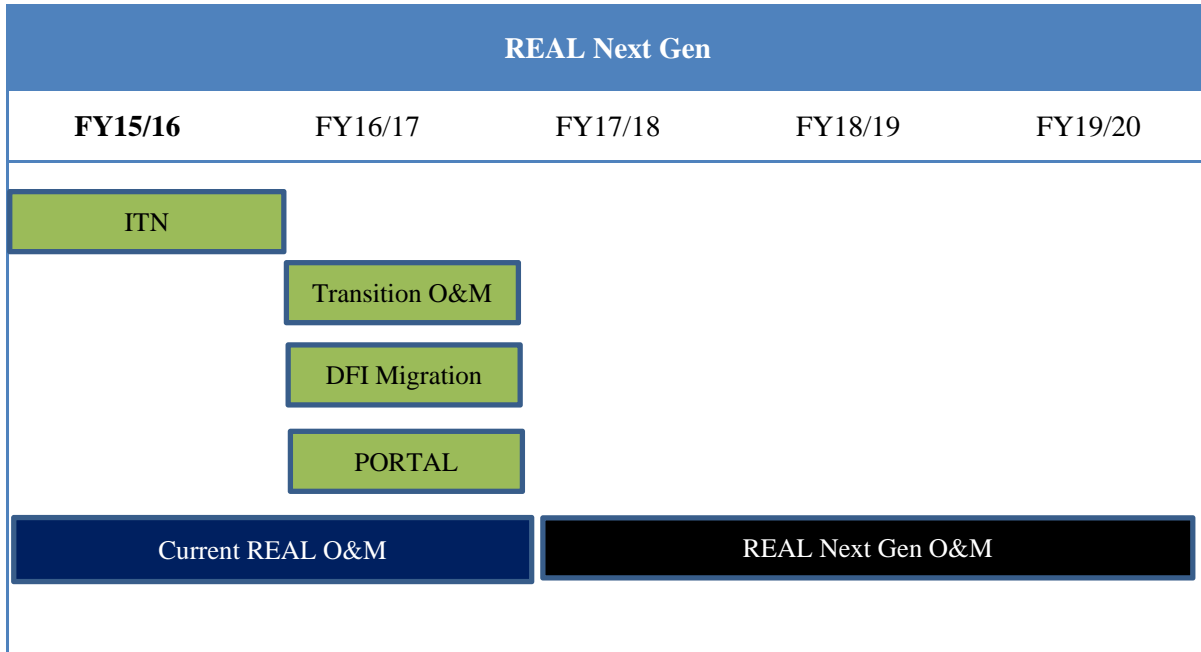
Project Organization

A high-level project governance structure will include an Executive Project Sponsor heading the Steering Committee that will champion the project. Additionally, a day-to-day Project Sponsor and Project Manager will be appointed from the OFR to work directly with the Project Team, managing resources, and reporting status to the Executive Project Sponsor and key stakeholders. The governance structure will be finalized as part of initiation phase.
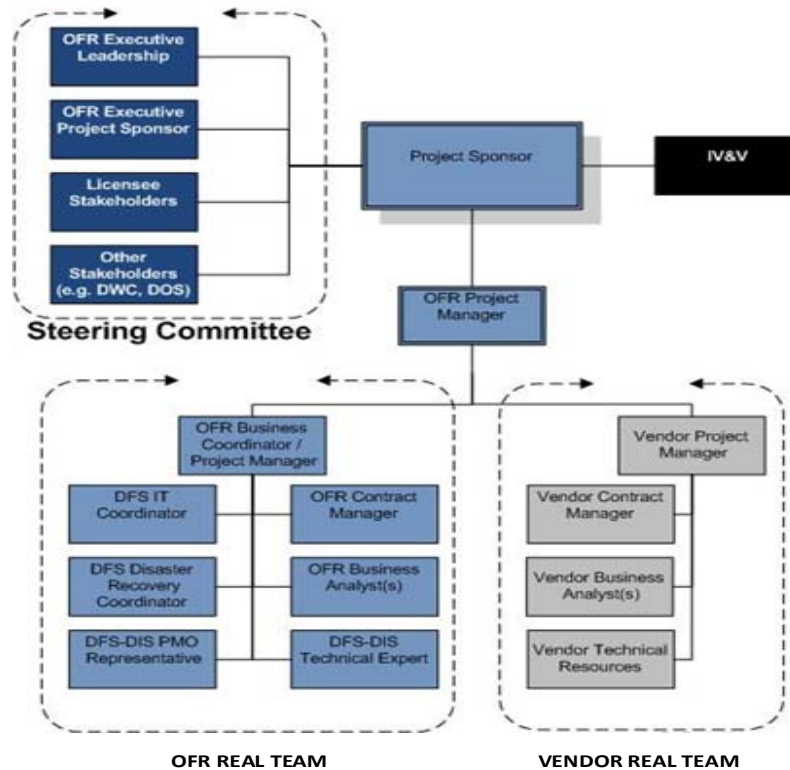
Figure 16: Project Organization Chart

The following table provides further description for the roles within the REAL governance structure.

Role	Responsibilities
Executive Sponsor	Decision-maker who provides high-level direction and final approval of legislative or financial agency impacts.
Project Sponsor	Represents the executive sponsor on a day-to-day basis; Makes most decisions except those impacting the Office legislatively or financially; Works with Contractor's Project Manager and OFR's Contract Manager to develop deliverable acceptance criteria; Approves major deliverables.
Steering Committee	Group of high-level stakeholders who provide guidance on overall strategic direction; Facilitate resolution of significant issues in the project.
Business Analysts	Participate in defining business requirements, functional requirements and validation

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Role	Responsibilities
	Participate in testing activities; Respond as necessary to business related issues/questions.
Business Coordinator/ Project Manager	Provide support to the Contractor's Project Manager.
	Manage OFR's involvement in the planning, development, review and acceptance of all project deliverables; Ensures OFR meets agreed upon project schedule; Ensure adequate business resources are available; Coordinate project status communications; Resolve minor issues, escalate major issues to the Project Sponsor; Coordinate activities and communications with external stakeholders; participate in the daily management of project scope, risk, quality; Ensure compliance with project proposal and with all established standards. Coordinate activities with the business / OFR community including testing and training; Define business rules; Authorize access and serve as the primary application contact for troubleshooting after the application is installed.
DFS IT Coordinator	*From the technical side;*
	Provide support to the OFR Project Manager; Coordinate and manage DIS resources; Develop the associated tasks and estimated effort hours for DIS resources; Ensure compliance with DIS policies, procedures and technical standards.
Technical Experts	*From the technical side;*
	Participate in required technical related discussions and activities, especially those related to infrastructure issues and back-end systems.
Disaster Recovery Coordinator	The DFS DIS is responsible for disaster recovery testing and efforts.
DFS DIS PMO Representative (could be a representative from AST that performs this function)	*From the PMO;*
	Monitor and review projects to ensure compliance with PMO policies, procedures and standards; Review project management processes for adherence to sound PM practices; Review project deliverables and processes used to create them for quality assurance purposes; Develop and manage metrics to measure the quality of project deliverables and services.
Contract Manager	Main OFR point of contact for all issues related to the SOW; Serve as the Office's Contracting Officer for purposes of any related services contracts (Management Consulting Services or IT Consulting Services); Review, verify and approve invoices from the Contractor; Receive all deliverables from the Contractor; Ensure the timely review by the OFR of all planning documents and deliverables.

Project Communications

Project communication is the exchange of project-specific information with the emphasis on creating clarity between the sender and the receiver. Effective communication is one of the most important factors contributing to the success of a project and should be aligned to the established governance model.

Three clear communication channels will be established across all the projects. They include:

- Upward channel with senior executives and steering committee to highlight issues, risks and scope expectations.
- Lateral channel with sponsor(s), stakeholders, and other agency management involving requirements, resources, budgets and time allocations.
- Downward channel with the project team highlighting processes, activities, dates, status and general team briefings.

A communication plan describes how project communication events will occur across the channels described above. The events themselves may be periodic or one-time in nature.

What	Who	Owner	Purpose	Frequency	Type
Steering Committee Status Reports	Executive Steering Committee	Project Manager	Update Steering Committee and key stakeholders on project health. Approve changes to Project Plan.	Monthly	Meeting
Organizational Change Management	Various stakeholders depending on impact	Project Manager	To proactively manage changes the program will have on the users of the system, customers of the State, Licensees, and external agency partners.	Monthly	Meeting, training, email memo, updated web site (Push and Pull strategies)
Other	To be determined by the project team	Key Project Team Members	General communications.	As needed	Email lists, announcements, etc.
Project Kick Off	All stakeholders	Project Manager	Communicate plans and roles/responsibilities for stakeholders.	On or shortly after the Project Start Date	Meeting
Project Plan	Key stakeholders	Project Manager	Update stakeholders and project teams on project progress, dependencies and milestones.	Weekly	Document distributed via hardcopy or electronically

What	Who	Owner	Purpose	Frequency	Type
Risk Register	All stakeholders and key members of project team	Project Manager	Identify risks, assign owner, and manage through mitigation strategies.	Weekly	Meeting and also documented in risk register provided within Status Reporting procedures
Team Meetings	Entire project team	Key Project Team Members	To monitor and track project specific milestone status, issues, actions, decisions and risks, assumptions, constraints and scope tracking.	As Needed	Distribute electronically and post on project repository
Weekly Status Reports	All stakeholders	Project Manager	Update stakeholders on progress of the project.	Weekly	Distribute electronically and post on project repository

Quality Assurance Plan

The Quality Assurance Plan ensures that effective quality control processes and procedures are in place and operational in time to support the needs of the project. Quality can be defined as meeting or exceeding the customer's expectations. Project quality management ensures that project activities and deliverables meet customer requirements.

The OFR will utilize the processes defined in the Quality Assurance Plan:

- Quality Planning – Identifies the quality standards which are relevant to the work stream deliverables and how they will be achieved. The work stream charter, work stream management plans (resource, schedule, budget, change control, etc.), development standards, testing management plans, contract management etc. are key inputs. The Quality Plan will be developed during the initiation work streams.

- Quality Assurance – Execution of quality activities during work stream execution to ensure variances in processes are clearly identified and assessed.

Toolsets

The OFR will utilize various tools to assist with executing the deliverable acceptance plan, managing the phase gate process, executing project change/contract management processes, status reporting, testing plans, and project validation through independent verification and validation (IV&V).

Deliverable Acceptance Plan

The deliverable acceptance plan will incorporate a process to review each deliverable against the performance criteria that will be defined during the project initiation phase. A high-level process of creating the deliverable, submitting to a review team for feedback, and sending to the Steering Committee is illustrated below:
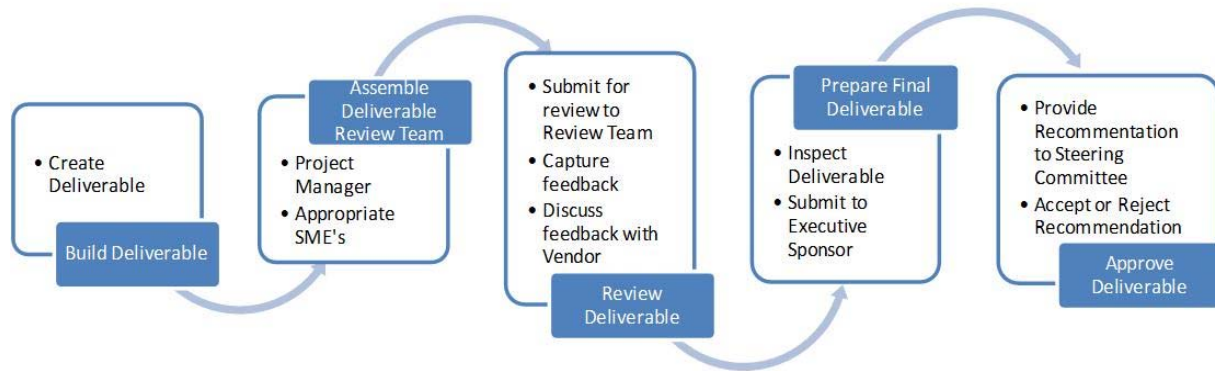
Figure 17: Deliverable Acceptance Plan

Status Reporting

Status reporting will include information about the overall health of the project including details about the work plan (e.g., current and future tasks and milestones), issues and risks. The following is a sample report template that will be reviewed and agreed upon between OFR and the Contractor:

<<Status Report Template Start>>

Milestone Tracking			
Milestone	**Target Date**	**% Complete**	**Status**
Overall Project Completion	mm/dd/yyyy	0%	Not Started
Milestone # 1 Description	mm/dd/yyyy	0%	Not Started
Milestone # 2 Description	mm/dd/yyyy	0%	Not Started
Milestone # 3 Description	mm/dd/yyyy	0%	Not Started
Milestone # 4 Description	mm/dd/yyyy	0%	Not Started
Milestone # 5 Description	mm/dd/yyyy	0%	Not Started
Milestone # 6 Description	mm/dd/yyyy	0%	Not Started
Milestone # 7Description	mm/dd/yyyy	0%	Not Started
Milestone # 8 Description	mm/dd/yyyy	0%	Not Started

Key Activities Completed
• **Bulleted list**

Key work for next reporting period
• **Bulleted list**

#	Major Decision Description	Decision Provided By	Decision Date
	None.		

Scope Changes during this reporting period					
Description of Change	Cost impact		Schedule impact		Briefly explain any cost or schedule change that will be necessary as a result of the scope change (including the scope change date and amount)
	Yes	No	Yes	No	
None					

#	Issue Description	Report Date	Resolution Provided	Resolution Date	Status
1.		mm/dd/yyyy			

#	Risk Description	Mitigation Actions	Probability	Impact	Risk Owner	Mitigation Owner
1.						

Exhibit 1 : Status Report Template

External Project Oversight

It is recommended that OFR augment its capability and project participation with additional Independent Verification and Validation (IV&V) services due to the following factors:

1. The REAL solution is based on a legislative mandate providing the Office with the authority to modernize its licensing processes.

2. The OFR is responsible for providing the REAL solution in order to enable the licensees to comply with the law.

3. The OFR does not have technology staff to participate on the project and to provide verification and validation of the contractor's approach, solution, and activities.

4. The REAL solution is an external facing application with a wide reach into the licensees operating under s.560.310. F.S. It is important for the OFR to ensure that the solution deployed is able to meet the functional and technical requirements.

The level and depth of IV&V services required is to be determined by the OFR. A few considerations include:

- Post Implementation Review: An independent and objective review conducted after the implementation of the REAL solution.
- Real-time and Continuous Monitoring: An independent and objective review conducted continuously during the project. The IV&V team will act as an integrated part of the OFR's day-to-day REAL team and will provide insights into potential risks and issues and provide mitigation and resolution strategies.
- Periodic Health Check: An independent and objective review conducted at specified milestones during the project based on the phases of the system development life cycle (SDLC) or deliverables or a combination of both. This option provides OFR with an ability to obtain independent review of deliverables and a project health check review at specific phase gates and also provide a source for obtaining independent opinion as needed throughout the project.

Risk Management

The purpose of risk management is to identify, assess, and prioritize risk factors which may negatively affect the project. Strategies can then be employed to minimize, monitor and control the probability and/or impact of the negative risk factors. A Risk Management Plan will be developed to formalize the project risk policies, procedures, processes, activity schedule, tools and templates. The Risk Management Plan will be approved by the Steering Committee and updated as appropriate. Risk management reviews will be conducted monthly over the duration of the project to update the negative risk factors.

Once a risk factor is identified, the impact on the project is determined, the probability of occurrence is estimated, and the OFR's tolerance level is documented. A risk strategy with appropriate corresponding actions can then be applied to manage the risk factor. Risk strategies include:

- Acceptance – the risk factor is unavoidable, continue the project, and monitor for the occurrence of risk.
- Avoidance – the risk factor is avoidable, continue the project, and eliminate the cause or probability of risk.
- Mitigation – the risk factor is unavoidable, continue the project, implement actions to provide for early detection, and implement actions to lessen the impact.
- Transference – the risk factor is unavoidable, continue the project, and share with, or give to, another party the risk factor to manage.

The following table provides a preliminary list of risks for the REAL re-procurement project:

#	Risk Description	Mitigation Actions	Probability	Impact
1.	Lack of timely and adequate participation from OFR's programmatic and DIS technical personnel may result in schedule delays and impact the quality of final REAL solution.	• Provide project schedule and level of participation (estimate) to the OFR Project Sponsor and Contract Manager. • Conduct kick-off meeting with Key OFR Stakeholders and outline participation expectations. • Escalate issues to the OFR Project Sponsor and Contract Manager on a timely basis.	Medium	Medium
2.	Lack of timely review feedback and approval of project deliverables may result in schedule delays and impact the quality of the REAL solution.	• Provide deliverable review schedule (project schedule) to the OFR Project Sponsor and Contract Manager. • Identify and communicate the deliverable review schedule to key OFR Stakeholders/Deliverable Reviewers. • Escalate issues to the OFR Project Sponsor and Contract Manager on a timely basis.	Medium	Medium
3.	Lack of timely and adequate availability of representatives from other entities (e.g. Licensees, payment authorization vendor) may result in schedule delays and impact the quality of the REAL solution.	• Provide project schedule and level of participation (estimate) to the OFR. • Escalate issues to the OFR Project Sponsor and Contract Manager on a timely basis.	Medium	Medium
4.	Reduced or elimination of funding by the Legislature may result in schedule delays or project cancelation.	• Provide timely updates to key external stakeholders on health of project and current issues. • Monitor funding and communicate any fluctuations in funding needs.	Low	High
5.	Licensees' failure to modify their infrastructure timely may result in schedule delays and impact the overall quality of the REAL solution and expected outcomes.	• Ensure test plan covers Licensee involvement. • Develop special communication to be distributed to Licensee organizations prior to launch. • Survey Licensees on state of preparation required to comply with system requirements.	Medium	High
7.	Training thousands of Licensee users on the system may not occur effectively or timely resulting in higher number of support calls during the REAL launch period.	• Include key Licensee personnel on Steering Committee. • Administer survey of Licensee readiness to address state of preparedness around training. • Offer online help and training aids to demonstrate how to use the system. • Staff help desk to handle an increase in calls during launch period.	Medium	High

Implementation Plan

The OFR plans to release an ITN to re-procure the REAL solution. The OFR's implementation plan will largely depend upon the solution proposed by the vendor community.

In addition to the Deliverable Acceptance Plan and approach to Phase Gate Management, the OFR will utilize other tools as controls in the project. Test plans will be developed applying the ISO/IEC/IEEE 29119-1 standard for software testing ensuring that requirements meet expectations during the testing activities. A change management process will be utilized to address changes to the REAL solution requirements or contract terms, and will adhere to the standards of the DFS PMO. An Independent Verification and Validation team will observe the project to help ensure adherence to mutually agreed-upon requirements and provide observations and feedback to the Project Sponsor and Steering Committee.

VIII.   Appendices

CBAForm 1 - Net Tangible Benefits

Net Tangible Benefits - Operational Cost Changes (Costs of Current Operations versus Proposed Operations as a Result of the Project) and Additional Tangible Benefits -- CBAForm 1A

Agency	FY 2016-17			FY 2017-18			FY 2018-19			FY 2019-20			FY 2020-21		
(Operations Only -- No Project Costs)	(a)	(b)	(c) = (a)+(b)	(a)	(b)	(c) = (a) + (b)	(a)	(b)	(c) = (a) + (b)	(a)	(b)	(c) = (a) + (b)	(a)	(b)	(c) = (a) + (b)
	Existing Program Costs	Operational Cost Change	New Program Costs resulting from Proposed Project	Existing Program Costs	Operational Cost Change	New Program Costs resulting from Proposed Project	Existing Program Costs	Operational Cost Change	New Program Costs resulting from Proposed Project	Existing Program Costs	Operational Cost Change	New Program Costs resulting from Proposed Project	Existing Program Costs	Operational Cost Change	New Program Costs resulting from Proposed Project
A. Personnel -- Total FTE Costs (Salaries & Benefits)	$21,677,922	$0	$21,677,922	$21,677,922	$0	$21,677,922	$21,677,922	$0	$21,677,922	$21,677,922	$0	$21,677,922	$21,677,922	$0	$21,677,922
A.b Total FTE	393.75	0.00	393.75	393.75	0.00	393.75	393.75	0.00	393.75	393.75	0.00	393.75	393.75	0.00	393.75
A-1.a. State FTEs (Salaries & Benefits)	$20,299,401	$0	$20,299,401	$20,299,401	$0	$20,299,401	$20,299,401	$0	$20,299,401	$20,299,401	$0	$20,299,401	$20,299,401	$0	$20,299,401
A-1.b. State FTEs (# FTEs)	360.00	0.00	360.00	360.00	0.00	360.00	360.00	0.00	360.00	360.00	0.00	360.00	360.00	0.00	360.00
A-2.a. OPS FTEs (Salaries)	$1,378,521	$0	$1,378,521	$1,378,521	$0	$1,378,521	$1,378,521	$0	$1,378,521	$1,378,521	$0	$1,378,521	$1,378,521	$0	$1,378,521
A-2.b. OPS FTEs (# FTEs)	33.75	0.00	33.75	33.75	0.00	33.75	33.75	0.00	33.75	33.75	0.00	33.75	33.75	0.00	33.75
A-3.a. Staff Augmentation (Contract Cost)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
A-3.b. Staff Augmentation (# of Contract FTEs)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Data Processing -- Costs	$335,000	$207,000	$542,000	$335,000	$222,525	$557,525	$335,000	$239,214	$574,214	$335,000	$257,155	$592,155	$335,000	$276,352	$611,352
B-1. Hardware	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
B-2. Software	$335,000	$207,000	$542,000	$335,000	$222,525	$557,525	$335,000	$239,214	$574,214	$335,000	$257,155	$592,155	$335,000	$276,352	$611,352
B-3. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C. External Service Provider -- Costs	$1,032,365	$0	$1,032,365	$1,032,365	$1,792,000	$2,824,365	$1,032,365	$1,792,000	$2,824,365	$1,032,365	$1,792,000	$2,824,365	$1,032,365	$1,792,000	$2,824,365
C-1. Consultant Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-2. Maintenance & Support Services	$1,032,365	$0	$1,032,365	$1,032,365	$1,792,000	$2,824,365	$1,032,365	$1,792,000	$2,824,365	$1,032,365	$1,792,000	$2,824,365	$1,032,365	$1,792,000	$2,824,365
C-3. Network / Hosting Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-4. Data Communications Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
C-5. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
D. Plant & Facility -- Costs (including PDC services)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E. Others -- Costs	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-1. Training	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-2. Travel	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
E-3. Other Specify	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total of Operational Costs (Rows A through E)	$23,045,287	$207,000	$23,252,287	$23,045,287	$2,014,525	$25,059,812	$23,045,287	$2,031,214	$25,076,501	$23,045,287	$2,049,155	$25,094,442	$23,045,287	$2,068,352	$25,113,639
F. Additional Tangible Benefits:		$3,601,172			$1,871,054			$1,533,274			$1,533,274			$1,533,274	
F-1. Minimize maintenance transition costs		$913,920			$0			$0			$0			$0	
F-2. Minimize Service Interruptions		$0			$337,780			$0			$0			$0	
F-3. Process Improvement Cost Redirection		$0			$1,005,274			$1,005,274			$1,005,274			$1,005,274	
F-4. Supported Portal Platform		$2,159,252			$0			$0			$0			$0	
F-5. Configurable Online Portal		$528,000			$528,000			$528,000			$528,000			$528,000	
Total Net Tangible Benefits:		$3,394,172			($143,471)			($497,940)			($515,881)			($535,078)	

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE -- CBAForm 1B			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	☑	Confidence Level	95%
Order of Magnitude	☐	Confidence Level	
Placeholder	☐	Confidence Level	

	A	B	C	D	E–G FY2016-17	H–J FY2017-18	K–M FY2018-19	N–P FY2019-20	Q–S FY2020-21	T TOTAL
1	**Office of Financial Regulation**	**REAL System Support and Improvement Project**					*CBAForm 2A Baseline Project Budget*			
2	*Costs entered into each row are mutually exclusive. Insert rows for detail and modify appropriation categories as necessary, but do not remove any of the provided project cost elements. Reference vendor quotes in the Item Description where applicable. Include only one-time project costs in this table. Include any recurring costs in CBA Form 1A.*				**FY2016-17**	**FY2017-18**	**FY2018-19**	**FY2019-20**	**FY2020-21**	**TOTAL**
3				$ -	$ 8,591,600	$ -	$ -	$ -	$ -	$ 8,591,600

	Item Description (remove guidelines and annotate entries here)	Project Cost Element	Appropriation Category	Current & Previous Years Project-Related Cost	YR 1 #	YR 1 LBR	YR 1 Base Budget	YR 2 #	YR 2 LBR	YR 2 Base Budget	YR 3 #	YR 3 LBR	YR 3 Base Budget	YR 4 #	YR 4 LBR	YR 4 Base Budget	YR 5 #	YR 5 LBR	YR 5 Base Budget	TOTAL
5	Costs for all state employees working on the project.	FTE	S&B	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
6	Costs for all OPS employees working on the project.	OPS	OPS	$ -	0.00		$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
7	Staffing costs for personnel using Time & Expense.	Staff Augmentation	Contracted Services	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
8	Project management personnel and related deliverables.	Project Management	Contracted Services	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
9	Project oversight (IV&V) personnel and related deliverables.	Project Oversight	Contracted Services	$ -	0.00	$ 297,600	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 297,600
10	Staffing costs for all professional services not included in other categories.	Consultants/Contractors	Contracted Services	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ -
11	Separate requirements analysis and feasibility study procurements.	Project Planning/Analysis	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
12	Hardware purchases not included in Primary Data Center services.	Hardware	OCO	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
13	Commercial software purchases and licensing costs.	Commercial Software	Contracted Services	$ -		$ 171,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 171,000
14	Professional services with fixed-price costs (i.e. software development, installation, project documentation)	Project Deliverables	Contracted Services	$ -		$ 8,123,000	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ 8,123,000
15	All first-time training costs associated with the project.	Training	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
16	Include the quote received from the state data center for project equipment and services. Only include one-time project costs in this row. Recurring, project-related data center costs are included in CBA Form 1A.	Data Center Services - One Time Costs	Data Center Category	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
17	Other contracted services not included in other categories.	Other Services	Contracted Services	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
18	Include costs for non-state data center equipment required by the project and the proposed solution (insert additional rows as needed for detail)	Equipment	Expense	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
19	Include costs associated with leasing space for project personnel.	Leased Space	Expense	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
20	Other project expenses not included in other categories.	Other Expenses	Expense	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -		$ -	$ -	$ -
21		Total		$ -	0.00	$ 8,591,600	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	0.00	$ -	$ -	$ 8,591,600

NOTE: We have dedicated people in each division that work in REAL and they are the subject matter expects and we will be leveraging them based on the requirements of the selected vendor.

NOTE: The Office intends to utilize internal staff (rows 5 and 6) to manage, collaborate, and review deliverables over the life of the portfolio. The Office will identify resources and plan accordingly to match the needs of the vendor selected per the REAL procurement. Once the Office has this information, we welcome any additional conversations to discuss the estimates.

CBAForm 2 - Project Cost Analysis	Agency	Office of Financial Regulation	Project	REAL System Support and Improvement Project

PROJECT COST SUMMARY	PROJECT COST SUMMARY (from CBAForm 2A)					TOTAL
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	
TOTAL PROJECT COSTS (*)	$8,591,600	$0	$0	$0	$0	$8,591,600
CUMULATIVE PROJECT COSTS (includes Current & Previous Years' Project-Related Costs)	$8,591,600	$8,591,600	$8,591,600	$8,591,600	$8,591,600	
Total Costs are carried forward to CBAForm3 Project Investment Summary worksheet.						

PROJECT FUNDING SOURCES	PROJECT FUNDING SOURCES - CBAForm 2B					TOTAL
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	
General Revenue	$0	$0	$0	$0	$0	$0
Trust Fund	$8,591,600	$0	$0	$0	$0	$8,591,600
Federal Match ☐	$0	$0	$0	$0	$0	$0
Grants ☐	$0	$0	$0	$0	$0	$0
Other ☐ Specify	$0	$0	$0	$0	$0	$0
TOTAL INVESTMENT	$8,591,600	$0	$0	$0	$0	$8,591,600
CUMULATIVE INVESTMENT	$8,591,600	$8,591,600	$8,591,600	$8,591,600	$8,591,600	

Characterization of Project Cost Estimate - CBAForm 2C			
Choose Type		Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	Yes	Confidence Level	95%
Order of Magnitude		Confidence Level	
Placeholder		Confidence Level	

CBAForm 3 - Project Investment Summary	Agency	Office of Financial Regulation	Project	REAL System Support and Improvement Project

COST BENEFIT ANALYSIS -- CBAForm 3A

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	TOTAL FOR ALL YEARS
Project Cost	$8,591,600	$0	$0	$0	$0	$8,591,600
Net Tangible Benefits	$3,394,172	($143,471)	($497,940)	($515,881)	($535,078)	$1,701,802
Return on Investment	($5,197,428)	($143,471)	($497,940)	($515,881)	($535,078)	($6,889,798)
Year to Year Change in Program Staffing	0	0	0	0	0	

RETURN ON INVESTMENT ANALYSIS -- CBAForm 3B

Payback Period (years)	NO PAYBACK	Payback Period is the time required to recover the investment costs of the project.
Breakeven Fiscal Year	NO PAYBACK	Fiscal Year during which the project's investment costs are recovered.
Net Present Value (NPV)	($6,547,379)	NPV is the present-day value of the project's benefits less costs over the project's lifecycle.
Internal Rate of Return (IRR)	NO IRR	IRR is the project's rate of return.

Investment Interest Earning Yield -- CBAForm 3C

Fiscal Year	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Cost of Capital	1.94%	2.07%	3.18%	4.32%	4.85%

Project	REAL System Support and Improvement Project	
Agency	Office of Financial Regulation	
FY 2016-17 LBR Issue Code:	FY 2016-17 LBR Issue Title:	
Issue Code	Issue Title	
Risk Assessment Contact Info (Name, Phone #, and E-mail Address):		
Anne Frost - Anne.Frost@flofr.com		
Executive Sponsor	TBD	
Project Manager	TBD	
Prepared By	KPMG / OFR	9/4/2015

Risk Assessment Summary

Business Strategy — Most Aligned / Least Aligned

Level of Project Risk — Least Risk / Most Risk

Project Risk Area Breakdown

Risk Assessment Areas	Risk Exposure
Strategic Assessment	LOW
Technology Exposure Assessment	MEDIUM
Organizational Change Management Assessment	HIGH
Communication Assessment	LOW
Fiscal Assessment	MEDIUM
Project Organization Assessment	LOW
Project Management Assessment	HIGH
Project Complexity Assessment	MEDIUM
Overall Project Risk	MEDIUM

Agency: Office of Financial Regulation   **Project: REAL System Support and Improvement Project**

#	Criteria	Values	Answer
	Section 1 -- Strategic Area		
	Criteria	Values	Answer
1.01	Are project objectives clearly aligned with the agency's legal mission?	0% to 40% -- Few or no objectives aligned	81% to 100% -- All or nearly all objectives aligned
		41% to 80% -- Some objectives aligned	
		81% to 100% -- All or nearly all objectives aligned	
1.02	Are project objectives clearly documented and understood by all stakeholder groups?	Not documented or agreed to by stakeholders	Documented with sign-off by stakeholders
		Informal agreement by stakeholders	
		Documented with sign-off by stakeholders	
1.03	Are the project sponsor, senior management, and other executive stakeholders actively involved in meetings for the review and success of the project?	Not or rarely involved	Project charter signed by executive sponsor and executive team actively engaged in steering committee meetings
		Most regularly attend executive steering committee meetings	
		Project charter signed by executive sponsor and executive team actively engaged in steering committee meetings	
1.04	Has the agency documented its vision for how changes to the proposed technology will improve its business processes?	Vision is not documented	Vision is completely documented
		Vision is partially documented	
		Vision is completely documented	
1.05	Have all project business/program area requirements, assumptions, constraints, and priorities been defined and documented?	0% to 40% -- Few or none defined and documented	81% to 100% -- All or nearly all defined and documented
		41% to 80% -- Some defined and documented	
		81% to 100% -- All or nearly all defined and documented	
1.06	Are all needed changes in law, rule, or policy identified and documented?	No changes needed	No changes needed
		Changes unknown	
		Changes are identified in concept only	
		Changes are identified and documented	
		Legislation or proposed rule change is drafted	
1.07	Are any project phase or milestone completion dates fixed by outside factors, e.g., state or federal law or funding restrictions?	Few or none	Few or none
		Some	
		All or nearly all	
1.08	What is the external (e.g. public) visibility of the proposed system or project?	Minimal or no external use or visibility	Moderate external use or visibility
		Moderate external use or visibility	
		Extensive external use or visibility	
1.09	What is the internal (e.g. state agency) visibility of the proposed system or project?	Multiple agency or state enterprise visibility	Single agency-wide use or visibility
		Single agency-wide use or visibility	
		Use or visibility at division and/or bureau level only	
1.10	Is this a multi-year project?	Greater than 5 years	1 year or less
		Between 3 and 5 years	
		Between 1 and 3 years	
		1 year or less	

#	Criteria	Values	Answer
		Section 2 -- Technology Area	
2.01	Does the agency have experience working with, operating, and supporting the proposed technology in a production environment?	Read about only or attended conference and/or vendor presentation	Installed and supported production system more than 3 years
		Supported prototype or production system less than 6 months	
		Supported production system 6 months to 12 months	
		Supported production system 1 year to 3 years	
		Installed and supported production system more than 3 years	
2.02	Does the agency's internal staff have sufficient knowledge of the proposed technology to implement and operate the new system?	External technical resources will be needed for implementation and operations	External technical resources will be needed for implementation and operations
		External technical resources will be needed through implementation only	
		Internal resources have sufficient knowledge for implementation and operations	
2.03	Have all relevant technology alternatives/ solution options been researched, documented and considered?	No technology alternatives researched	All or nearly all alternatives documented and considered
		Some alternatives documented and considered	
		All or nearly all alternatives documented and considered	
2.04	Does the proposed technology comply with all relevant agency, statewide, or industry technology standards?	No relevant standards have been identified or incorporated into proposed technology	Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards
		Some relevant standards have been incorporated into the proposed technology	
		Proposed technology solution is fully compliant with all relevant agency, statewide, or industry standards	
2.05	Does the proposed technology require significant change to the agency's existing technology infrastructure?	Minor or no infrastructure change required	Moderate infrastructure change required
		Moderate infrastructure change required	
		Extensive infrastructure change required	
		Complete infrastructure replacement	
2.06	Are detailed hardware and software capacity requirements defined and documented?	Capacity requirements are not understood or defined	Capacity requirements are based on historical data and new system design specifications and performance requirements
		Capacity requirements are defined only at a conceptual level	
		Capacity requirements are based on historical data and new system design specifications and performance requirements	

Agency: Office of Financial Regulation   **Project: REAL System Support and Improvement Project**

#	Criteria	Values	Answer
Section 3 -- Organizational Change Management Area		
3.01	What is the expected level of organizational change that will be imposed within the agency if the project is successfully implemented?	Extensive changes to organization structure, staff or business processes	Moderate changes to organization structure, staff or business processes
		Moderate changes to organization structure, staff or business processes	
		Minimal changes to organization structure, staff or business processes structure	
3.02	Will this project impact essential business processes?	Yes	Yes
		No	
3.03	Have all business process changes and process interactions been defined and documented?	0% to 40% -- Few or no process changes defined and documented	0% to 40% -- Few or no process changes defined and documented
		41% to 80% -- Some process changes defined and documented	
		81% to 100% -- All or nearly all processes defiined and documented	
3.04	Has an Organizational Change Management Plan been approved for this project?	Yes	Yes
		No	
3.05	Will the agency's anticipated FTE count change as a result of implementing the project?	Over 10% FTE count change	Less than 1% FTE count change
		1% to 10% FTE count change	
		Less than 1% FTE count change	
3.06	Will the number of contractors change as a result of implementing the project?	Over 10% contractor count change	Over 10% contractor count change
		1 to 10% contractor count change	
		Less than 1% contractor count change	
3.07	What is the expected level of change impact on the citizens of the State of Florida if the project is successfully implemented?	Extensive change or new way of providing/receiving services or information)	Extensive change or new way of providing/receiving services or information)
		Moderate changes	
		Minor or no changes	
3.08	What is the expected change impact on other state or local government agencies as a result of implementing the project?	Extensive change or new way of providing/receiving services or information	Extensive change or new way of providing/receiving services or information
		Moderate changes	
		Minor or no changes	
3.09	Has the agency successfully completed a project with similar organizational change requirements?	No experience/Not recently (>5 Years)	Recently completed project with greater change requirements
		Recently completed project with fewer change requirements	
		Recently completed project with similar change requirements	
		Recently completed project with greater change requirements	

Agency: Agency Name   **Project: Project Name**

Section 4 -- Communication Area
#	Criteria	Value Options	Answer
4.01	Has a documented Communication Plan been approved for this project?	Yes	Yes
		No	
4.02	Does the project Communication Plan promote the collection and use of feedback from management, project team, and business stakeholders (including end users)?	Negligible or no feedback in Plan	Proactive use of feedback in Plan
		Routine feedback in Plan	
		Proactive use of feedback in Plan	
4.03	Have all required communication channels been identified and documented in the Communication Plan?	Yes	Yes
		No	
4.04	Are all affected stakeholders included in the Communication Plan?	Yes	Yes
		No	
4.05	Have all key messages been developed and documented in the Communication Plan?	Plan does not include key messages	All or nearly all messages are documented
		Some key messages have been developed	
		All or nearly all messages are documented	
4.06	Have desired message outcomes and success measures been identified in the Communication Plan?	Plan does not include desired messages outcomes and success measures	All or nearly all messages have success measures
		Success measures have been developed for some messages	
		All or nearly all messages have success measures	
4.07	Does the project Communication Plan identify and assign needed staff and resources?	Yes	Yes
		No	

Section 5 -- Fiscal Area			
#	Criteria	Values	Answer
5.01	Has a documented Spending Plan been approved for the entire project lifecycle?	Yes	Yes
		No	
5.02	Have all project expenditures been identified in the Spending Plan?	0% to 40% -- None or few defined and documented	81% to 100% -- All or nearly all defined and documented
		41% to 80% -- Some defined and documented	
		81% to 100% -- All or nearly all defined and documented	
5.03	What is the estimated total cost of this project over its entire lifecycle?	Unknown	Greater than $10 M
		Greater than $10 M	
		Between $2 M and $10 M	
		Between $500K and $1,999,999	
		Less than $500 K	
5.04	Is the cost estimate for this project based on quantitative analysis using a standards-based estimation model?	Yes	Yes
		No	
5.05	What is the character of the cost estimates for this project?	Detailed and rigorous (accurate within ±10%)	Detailed and rigorous (accurate within ±10%)
		Order of magnitude – estimate could vary between 10-100%	
		Placeholder – actual cost may exceed estimate by more than 100%	
5.06	Are funds available within existing agency resources to complete this project?	Yes	Yes
		No	
5.07	Will/should multiple state or local agencies help fund this project or system?	Funding from single agency	Funding from single agency
		Funding from local government agencies	
		Funding from other state agencies	
5.08	If federal financial participation is anticipated as a source of funding, has federal approval been requested and received?	Neither requested nor received	Not applicable
		Requested but not received	
		Requested and received	
		Not applicable	
5.09	Have all tangible and intangible benefits been identified and validated as reliable and achievable?	Project benefits have not been identified or validated	All or nearly all project benefits have been identified and validated
		Some project benefits have been identified but not validated	
		Most project benefits have been identified but not validated	
		All or nearly all project benefits have been identified and validated	
5.10	What is the benefit payback period that is defined and documented?	Within 1 year	No payback
		Within 3 years	
		Within 5 years	
		More than 5 years	
		No payback	
5.11	Has the project procurement strategy been clearly determined and agreed to by affected stakeholders?	Procurement strategy has not been identified and documented	Stakeholders have reviewed and approved the proposed procurement strategy
		Stakeholders have not been consulted re: procurement strategy	
		Stakeholders have reviewed and approved the proposed procurement strategy	
5.12	What is the planned approach for acquiring necessary products and solution services to successfully complete the project?	Time and Expense (T&E)	Firm Fixed Price (FFP)
		Firm Fixed Price (FFP)	
		Combination FFP and T&E	

Agency: Office of Financial Regulation   **Project: REAL System Support and Improvement Project**

#	Criteria	Values	Answer
all - Section 5 -- Fiscal Area				

#	Criteria	Values	Answer
5.13	What is the planned approach for procuring hardware and software for the project?	Timing of major hardware and software purchases has not yet been determined	Just-in-time purchasing of hardware and software is documented in the project schedule
		Purchase all hardware and software at start of project to take advantage of one-time discounts	
		Just-in-time purchasing of hardware and software is documented in the project schedule	
5.14	Has a contract manager been assigned to this project?	No contract manager assigned	Contract manager assigned is not the procurement manager or the project manager
		Contract manager is the procurement manager	
		Contract manager is the project manager	
		Contract manager assigned is not the procurement manager or the project manager	
5.15	Has equipment leasing been considered for the project's large-scale computing purchases?	Yes	Yes
		No	
5.16	Have all procurement selection criteria and outcomes been clearly identified?	No selection criteria or outcomes have been identified	Some selection criteria and outcomes have been defined and documented
		Some selection criteria and outcomes have been defined and documented	
		All or nearly all selection criteria and expected outcomes have been defined and documented	
5.17	Does the procurement strategy use a multi-stage evaluation process to progressively narrow the field of prospective vendors to the single, best qualified candidate?	Procurement strategy has not been developed	Multi-stage evaluation not planned/used for procurement
		Multi-stage evaluation not planned/used for procurement	
		Multi-stage evaluation and proof of concept or prototype planned/used to select best qualified vendor	
5.18	For projects with total cost exceeding $10 million, did/will the procurement strategy require a proof of concept or prototype as part of the bid response?	Procurement strategy has not been developed	Not applicable
		No, bid response did/will not require proof of concept or prototype	
		Yes, bid response did/will include proof of concept or prototype	
		Not applicable	

Section 6 -- Project Organization Area			
#	Criteria	Values	Answer
6.01	Is the project organization and governance structure clearly defined and documented within an approved project plan?	Yes	Yes
		No	
6.02	Have all roles and responsibilities for the executive steering committee been clearly identified?	None or few have been defined and documented	All or nearly all have been defined and documented
		Some have been defined and documented	
		All or nearly all have been defined and documented	
6.03	Who is responsible for integrating project deliverables into the final solution?	Not yet determined	System Integrator (contractor)
		Agency	
		System Integrator (contractor)	
6.04	How many project managers and project directors will be responsible for managing the project?	3 or more	1
		2	
		1	
6.05	Has a project staffing plan specifying the number of required resources (including project team, program staff, and contractors) and their corresponding roles, responsibilities and needed skill levels been developed?	Needed staff and skills have not been identified	Staffing plan identifying all staff roles, responsibilities, and skill levels have been documented
		Some or most staff roles and responsibilities and needed skills have been identified	
		Staffing plan identifying all staff roles, responsibilities, and skill levels have been documented	
6.06	Is an experienced project manager dedicated fulltime to the project?	No experienced project manager assigned	Yes, experienced project manager dedicated full-time, 100% to project
		No, project manager is assigned 50% or less to project	
		No, project manager assigned more than half-time, but less than full-time to project	
		Yes, experienced project manager dedicated full-time, 100% to project	
6.07	Are qualified project management team members dedicated full-time to the project	None	No, business, functional or technical experts dedicated more than half-time but less than full-time to project
		No, business, functional or technical experts dedicated 50% or less to project	
		No, business, functional or technical experts dedicated more than half-time but less than full-time to project	
		Yes, business, functional or technical experts dedicated full-time, 100% to project	
6.08	Does the agency have the necessary knowledge, skills, and abilities to staff the project team with in-house resources?	Few or no staff from in-house resources	Few or no staff from in-house resources
		Half of staff from in-house resources	
		Mostly staffed from in-house resources	
		Completely staffed from in-house resources	
6.09	Is agency IT personnel turnover expected to significantly impact this project?	Minimal or no impact	Minimal or no impact
		Moderate impact	
		Extensive impact	
6.10	Does the project governance structure establish a formal change review and control board to address proposed changes in project scope, schedule, or cost?	Yes	Yes
		No	
6.11	Are all affected stakeholders represented by functional manager on the change review and control board?	No board has been established	Yes, all stakeholders are represented by functional manager
		No, only IT staff are on change review and control board	
		No, all stakeholders are not represented on the board	
		Yes, all stakeholders are represented by functional manager	

Section 7 -- Project Management Area			
#	Criteria	Values	Answer
7.01	Does the project management team use a standard commercially available project management methodology to plan, implement, and control the project?	No	Project Management team will use the methodology selected by the systems integrator
		Project Management team will use the methodology selected by the systems integrator	
		Yes	
7.02	For how many projects has the agency successfully used the selected project management methodology?	None	1-3
		1-3	
		More than 3	
7.03	How many members of the project team are proficient in the use of the selected project management methodology?	None	Some
		Some	
		All or nearly all	
7.04	Have all requirements specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented	41 to 80% -- Some have been defined and documented
		41 to 80% -- Some have been defined and documented	
		81% to 100% -- All or nearly all have been defined and documented	
7.05	Have all design specifications been unambiguously defined and documented?	0% to 40% -- None or few have been defined and documented	0% to 40% -- None or few have been defined and documented
		41 to 80% -- Some have been defined and documented	
		81% to 100% -- All or nearly all have been defined and documented	
7.06	Are all requirements and design specifications traceable to specific business rules?	0% to 40% -- None or few are traceable	0% to 40% -- None or few are traceable
		41 to 80% -- Some are traceable	
		81% to 100% -- All or nearly all requirements and specifications are traceable	
7.07	Have all project deliverables/services and acceptance criteria been clearly defined and documented?	None or few have been defined and documented	None or few have been defined and documented
		Some deliverables and acceptance criteria have been defined and documented	
		All or nearly all deliverables and acceptance criteria have been defined and documented	
7.08	Is written approval required from executive sponsor, business stakeholders, and project manager for review and sign-off of major project deliverables?	No sign-off required	Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables
		Only project manager signs-off	
		Review and sign-off from the executive sponsor, business stakeholder, and project manager are required on all major project deliverables	
7.09	Has the Work Breakdown Structure (WBS) been defined to the work package level for all project activities?	0% to 40% -- None or few have been defined to the work package level	0% to 40% -- None or few have been defined to the work package level
		41 to 80% -- Some have been defined to the work package level	
		81% to 100% -- All or nearly all have been defined to the work package level	
7.10	Has a documented project schedule been approved for the entire project lifecycle?	Yes	No
		No	

Section 7 -- Project Management Area			
#	Criteria	Values	Answer
7.11	Does the project schedule specify all project tasks, go/no-go decision points (checkpoints), critical milestones, and resources?	Yes	No
		No	
7.12	Are formal project status reporting processes documented and in place to manage and control this project?	No or informal processes are used for status reporting	Project team and executive steering committee use formal status reporting processes
		Project team uses formal processes	
		Project team and executive steering committee use formal status reporting processes	
7.13	Are all necessary planning and reporting templates, e.g., work plans, status reports, issues and risk management, available?	No templates are available	Some templates are available
		Some templates are available	
		All planning and reporting templates are available	
7.14	Has a documented Risk Management Plan been approved for this project?	Yes	No
		No	
7.15	Have all known project risks and corresponding mitigation strategies been identified?	None or few have been defined and documented	Some have been defined and documented
		Some have been defined and documented	
		All known risks and mitigation strategies have been defined	
7.16	Are standard change request, review and approval processes documented and in place for this project?	Yes	Yes
		No	
7.17	Are issue reporting and management processes documented and in place for this project?	Yes	Yes
		No	

Agency: Office of Financial Regulation   **Project: REAL System Support and Improvement Project**

#	Criteria	Values	Answer
	Section 8 -- Project Complexity Area		
8.01	How complex is the proposed solution compared to the current agency systems?	Unknown at this time More complex Similar complexity Less complex	Less complex
8.02	Are the business users or end users dispersed across multiple cities, counties, districts, or regions?	Single location 3 sites or fewer More than 3 sites	3 sites or fewer
8.03	Are the project team members dispersed across multiple cities, counties, districts, or regions?	Single location 3 sites or fewer More than 3 sites	Single location
8.04	How many external contracting or consulting organizations will this project require?	No external organizations 1 to 3 external organizations More than 3 external organizations	1 to 3 external organizations
8.05	What is the expected project team size?	Greater than 15 9 to 15 5 to 8 Less than 5	9 to 15
8.06	How many external entities (e.g., other agencies, community service providers, or local government entities) will be impacted by this project or system?	More than 4 2 to 4 1 None	None
8.07	What is the impact of the project on state operations?	Business process change in single division or bureau Agency-wide business process change Statewide or multiple agency business process change	Business process change in single division or bureau
8.08	Has the agency successfully completed a similarly-sized project when acting as Systems Integrator?	Yes No	No
8.09	What type of project is this?	Infrastructure upgrade Implementation requiring software development or purchasing commercial off the shelf (COTS) software Business Process Reengineering Combination of the above	Combination of the above
8.10	Has the project manager successfully managed similar projects to completion?	No recent experience Lesser size and complexity Similar size and complexity Greater size and complexity	Similar size and complexity
8.11	Does the agency management have experience governing projects of equal or similar size and complexity to successful completion?	No recent experience Lesser size and complexity Similar size and complexity Greater size and complexity	Greater size and complexity

Schedule VI – Detail of Debt Service

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2016-17 Legislative Budget Request)

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Budget Period: 2016-2017

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Chief Internal Auditor: Leah Gardner

Budget Entity: Office of Inspector General

Phone Number: (850) 413-4953

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Auditor General Report No. 2015-014	September, 2014	*Florida Accounting Information Resource Subsystem (FLAIR)*	**Finding 1:** The access privileges for some FLAIR users did not promote an appropriate separation of duties, restrict users to only those functions necessary for their assigned job duties, or provide for individual accountability. **Recommendation:** The Department should limit user access privileges to data and IT resources to promote an appropriate separation of duties, restrict users to only those functions necessary for their assigned job duties, and provide for individual accountability. Additionally, the Department should only grant access privileges on an as-needed basis to those users who periodically need access for data comparison and troubleshooting issues.	**ONGOING:** The Department removed unnecessary access privileges and continues to monitor access to ensure that it remains appropriate on an ongoing basis.	
			Finding 2: Department procedures for the periodic review of access privileges need improvement. **Recommendation:** The Department should improve procedures to include periodic reviews of all user access privileges to ensure that the privileges assigned are authorized and appropriate.	**ONGOING:** The Department is currently evaluating access reviews to ensure all FLAIR related access is included in the review process.	
			Finding 3: Department processes relating to the performance of periodic special reviews of agency-exempt invoice payment types need improvement. In addition, the Department did not have written procedures defining the periodic special review of agency-exempt invoices. **Recommendation:** The Department should improve its processes relating to the performance of periodic special reviews of agency-exempt invoice payment types to ensure that agencies remain eligible to use Auto Pay and therefore exempt from post audits. In addition, the Department should establish written procedures defining the periodic special review of agency-exempt invoices.	**ONGOING:** The Department updated its written procedures for the periodic and special review of agency-exempt invoices and incorporated the procedures into its fiscal year 2014/2015 Auto Pay Audit Plan.	

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Auditor General Report No. 2015-014 (…cont'd)	September, 2014	*Florida Accounting Information Resource Subsystem (FLAIR)*	**Finding 4:** Certain security controls related to logical access and the protection of confidential and exempt information needed improvement. **Recommendation:** The Department should improve certain security controls related to logical access and the protection of confidential and exempt information to ensure the confidentiality, integrity, and availability of Department data and IT resources.	**ONGOING:** The Department has addressed some of the areas noted and will continue to evaluate and address security controls, as appropriate.	
Auditor General Report No. 2015-096	October, 2014	*Investment Accounting System (IAS) and Cash Management Subsystem (CMS)*	**Finding 1:** The access privileges of some users did not promote an appropriate separation of duties or restrict users to only those functions necessary for their assigned job duties related to IAS and CMS IT resources. **Recommendation:** The Department should limit user access privileges to IAS and CMS IT resources to promote an appropriate separation of duties and to restrict users to only those functions necessary for their assigned job duties.	**ONGOING:** The IAS Production Library access for the four developers noted to have inappropriate access was terminated on September 11, 2014. Also, the Department is currently exploring options to address the test environment user account execute access to the production libraries. The CMS Application access for the one developer noted as having inappropriate access was removed on January 20, 2015. Additionally, the CMS internal auditor role correction was moved into production on December 18, 2014. As of October 29, 2014, changes to remove unnecessary access to the CMS Database Management System were complete.	
			Finding 2: Department procedures for the periodic review of CMS user access privileges need improvement. **Recommendation:** The Department should improve the periodic review procedures of CMS user access privileges by including all CMS user roles assigned to ensure the continued appropriateness of CMS user access privileges.	**ONGOING:** In February 2015, the Department enhanced the monthly CMS user access review reports to include assigned user roles.	

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			Finding 3: Program change controls need improvement to ensure that all program changes implemented into the IAS and CMS production environments were properly authorized. **Recommendation:** The Department should implement a process to ensure that all program changes implemented into the IAS and CMS production environments are properly authorized.	**ONGOING:** The Department is evaluating the comprehensive change management process to determine whether additional controls for monitoring program changes would provide further assurance that all production environment changes are authorized.	
Auditor General Report No. 2015-096 (…cont'd)	October, 2014	*Investment Accounting System (IAS) and Cash Management Subsystem (CMS)*	**Finding 4:** Certain security controls related to IAS user authentication, security administration activity logging, and transaction logging need improvement. **Recommendation:** The Department should implement appropriate security controls related to IAS user authentication, security administration activity logging, and transaction logging to ensure the continued confidentiality, integrity, and availability of IAS data and IT resources.	**ONGOING:** The Department will continue to evaluate and address security controls, as appropriate.	
Auditor General Report No. 2015-166	June, 2014	*Compliance and Internal Controls Over Financial Reporting and Federal Awards*	**Finding 2014-046:** The Department paid amounts to a subgrantee in excess of documented costs. The Department also made payments to another subgrantee for expenditures incurred prior to the execution of the contract. **Recommendation:** The Department should ensure subgrantee requests for reimbursement are made in accordance with OMB Circular A-87. We also recommend that the Department only reimburse expenditures incurred during the applicable contract period.	**CLOSED:** Hillsborough County and the City of Tampa reimbursed the Department who, in turn, reimbursed DEM for the amounts overpaid.	

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Auditor General Report No. 2015-181	February, 2015	*Automated Investigation Management System*	**Finding 1:** Some user access privileges to AIM data and related IT resources were not limited to only what was necessary in the performance of assigned job duties and did not promote an appropriate separation of duties or provide for individual accountability. **Recommendation:** The Department should limit user access to AIM data and related IT resources to only access privileges that are necessary to perform assigned job duties, promote an appropriate separation of duties, and provide for individual accountability.	**ONGOING:** The Department will evaluate and restrict existing access as appropriate to ensure separation of duties and accountability.	
			Finding 2: The Department had not conducted periodic reviews of the appropriateness of access privileges granted to AIM users. **Recommendation:** The Department should ensure that reviews of the appropriateness of access privileges granted to AIM users are conducted as required by Department procedures to ensure the continued appropriateness of user access privileges.	**ONGOING:** Reviews of the appropriateness of access granted to AIM users will be conducted monthly and documented.	
Auditor General Report No. 2015-181 (…cont'd)	February, 2015	*Automated Investigation Management System*	**Finding 3:** Certain security controls related to user authentication, logging, and review for AIM and related IT resources needed improvement. **Recommendation:** The Department should implement appropriate security controls related to user authentication, logging, and review to ensure the continued confidentiality, integrity, and availability of AIM data and related IT resources.	**ONGOING:** The Department will continue to address security controls, as appropriate.	

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Auditor General Report No. 2014-020	January, 2013	*Division of Risk Management State Employee Workers' Compensation*	**Finding 1**: The Division of Risk Management's (DRM) process for monitoring the third-party administrators (TPA) engaged to provide State employee workers' compensation case management administrative services and pharmacy benefits management services continues to need improvement. **Recommendation:** DRM management should continue its efforts to fully implement a comprehensive, effective TPA monitoring process. Such a process should include, among other things, routine payment audits, on-site monitoring, and the receipt and review of independent service auditor's reports.	**ONGOING:** The DRM has continued to conduct contract monitoring activities for its workers' compensation medical case management (MCM) and pharmacy benefits management (PBM) contracts. The DRM has completed payment audits of the old MCM contracts and conducted quarterly PBM pricing audits through the quarter ended December 31, 2014. The quarterly PBM pricing audit for the quarter ended March 31, 2015 is currently being conducted. Policies and procedures for conducting monthly negative receipt confirmations for the PBM prescriptions filled for injured state workers have been approved and implemented. The first monthly confirmation for the month of December 2014 is in progress. Additionally, the DRM is in the process of reviewing the SSAE-16 reports it received and will continue until all report reviews are completed.	

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Auditor General Report No. 2014-020 (…cont'd)	January, 2013	*Division of Risk Management State Employee Workers' Compensation*	**Finding 2:** Application controls for STARS, the information system utilized by DRM to account for State employee workers' compensation claims data, and other DRM controls were not always sufficient to prevent and detect improper payments or to ensure that required reports were timely completed and filed. **Recommendation:** DRM management should establish policies and procedures for the recovery of improper claim payments. DRM controls should be enhanced to prevent or better facilitate the identification of improper payments and to ensure the timely filing of required forms and reports.	**ONGOING:** The DRM continues to provide the Controverted Claims with Payments Report and a Missing SA Report to the Administrators in the Bureau of State Employee Workers' Compensation Claims for their review. On February 11, 2015, the Division implemented the first release of the new Risk Management Information System (RMIS) which currently includes basic functionality. Included in the basic functionality is a more robust capability to edit payment and payable records for possible duplicates, payments after the controvert date, and an automated payment escalation component in the payment process that requires supervisors to approve payments. The new RMIS also has an advanced duplicate payment notification system that alerts adjusters when a potential duplicate payment request is entered. It also includes warning flags and notifications to alert system users of other potential payment issues. Additionally, the DRM has contracted with a vendor that provides information on mortality of claimants to ensure that indemnity payments made after they are deceased are detected and handled appropriately.	

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Auditor General Report No. 2014-020 (…cont'd)	January, 2013	*Division of Risk Management State Employee Workers' Compensation*	**Finding 3:** DRM staff, by inadvertently circumventing key input controls, uploaded duplicate claim information into STARS. **Recommendation:** DRM management should take appropriate steps to prevent the override of STARS input controls. DRM should periodically reconcile claim payments data recorded in STARS to claim payments data recorded in FLAIR.	**ONGOING:** The DRM continues to conduct data imports that include a reconciliation of the data import file to the respective invoices. The DRM also continues to run a verification report process to ensure all records are imported and identify records that do not import. The verification reports are submitted to the vendor to facilitate file corrections and, when necessary, resubmission. On February 11, 2015, the DRM implemented the first release of the new RMIS which currently includes basic functionality. The functionality provides the capability to include the corresponding Florida Accounting Information Resource (FLAIR) voucher number in the payment records that are imported into the new system. The capability to include the FLAIR voucher number on payments created in the new RMIS is currently being designed and configured, with planned implementation into the new system to be completed by the end of 2015. This functionality will allow for a periodic detailed reconciliation of payments in the new RMIS to FLAIR records. Additionally, the DRM is in the process of preparing the reports, policies, and procedures that will be used to facilitate the periodic payment reconciliations and anticipates implementation of the reconciliation process by the beginning of 2016.	

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			Finding 4: The DRM deferred the required competitive procurement procedures by entering into multiple extensions of the STARS contract. **Recommendation:** DRM management should ensure that contracts are procured and managed in accordance with the requirements of State law.	**ONGOING:** On February 11, 2015, the DRM implemented the first release of the new RMIS which includes basic functionality. The DRM is working with the RMIS contractor to further develop the system and additional releases will occur throughout 2015. Full system functionality is anticipated to be in place by November 2015. In order to ensure continuity of operations during the transition to the new RMIS, the existing STARS contract was renewed through November 3, 2015. Additionally, the DRM has implemented managerial controls to ensure that existing vendor contract terms are monitored and procurements are planned to allow enough time for new contracts to be awarded prior to the expiration of the existing contracts.	
Auditor General Report No. 2014-033	June, 2013	*Florida Accounting Information Resource Subsystem (FLAIR)*	**Finding 1:** As similarly noted in prior audits of the Department of Financial Services (Department or DFS), most recently Auditor General Report No. 2013-078, the access privileges of some Department users were not appropriate for their job responsibilities. **Recommendation:** The Department should limit user access privileges to data and information technology (IT) resources to only what is necessary to perform job responsibilities and to promote an appropriate separation of duties.	**CLOSED:** The Department updated access permissions and access control procedures.	
			Finding 2: The Department's periodic review of access privileges needed improvement. **Recommendation:** The Department should ensure that the periodic review of access privileges includes verification of access by appropriate supervisory personnel independent of the users for whom the access verification pertains and encompasses all applicable users.	**CLOSED:** The Department performed an evaluation of the access review process and refined it to include all users with access and appropriate supervisory staff for verification purposes.	

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			Finding 3: As noted in Auditor General Report No. 2013-078, the Department did not maintain access authorization forms for some users. **Recommendation:** The Department should maintain complete documentation of management authorization for user access privileges to move Natural, COBOL, and UNIX changes into the production environment.	**CLOSED:** The Department performed a formal risk assessment related to this matter and accepted the minimal risk identified through this process. Department efforts will continue to be focused on the completion of these forms for all new workers and on controls related to the prevention and detection of inappropriate access.	
			Finding 4: Certain Departmental security controls related to logical access needed improvement. This issue was communicated to Department management in connection with Auditor General Report No. 2013-078. **Recommendation:** The Department should improve security controls related to logical access to ensure the confidentiality, integrity, and availability of data and IT resources.	**CLOSED:** The Department continues to address security controls, as appropriate.	
			Finding 5: Some automated controls related to Departmental transaction data input and processing were not in place. **Recommendation:** The Department should continue its process toward the completion of the study for the replacement or enhancement of FLAIR as outlined in Chapter 2013-40, Laws of Florida, Specific Appropriation 2279. The Department should also consider improvements in financial business practices and supporting IT processes and controls.	**CLOSED:** On March 21, 2014, the North Highland Company completed the business case study on the replacement or enhancement of FLAIR. The Department requested additional resources for fiscal year 2014/15 for the pre-development, design, and implementation activities that are recommended in the study. These activities include process reengineering designed to identify improvements, standardization and improved controls.	

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Auditor General Report No. 2014-033 (…cont'd)	June, 2013	*Florida Accounting Information Resource Subsystem (FLAIR)*	**Finding 6:** The Department had not established procedures to ensure that the agencies paid prompt payment interest penalty invoices within the 15 days required by State law. **Recommendation:** The Department should finalize and implement its procedures for ensuring that interest penalty invoices are timely paid.	**CLOSED:** The Department implemented procedures and issued guidance to the state agencies related to the issue.	
			Finding 7: Certain payroll application processing controls related to payroll processing and payroll processing adjustments needed improvement. **Recommendation:** The Department should improve payroll application processing controls to ensure the completeness, accuracy, and validity of transactions and data.	**CLOSED:** The Department improved payroll application processing controls to ensure the completeness, accuracy and validity of transactions and data. With respect to the prioritization of payroll deductions, based on the conclusions made by its Division of Legal Services, the Department was correct in its process for certain payroll processing adjustments, and no changes are needed.	

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Auditor General Report No. 2014-103	February, 2013	*Division of Public Assistance Fraud*	**Finding 1:** The Division of Public Assistance Fraud (DPAF) had not established policies and procedures addressing DPAF's operations and unique responsibilities or periodically analyzed its regional office investigative staffing needs. Additionally, DPAF's investigative process could be enhanced by providing a staff training program specific to public assistance fraud investigations and by engaging individuals with training and experience in complex financial data analysis. **Recommendation:** DPAF management should establish policies and procedures that adequately address its operations and unique responsibilities and periodically analyze its regional office investigative staffing needs and, as appropriate, reassign staff. In addition, DPAF should provide a training program specific to public assistance fraud investigations and consider engaging individuals with training and experience in complex financial data analysis.	**ONGOING:** Training. A training directive was published in October 2013. A Financial Crime Investigator (FCI) Academy was established and classes conducted for new FCIs in December 2013 and June 2014. Division-wide training was conducted in February 2014 for all investigative staff. Procedures. The Investigations and Operational Procedures manual is currently being updated and is 90% complete. A number of Technical Bulletins were also developed. The Investigations and Operational Procedures manual is augmented by the Technical Bulletins. Policies. Several policies have been developed and posted to DPAF's SharePoint site. The DPAF continues to assess the need for additional policies. Staffing Qualifications. The DPAF updated its position advertisements to include preferences for individuals with financial data analysis experience or a college degree and/or previous work experience with an emphasis on data analysis, accounting or statistics. Staff Assignments. The DPAF completed an analysis of staffing allocations across regions in March, 2014.	

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REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
Auditor General Report No. 2014-103 (…cont'd)	February, 2013	*Division of Public Assistance Fraud*	**Finding 2:** The DPAF had not established controls to ensure that referral data was completely, accurately, and timely recorded in the Automated Investigation Management System (AIMS) used to track and review referrals of potential public assistance fraud. **Recommendation:** DPAF management should establish effective data input controls to ensure that referral data is completely, accurately, and timely recorded in AIMS. Such controls should include documented procedures for the periodic reconciliation of referrals submitted by the Department of Children and Families (DCF) and the Office of Early Learning (OEL) to those recorded in AIMS and for the comparison of source documents to manual input processing.	**ONGOING:** The DPAF worked with the Division of Information Systems to establish procedures to reconcile file transfers of complaints/referrals transmitted by DCF and OEL to those received by DPAF. In addition, DPAF's Investigations and Operational Procedures manual was updated to establish procedures for documenting citizen and external agency complaints.	
			Finding 3: The DPAF's processes for the review and disposition of referrals of potential public assistance fraud need improvement to ensure that all referrals are properly considered for investigation. **Recommendation:** DPAF management should strengthen its practices for processing referrals to ensure that referrals of potential fraud are properly considered for investigation. Specifically, DPAF management should: ▢ Establish criteria for use in determining whether a fraud referral should be investigated or rejected. ▢ Develop and communicate to referring agencies guidelines outlining the information required to be submitted for each referral and rejected referrals can be resubmitted. ▢ Modify AIMS to provide more detailed reason codes for rejecting referrals and generate reports that would allow for the calculation of the average cost of a fraud investigation. ▢ Establish automated controls in AIMS to facilitate the identification of missing referral information and when the statute of limitations applies.	**ONGOING:** Referral Evaluation Criteria. Referral evaluation is addressed in DPAF's Investigative Strategy and reinforced in the quarterly ProACT reviews. As a result of our efforts to improve case selection, the average dollars of fraud per case increased from $3,400 in fiscal year 2012-13 to over $4,100 per investigation in fiscal year 2013-14. The strategy requires, among other things, DPAF managers to select and assign the largest potential dollar cases rather than a static dollar threshold. Referral Information and Review. The DPAF met with DCF and OEL to address referral criteria. Referral criteria were documented and distributed to the appropriate parties. Modifying AIM. The DPAF is working with DIS programming staff, who are creating new edits in AIMS with additional 'drop codes' to better represent the reason referrals are not retained.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Budget Period: 2016-2017

Department: Financial Services

Chief Internal Auditor: Leah Gardner

Budget Entity: Office of Inspector General

Phone Number: (850) 413-4953

(1)	(2)	(3)	(4)	(5)	(6)
REPORT NUMBER	**PERIOD ENDING**	**UNIT/AREA**	**SUMMARY OF FINDINGS AND RECOMMENDATIONS**	**SUMMARY OF CORRECTIVE ACTION TAKEN**	**ISSUE CODE**
Auditor General Report No. 2014-103 (…cont'd)	February, 2013	*Division of Public Assistance Fraud*	**Finding 4:** The DPAF's investigative process needs enhancement. Specifically, DPAF needs to employ data analysis tools and techniques and establish procedures and AIMS edit controls to ensure that appropriate documentation is maintained in the investigation files. **Recommendation:** DPAF management should enhance its investigative process by employing appropriate data analysis tools and techniques and establishing procedures and AIMS edit controls to ensure that appropriate documentation is maintained in the investigation files. Such documentation should include justification to support the termination of investigations and the closing of cases, especially when cases are closed due solely to manpower or workload issues. DPAF management should reevaluate the practice of closing investigations due solely to workload issues.	**ONGOING:** Data Analysis. In its recruitment efforts, DPAF is seeking FCIs who have data analysis, accounting, or statistician experience or education. In addition, DPAF is seeking five additional staff positions to form an analytical section through a Legislative Budget Request for the 2015-16 fiscal year. AIM Fraud Investigation Information. The DPAF has added procedures in its draft Investigations and Operational Procedures manual that mandates completion of Non-referral Summaries for all investigations closed without a referral to an agency. Termination of Cases. The DPAF coordinated with DIS to develop enhancements to AIMS which will prevent a case from being closed without a termination report. The DIS is currently working to implement those changes.	
			Finding 5: The DPAF had not established appropriate controls to ensure that Supplemental Nutrition Assistance Program (SNAP) Electronic Benefits Transfer (EBT) cards were properly accounted for and used only for valid investigative purposes. **Recommendation:** DPAF management should establish appropriate controls over the SNAP EBT cards. Such controls should include, but not be limited to, an appropriate separation of duties for EBT card activities, periodic inventories of EBT cards, monitoring of EBT card usage, and appropriate documentation to support EBT card return and disposal.	**ONGOING:** The DPAF implemented policies and procedures which set forth the roles and responsibilities of staff involved in the process. In addition, line inspections and quarterly monitoring is performed of the EBT cards and card activity.	

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			Finding 6: The DPAF did not comply with certain terms and conditions set forth in the United States Department of Agriculture Food and Nutrition Service agreement authorizing DPAF to acquire SNAP EBT benefits for investigative purposes. **Recommendation:** DPAF management should take appropriate steps to ensure compliance with all the terms and conditions of the USDA-FNS agreement and that documentation to demonstrate DPAF's compliance be maintained.	**CLOSED:** The DPAF updated its policies and procedures to incorporate procedures relative to the USDA State Law Enforcement Bureau (SLEB) Agreement. In July 2014, the USDA signed the revised SLEB Agreement, which comports to the processes previously employed by DPAF and endorsed through FNS Retailer Integrity Branch.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS   **Budget Period: 2016-2017**

Department: Financial Services   **Chief Internal Auditor:** Leah Gardner

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Auditor General Report No. 2014-109	September, 2013	*Unclaimed Property Management Information System (UPMIS)*	**Finding 1:** The Department's reviewing and monitoring of program change requests needed improvement. **Recommendation:** The Department should establish a procedure for reviewing and monitoring aging program change requests based on available resources to ensure the system functions as intended by management.	**ONGOING:** The Department continues to follow established procedures to ensure effective review and prioritization of change requests based on available resources and business owner prioritization.	
			Finding 2: The Division of Accounting and Auditing, Bureau of Unclaimed Property did not have procedures to ensure that background checks were performed on employees selected to assist in the annual unclaimed property inventory process. **Recommendation:** The Department should ensure background checks have been completed for all employees assisting with the annual unclaimed property inventory process.	**CLOSED:** The Division of Accounting and Auditing's procedures related to the annual inventory process were updated to reflect that background checks must be completed on any employee assisting with the annual inventory.	
			Finding 3: As similarly noted in Auditor General Report No. 2007-186, improvements were needed in the Department's procedures for deactivating access privileges to the database used for UPMIS data. **Recommendation:** The Department should ensure that access privileges to the UPMIS database are appropriately deactivated when corresponding access privileges to UPMIS are deactivated.	**CLOSED:** On April 29, 2014, the Department completed a database account review which resulted in termination of orphaned user accounts. This effort coupled with the revised access issuance process will ensure that database accounts are deactivated within Department policy established timeframes.	
			Finding 4: Certain security controls related to user authentication needed improvement. **Recommendation:** The Department should improve user authentication controls to ensure the continued confidentiality, integrity, and availability of Department data and IT resources.	**CLOSED:** The Department improved security controls in some areas noted in the report and will continue to address security controls in other areas, as appropriate.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

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			Finding 5: Access privileges of selected UPMIS IT programming staff were not appropriate for their job duties. **Recommendation:** The Department should continue to ensure that access to UPMIS is appropriate.	**ONGOING:** The Department continues to review access to UPMIS to ensure that it remains appropriate.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Budget Period: 2016-2017

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Auditor General Report No. 2014-173	June, 2013	*State of Florida Compliance and Internal Controls Over Financial Reporting and Federal Awards*	**Finding 2013-005:** The Department's Statewide Financial Reporting Section (SFRS) improperly classified financial activity for a blended component unit of the State of Florida (State) as a special revenue fund rather than as an enterprise fund. **Recommendation:** We recommend that the SFRS strengthen review procedures to ensure that funds are correctly classified during the preparation of the State's financial statements.	**CLOSED:** SFRS procedures were updated to include a review of Fraud Questionnaire Forms and applicable supporting documentation.	
Auditor General Report No. 2014-184	February, 2013	*Payroll and Personnel Processes at Selected State Agencies*	**Finding 2:** Some State agencies had not established adequate policies and procedures related to dual employment that effectively promoted compliance with State law. Additionally, State agencies did not always document that dual employment was properly approved in accordance with the requirements of State law, Department of Management Services (DMS) rules, and other guidelines. **Recommendation:** State agency management should establish appropriate procedures that provide for the proper submittal and approval of dual employment requests. Additionally, State agencies should utilize available dual employment reports to ensure that the dual employment activities of all applicable personnel have received appropriate consideration in accordance with State law, DMS rules, and other guidelines.	**CLOSED:** The Bureau of Human Resource Management (BHRM) sent an email to all employees on April 30, 2014, reminding employees of the dual employment Administrative Policy and Procedure (AP&P 5-04). In addition, a reminder email was sent on September 10, 2014, and will continue to be sent out quarterly to employees and management staff reminding them of the dual employment process and AP&P 5-04. The DFS payroll office continues to utilize the available dual employment reports and communicates with BHRM when a duplicate payment has been made. The BHRM verifies whether or not the employee is entitled to both payments.	
			Finding 3: State agency and DFS processes and procedures for salary reissuances should be enhanced to avoid overpayments to third parties for miscellaneous post-tax deductions. Additionally, State agencies did not always timely initiate efforts to collect from third parties overpayments made as a result of canceled salary payments. **Recommendation:** The DFS should provide specific guidance to State agencies regarding the methods available to prevent overpayments of miscellaneous post-tax deductions related to salary payment reissuances.	**CLOSED:** DFS procedures were revised and the updates were published on April 25, 2014.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS   **Budget Period: 2016-2017**

Department: Financial Services   **Chief Internal Auditor:** Leah Gardner

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Auditor General Report No. 2015-002	May, 2013	*Contract and Grant Management Processes at Selected State Agencies*	**Finding 1:** State agencies did not always document that employees involved in the contractor evaluation and selection process attested in writing, or timely attested, that they were independent of, and had no conflict of interest in, the entities evaluated and selected. **Recommendation:** State agency management should take steps to ensure that conflict of interest attestations required by State law are timely completed by all individuals taking part in the contractor evaluation and selection process and that the attestation documents are appropriately maintained.	**CLOSED:** This matter has been resolved by: 1) written communication was sent to all contract managers reminding them of their responsibility to obtain these signatures; 2) being documented in the Contract Management Life Cycle Guide; 3) being reviewed in all contract manager training classes; 4) including the conflict of interest form with the Internal Contract Route Slip to remind contract managers of the requirement for timely signatures.	
			Finding 3: State agencies did not always document that contracts were properly reviewed, approved, and executed in accordance with State law. **Recommendation:** State agency management should ensure that contracts are properly reviewed, approved, and executed in accordance with State law and that agency head delegations of authority are appropriately documented.	**CLOSED:** The Department performed the following: a) Created an "exceptions list" within the Purchasing Threshold Guidelines to document known types of agreements that are not required to route through Purchasing Services, and to outline specific responsibilities related to those agreements; b) Added clarifying "delegations of authority" verbiage to the Purchasing Threshold Guidelines and the Contract Management Life Cycle Guide. c) Added more detailed information to the training slide deck for the DFS internal contract manager training; and d) Sent communications to all Division Directors and Contract Managers reminding them of contracting requirements.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS   **Budget Period: 2016-2017**

Department: Financial Services   **Chief Internal Auditor:** Leah Gardner

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			Finding 5: State agencies did not always document that contract managers received, or timely received, required training for accountability in contracts management. **Recommendation:** State agency management should ensure that all contract managers attend the required DFS training for accountability in contracts management in accordance with State law and DFS guidelines. DFS management should continue to maximize the availability of contracts management training to facilitate State agency compliance with the statutory training requirements.	**ONGOING:** The Department has either individually or in conjunction with the Department of Management Services (DMS) provided 42 contract management classes with 938 attendees in calendar year 2015 (as of June 12, 2015). The Florida Certified Contract Management (FCCM) training, a collaboration between DFS and DMS, contains curriculum taken from the Department's Advancing Accountability (AA) class, and is now required per Chapter 2013-144, Laws of Florida for anyone who manages contracts or grants in excess of $100,000. This new certification requirement has shifted demand for contract management training away from the Department's AA class, toward the FCCM training. The new FCCM training delivered in conjunction with DMS has maximized the availability of contract management training statewide.	
Auditor General Report No. 2015-002 (…cont'd)	May, 2013	*Contract and Grant Management Processes at Selected State Agencies*	**Finding 6:** State agencies did not always appropriately document that contract managers were independent of, and had no conflict of interest in, the entities whose contracts they were assigned to manage. **Recommendation:** State agency management should ensure that documentation is maintained to demonstrate that contract managers are independent of, and have no conflict of interest in, the entities whose contracts they are assigned to manage.	**COMPLETED:** The Department completed the following: a) Incorporated the Attestation of No Conflict form into the contract routing documents with instruction that all contract managers need to sign the form regardless of the method of procurement or dollar value of the contract and place in their contract manager files for each agreement; b) Added more verbiage to the Contract Management Life Cycle Guide regarding relationships with providers and the requirement to sign an Attestation of No Conflict form, which is to be placed in the contract manager file for each agreement; c) Added more detailed information into the training slide deck for the DFS internal contract manager training; and d) Sent communications to all Division Directors and Contract Managers reminding them of contracting requirements.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Budget Period: 2016-2017

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			Finding 7: State agencies did not always document that sufficient contract monitoring had been performed in accordance with DFS and applicable State agency guidelines. **Recommendation:** State agency management should ensure that contract monitoring activities are appropriately performed and documented in accordance with DFS guidance and applicable State agency policies and procedures.	**ONGOING:** The Department added more detailed information into the training slide deck for the internal contract manager training and sent communications to all Division Directors and Contract Managers reminding them of contracting requirements. In addition, DFS enhanced its methodology for completing contract manager file reviews to result in more contract managers being reviewed and expanded coverage of the contracts managed by the contract manager.	

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Auditor General Report No. 2015-002 (…cont'd)	May, 2013	*Contract and Grant Management Processes at Selected State Agencies*	**Finding 8:** State agencies could not always demonstrate that contract payments were properly approved, supported by adequate documentation, or made in accordance with applicable contract terms and Chief Financial Officer (CFO) memoranda. **Recommendation:** State agency management should ensure that contract payments are properly approved, adequately supported, and made in accordance with applicable contract terms and CFO memoranda.	**ONGOING:** The Department completed the following: a) Added clarifying "delegations of authority" verbiage to the Purchasing Threshold Guidelines and the Contract Management Life Cycle Guide. b) Added more detailed information to the training slide deck for the DFS internal contract manager training. c) Sent communications to all Division Directors and Contract Managers reminding them of contracting requirements. The Department will conduct the following: a) Check the FACTS records to validate that the contract manager approving payments is consistent. If not, the contract invoice will be returned to the respective Division for correction prior to payment authorization. b) Check the MFMP comments fields to confirm the contract manager name is the same as the invoice approver. In addition, the MFMP Administrator will do further research to see if there is an available field within MFMP to populate for generating reports to include the contract manager name.	
			Finding 9: State agencies did not always document that sufficient grant monitoring had been performed in accordance with DFS and applicable State agency procedures. **Recommendation:** State agency management should ensure that grant monitoring activities and grant manager independence are appropriately documented and that the monitoring results are timely communicated to the grantee.	**CLOSED:** The Department completed the following: a) Incorporated the Attestation of No Conflict form into the contract routing documents with instruction that all grant managers need to sign the form regardless of the method of procurement or dollar value of the contract and place in their grant manager files for each agreement; b) Added more verbiage to the Contract Management Life Cycle Guide regarding relationships with providers and the requirement to sign an Attestation of No Conflict form, which is to be placed in the grant manager file for each agreement; c) Added more detailed information into the training slide deck for the DFS internal contract manager training; and d) Sent communications to all Division Directors and Grant Managers reminding them of contracting requirements.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS   **Budget Period: 2016 - 2017**

Department: Office of Insurance Regulation   **Chief Internal Auditor:** Bonnie Deering

Budget Entity: 43900120   **Phone Number:** 850-413-4975

(1) REPORT NUMBER	(2) PERIOD ENDING	(3) UNIT/AREA	(4) SUMMARY OF FINDINGS AND RECOMMENDATIONS	(5) SUMMARY OF CORRECTIVE ACTION TAKEN	(6) ISSUE CODE
2014-009 (Auditor General)	Issued August 2013	OIR Operational Audit	**Finding 1:** Office policies and procedures should be enhanced to require that the reasoning and judgments supporting Property and Casualty (P&C) rate filing decisions be sufficiently documented. *It is recommended that the Office enhance its policies and procedures to require Office staff to sufficiently document the reasoning and judgments supporting P&C rate filing decisions.*	**Corrective Action 1:** The Office engaged an outside actuarial firm to review the documentation of rate filings. The Office received the final report on April 25, 2014. The report stated that the Office provided sufficient documentation for the reasoning and judgments and made recommendations for standardizing the documentation. The report also stated that all of the recommendations were already being utilized by the Office in most aspects of the rate filing reviews. The Office has reviewed the recommendations in the report and has, to the extent possible at this time, made changes in the documentation in the filings. We are exploring options, as time permits, to fully move towards these recommendations.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Budget Period: 2016 - 2017

Department: Office of Insurance Regulation

Chief Internal Auditor: Bonnie Deering

Budget Entity: 43900120

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2014-009 (Auditor General)	Issued August 2013	OIR Operational Audit	**Finding 2:** The Office did not use existing accounting codes to facilitate the preparation of, nor had the Office prepared, detailed analyses comparing regulatory costs to the regulatory fees and taxes designated to cover those costs. *It is recommended that the Office utilize established accounting codes to facilitate periodic comparisons, by business unit, of regulatory costs to associated regulatory fees and taxes. In the event rate and tax changes are necessary to defray the expenses incurred by the Office in the discharge of its duties, the Office should propose such changes for legislative consideration.*	**Corrective Action 2:** The Office performed a review of the current process of the revenues deposited in the Insurance Regulatory Trust Fund (IRTF). The Office continues to perform quarterly reviews of the IRTF and monthly reviews of revenue reports. The Office has reviewed the current accounting codes available for use and has deleted those codes that were identified as obsolete or not used by OIR. Also, accounting codes that were incorrectly used to record revenue were identified and internal processes have been modified to use the correct accounting code to record revenue.	
2014-009 (Auditor General)	Issued August 2013	OIR Operational Audit	**Finding 3**: Periodic information technology (IT) user access reviews had not been conducted by individuals knowledgeable of user roles and responsibilities. Additionally, Office-specific procedures addressing Office IT applications had not been developed. *It is recommended that the Office ensure that periodic reviews of user access privileges are performed by supervisory staff knowledgeable of each user's roles and responsibilities. In addition, we recommend that the Office establish Office-specific procedures for controlling access to all its IT applications.*	**Corrective Action 3:** On March 06, 2015, the Office adopted specific procedures requiring twice-yearly access control reviews conducted within the business units by the appropriate staff knowledgeable of each user's roles and responsibilities. Bi-annual IT application reviews continue to be performed by appropriate staff knowledgeable of user roles and responsibilities.	

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Budget Period: 2016 - 2017

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2014-009 (Auditor General)	Issued August 2013	OIR Operational Audit	**Finding 4:** The Office had not timely obtained and reviewed the independent service auditor's report related to the controls designed and established by the National Association of Insurance Commissioners for the database that maintains the P&C insurer financial information used by the Office in its financial analyses processes. *It is recommended that the Office timely request, obtain, and document review of independent service auditor's reports on the effectiveness of NAIC controls established for the FDR.*	**Corrective Action 4:** The Office revised its procedures regarding the request for the SSAE16 report and the internal review. Specifically, the Office will request the SSAE16 report from the NAIC no later than March 15 each year and the report will be reviewed internally within 20 business days from receipt of the report. The Office obtained and reviewed the 2014 SSAE 16 in accordance with established procedures.	
AUD-12/13-022 (OIR Inspector General)	4/29/2014	Audit of Performance Measures	**Finding 1:** The Property & Casualty Financial Oversight Unit's documentation and communication of information within the exam scheduling and exam monitoring process should be improved. Despite their best efforts, historical data was not effectively maintained, data was not always accurately or consistently captured, and performance measure data was not always accurately transferred. *It is recommended that the P&C Financial Oversight unit identify alternate methods to aid in the financial examination scheduling and monitoring process and implement improved processes to ensure examination data is accurately and consistently recorded, and historical data is effectively maintained.*	**Corrective Action 1:** On November 21, 2014, OIR deployed the Financial Examination Scheduler (FES) System to provide a structured environment for all scheduled exams using consistent definitions and data collection, verification, and reporting processes. FES allows users to set up, track, and report on company examinations and includes a search function to provide exam history. The units actively using FES are the Property & Casualty Financial Unit and the Life & Health Financial Unit.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS   **Budget Period: 2016 - 2017**

Department: Office of Insurance Regulation   **Chief Internal Auditor:** Bonnie Deering

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(1) REPORT NUMBER	(2) PERIOD ENDING	(3) UNIT/AREA	(4) SUMMARY OF FINDINGS AND RECOMMENDATIONS	(5) SUMMARY OF CORRECTIVE ACTION TAKEN	(6) ISSUE CODE
AUD-12/13-022 (OIR Inspector General)	4/29/2014	Audit of Performance Measures	**Finding 2:** The performance measure data collection, verification, and reporting process should be better defined and formalized to help ensure reliable and valid performance measure results are captured and reported. The business units applied different definitions for the performance measure attributes; the total number of examinations scheduled with the same "as of" exam date was not taken into consideration when determining compliance with the 18-month criteria; and exams exceeding the 18-month criteria would not have been reported within the same OIR LRPP fiscal year, but within the subsequent fiscal year. *It is recommended that the Office develop written procedures for the performance measure data collection, verification, and reporting process. Procedures should identify the types of financial examinations subject to the performance measure, include a definition for the performance measure attributes, incorporate the scheduled number of examinations into the calculation process, and require consistent application of approved definitions and the data collection, verification, and reporting process.*	**Corrective Action 2:** The P&C Financial Oversight unit has developed and implemented written procedures for the performance measure data collection, verification, and reporting process to ensure consistency among divisions. Due to changes in key personnel with scheduling responsibilities in the L&H Financial Oversight Unit, procedures are currently under development and will be completed by before September 1, 2015.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS   **Budget Period: 2016 - 2017**

Department: Office of Insurance Regulation   **Chief Internal Auditor:** Bonnie Deering

Budget Entity: 43900120   **Phone Number:** 850-413-4975

(1) REPORT NUMBER	(2) PERIOD ENDING	(3) UNIT/AREA	(4) SUMMARY OF FINDINGS AND RECOMMENDATIONS	(5) SUMMARY OF CORRECTIVE ACTION TAKEN	(6) ISSUE CODE
AUD-13/14-069	12/19/2014	Audit of OIR Revenue Generating Points	**Finding 1:** Office business units were actively involved in the revenue process. Office business units performed key duties and responsibilities within the normal course of operations that ultimately generated, or had the potential to generate, revenue for the Office. However, the Office's revenue practices were inconsistently applied and internal controls were, for the most part, inadequate due to an unduly decentralized revenue process. *It is recommended that the Office take the necessary steps to improve the revenue process by eliminating duplication of efforts, enforcing consistent practices, and implementing necessary internal controls. OIR may consider centralizing the revenue process (i.e., invoice generation, record keeping, and monitoring), while implementing safeguards to address segregation of duty concerns.*	**Corrective Action 1:** The Chief of Staff's office is reviewing information from the business units regarding each area's revenue process. This includes, but is not limited to, generating, issuing, recording, and monitoring invoices for revenues. A position and person has been moved to begin the process of centralizing the revenue process. The Office anticipates that the revenue process will be centralized within the agency by June 30, 2016.	
AUD-13/14-069	12/19/2014	Audit of OIR Revenue Generating Points	**Finding 2:** LHFO and PCFO units did not adequately segregate duties over the revenue generated, collected, and recorded for certificates of compliance and deposits. *It is recommended that the Office segregate key duties and responsibilities within the revenue process. If segregation is not possible due to resource limitations, we recommend OIR identify and implement compensating controls to mitigate the associated risk.*	**Corrective Action 2:** As noted in Finding 1, the Office continues in its effort to centralize the revenue invoicing function with attention to the segregation of duties and responsibilities.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS   **Budget Period: 2016 - 2017**

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Budget Entity: 43900120   **Phone Number:** 850-413-4975

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AUD-13/14-069	12/19/2014	Audit of OIR Revenue Generating Points	**Finding 3:** The Office has established accounting codes to facilitate the recording of revenue by the type of revenue activity and the business unit associated with each revenue activity. However, the Office did not fully utilize the available codes and did not apply codes most reasonably associated with the types of revenue activities. *It is recommended that the Office review and update its accounting codes to facilitate the proper recording of revenue activity (RSC category) by business unit (organization code).*	**Corrective Action 3:** The Office has reviewed the current accounting codes available for use and has deleted those codes that were identified as obsolete or not used by OIR. Also, accounting codes that were incorrectly used to record revenue were identified and internal processes have been modified to use the correct accounting code to record revenue.	

Office of Policy and Budget -August 2015

Department: Office of Financial Regulation

Chief Internal Auditor: Karen Fisher, Inspector General

Budget Entity: 43900560- Division of Consumer Finance

Phone Number: (850)410-9712

(1) REPORT NUMBER	(2) PERIOD ENDING	(3) UNIT/AREA	(4) SUMMARY OF FINDINGS AND RECOMMENDATIONS	(5) SUMMARY OF CORRECTIVE ACTION TAKEN	(6) ISSUE CODE
Auditor General Report 2013-031	30-Jun-13	Division of Consumer Finance	**Finding No. 1-** OFR records for commercial collection agency initial registrations and renewals did not always include all of the information required		
			Recommendation: We recommend that OFR take steps to ensure that all requirements of Florida law are satisfied by commercial collection agencies prior to the issuance of initial or renewal registrations. We also recommend as part of the renewal process, that OFR consider providing commercial collections agencies registration information on file at OFR and request that the commercial collection agency update the information and certify the information is accurate and complete.	**Six-Month Follow-Up; The Division of Consumer Finance has trained employees and continues to train new employees to ensure that all statutory requirements are received and reviewed prior to the issuance of a commercial collection agency registration. The Division of Consumer Finance has also revised and implemented the renewal procedures that require commercial collection agencies to certify their registration information is accurate and complete and document the company has a surety bond. The Auditor General Staff is currently (July 2015) performing an operational audit at the OFR, which includes a follow-up to this finding and corrective action.**	
Auditor General Report No. 2013-031	30-Jun-13	Division of Consumer Finance	**Finding No. 2-** OFR did not always timely and effectively handle mortgage-related and consumer collection agency complaints and did not always document related correspondence with complainants.		
			Recommendation: We recommend that OFR, in conformity with applicable OFR policies and procedures, effectively and timely perform and document all phases of the complaint investigation and resolution process.	**Six -Month Follow-Up: The Division of Consumer Finance conducted training with staff regarding the findings in the Auditor General Report and to review and enforce complaint handling processes and procedures. The modifications to the REAL System could not be made because although the Real System could determine when an attachment was not present, it could not determine if the attachment was the correct document. In lieu of the REAL System modifications, the Division of Consumer Finance will implement a monthly process in which the supervisor will review 5% of the complaints for their region using a standardized Quality Control Checklist. A Case Activity report will be used to determine the complaints that have been reviewed monthly to ensure compliance. The Auditor General Staff is currently (July 2015) performing an operational audit at the OFR, which includes a follow-up**	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Budget Period: 2014 -2015

Department: Office of Financial Regulation

Chief Internal Auditor: Karen Fisher, Inspector General

Budget Entity: 43900560- Division of Consumer Finance

Phone Number: (850)410-9712

(1) REPORT NUMBER	(2) PERIOD ENDING	(3) UNIT/AREA	(4) SUMMARY OF FINDINGS AND RECOMMENDATIONS	(5) SUMMARY OF CORRECTIVE ACTION TAKEN	(6) ISSUE CODE
Auditor General Report No. 2013-031	30-Jun-13	Division of Consumer Finance	**Finding No. 3-** OFR did not always timely close consumer collection agency complaint investigations. Additionally, OFR did not always adequately perform and document each phase of the complaint resolution process.		
			Recommendation: We recommend that OFR take steps to reduce the number of consumer collection agency complaints not closed within the 90-day time frame. We also recommend that OFR strengthen its monitoring process to better ensure that all phases of the complaint resolution process are adequately performed and documented.	**Six-Month Follow-Up: The Division of Consumer Finance has revised the Complaint Handling and Processing Manual to include the Quality Control Checklist (mentioned below) and removing the 90-day time frame for closing complaints. The Division of Consumer Finance has established a performance metric for annual employee performance evaluations that evaluates the employee on the average number of days to mail the complaint acknowledgement letter to the complainant. The Division has also established a performance metric that measures the percentage of examinations and complaints the employee completed within the defined timeframes. The modifications to the REAL System could not be made because although the Real System could determine when an attachment was not present, it could not determine if the attachment was the correct document. In lieu of the REAL System modifications, the Division of Consumer Finance will implement a monthly process in which the supervisor will review 5% of the complaints for their region using a standardized Quality Control Checklist. A Case Activity report will be used to determine the complaints that have been**	
Auditor General Report No. 2013-031	30-Jun-13	Division of Consumer Finance	**Finding No. 4-** OFR did not always timely close mortgage-related complaint investigations.		

Fiscal Year 2016-17 LBR Technical Review Checklist

Department/Budget Entity (Service):   FINANCIAL SERVICES

Agency Budget Officer/OPB Analyst Name: TERI MADSEN

A "Y" indicates "YES" and is acceptable, an "N/J" indicates "NO/Justification Provided" - these require further explanation/justification (additional sheets can be used as necessary), and "TIPS" are other areas to consider.

Action	Program or Service (Budget Entity Codes)				
	43010	43100	43200	43300	43400
1. GENERAL					
1.1 Are Columns A01, A02, A04, A05, A23, A24, A25, A36, A93, IA1, IA5, IA6, IP1, IV1, IV3 and NV1 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for both the Budget and Trust Fund columns? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only? **(CSDI)**	Y	Y	Y	Y	Y
1.2 Is Column A03 set to TRANSFER CONTROL for DISPLAY and UPDATE status for both the Budget and Trust Fund columns? **(CSDI)**	Y	Y	Y	Y	Y
AUDITS:					
1.3 Has Column A03 been copied to Column A12? Run the Exhibit B Audit Comparison Report to verify. **(EXBR, EXBA)**	Y	Y	Y	Y	Y
1.4 Has security been set correctly? **(CSDR, CSA)**	Y	Y	Y	Y	Y
TIP The agency should prepare the budget request for submission in this order: 1) Lock columns as described above; 2) copy Column A03 to Column A12; and 3) set Column A12 column security to ALL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status. **A security control feature has been added to the LAS/PBS Web upload process that will require columns to be in the proper status before uploading.**					
2. EXHIBIT A (EADR, EXA)					
2.1 Is the budget entity authority and description consistent with the agency's LRPP and does it conform to the directives provided on page 59 of the LBR Instructions?	Y	Y	Y	Y	Y
2.2 Are the statewide issues generated systematically (estimated expenditures, nonrecurring expenditures, etc.) included?	Y	Y	Y	Y	Y
2.3 Are the issue codes and titles consistent with *Section 3* of the LBR Instructions (pages 15 through 29)? Do they clearly describe the issue?	Y	Y	Y	Y	Y
2.4 Have the coding guidelines in *Section 3* of the LBR Instructions (pages 15 through 29) been followed?	Y	Y	Y	Y	Y
3. EXHIBIT B (EXBR, EXB)					
3.1 Is it apparent that there is a fund shift where an appropriation category's funding source is different between A02 and A03? Were the issues entered into LAS/PBS correctly? Check D-3A funding shift issue 340XXX0 - a unique deduct and unique add back issue should be used to ensure fund shifts display correctly on the LBR exhibits.	N/A	N/A	N/A	N/A	N/A
AUDITS:					
3.2 Negative Appropriation Category Audit for Agency Request (Columns A03 and A04): Are all appropriation categories positive by budget entity at the FSI level? Are all nonrecurring amounts less than requested amounts? **(NACR, NAC - Report should print "No Negative Appropriation Categories Found")**	Y	Y	Y	Y	Y

		Program or Service (Budget Entity Codes)				
	Action	43010	43100	43200	43300	43400
3.3	Current Year Estimated Verification Comparison Report: Is Column A02 equal to Column B07? **(EXBR, EXBC - Report should print "Records Selected Net To Zero")**	Y	Y	Y	Y	Y
TIP	Generally look for and be able to fully explain significant differences between A02 and A03.					
TIP	Exhibit B - A02 equal to B07: Compares Current Year Estimated column to a backup of A02. This audit is necessary to ensure that the historical detail records have not been adjusted. Records selected should net to zero.					
TIP	Requests for appropriations which require advance payment authority must use the sub-title "Grants and Aids". For advance payment authority to local units of government, the Aid to Local Government appropriation category (05XXXX) should be used. For advance payment authority to non-profit organizations or other units of state government, the Special Categories appropriation category (10XXXX) should be used.					
4. EXHIBIT D (EADR, EXD)						
4.1	Is the program component objective statement consistent with the agency LRPP, and does it conform to the directives provided on page 61 of the LBR Instructions?	Y	Y	Y	Y	Y
4.2	Is the program component code and title used correct?	Y	Y	Y	Y	Y
TIP	Fund shifts or transfers of services or activities between program components will be displayed on an Exhibit D whereas it may not be visible on an Exhibit A.					
5. EXHIBIT D-1 (ED1R, EXD1)						
5.1	Are all object of expenditures positive amounts? (This is a manual check.)	Y	Y	Y	Y	Y
AUDITS:						
5.2	Do the fund totals agree with the object category totals within each appropriation category? **(ED1R, XD1A - Report should print "No Differences Found For This Report")**	Y	Y	Y	Y	Y
5.3	FLAIR Expenditure/Appropriation Ledger Comparison Report: Is Column A01 less than Column B04? **(EXBR, EXBB - Negative differences need to be corrected in Column A01.)**	Y	Y	Y	Y	Y
5.4	A01/State Accounts Disbursements and Carry Forward Comparison Report: Does Column A01 equal Column B08? **(EXBR, EXBD - Differences need to be corrected in Column A01.)**	Y	Y	Y	Y	Y
TIP	If objects are negative amounts, the agency must make adjustments to Column A01 to correct the object amounts. In addition, the fund totals must be adjusted to reflect the adjustment made to the object data.					
TIP	If fund totals and object totals do not agree or negative object amounts exist, the agency must adjust Column A01.					
TIP	Exhibit B - A01 less than B04: This audit is to ensure that the disbursements and carry/certifications forward in A01 are less than FY 2014-15 approved budget. Amounts should be positive.					
TIP	If B08 is not equal to A01, check the following: 1) the initial FLAIR disbursements or carry forward data load was corrected appropriately in A01; 2) the disbursement data from departmental FLAIR was reconciled to State Accounts; and 3) the FLAIR disbursements did not change after Column B08 was created.					

		Program or Service (Budget Entity Codes)				
	Action	43010	43100	43200	43300	43400

6. EXHIBIT D-3 (ED3R, ED3) (Not required to be submitted in the LBR - for analytical purposes only.)

		43010	43100	43200	43300	43400
6.1	Are issues appropriately aligned with appropriation categories?	Y	Y	Y	Y	Y
TIP	Exhibit D-3 is no longer required in the budget submission but may be needed for this particular appropriation category/issue sort. Exhibit D-3 is also a useful report when identifying negative appropriation category problems.					

7. EXHIBIT D-3A (EADR, ED3A)

		43010	43100	43200	43300	43400
7.1	Are the issue titles correct and do they clearly identify the issue? (See pages 15 through 33 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.2	Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See page 67-68 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.3	Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 69 through 71 of the LBR Instructions?	Y	Y	Y	Y	Y
7.4	Are all issues with an IT component identified with a "Y" in the "IT COMPONENT?" field? If the issue contains an IT component, has that component been identified and documented?	Y	Y	Y	Y	Y
7.5	Does the issue narrative explain any variances from the Standard Expense and Human Resource Services Assessments package? Is the nonrecurring portion in the nonrecurring column? (See pages E-4 through E-6 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.6	Does the salary rate request amount accurately reflect any new requests and are the amounts proportionate to the Salaries and Benefits request? Note: Salary rate should always be annualized.	Y	Y	Y	Y	Y
7.7	Does the issue narrative thoroughly explain/justify all Salaries and Benefits amounts entered into the Other Salary Amounts transactions (OADA/C)? Amounts entered into OAD are reflected in the Position Detail of Salaries and Benefits section of the Exhibit D-3A.	Y	Y	Y	Y	Y
7.8	Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	Y	Y	Y	Y	Y
7.9	Does the issue narrative reference the specific county(ies) where applicable?	Y	Y	Y	Y	Y
7.10	Do the 160XXX0 issues reflect budget amendments that have been approved (or in the process of being approved) and that have a recurring impact (including Lump Sums)? Have the approved budget amendments been entered in Column A18 as instructed in Memo #16-002?	Y	Y	Y	Y	Y
7.11	When appropriate are there any 160XXX0 issues included to delete positions placed in reserve in the OPB Position and Rate Ledger (e.g. unfunded grants)? Note: Lump sum appropriations not yet allocated should not be deleted. (**PLRR, PLMO**)	Y	Y	Y	Y	Y
7.12	Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	Y	Y	Y	Y	Y
7.13	Has the agency included a 160XXX0 issue and 210XXXX and 260XXX0 issues as required for lump sum distributions?	Y	Y	Y	Y	Y
7.14	Do the amounts reflect appropriate FSI assignments?	Y	Y	Y	Y	Y
7.15	Are the 33XXXX0 issues negative amounts only and do not restore nonrecurring cuts from a prior year or fund any issues that net to a positive or zero amount? Check D-3A issues 33XXXX0 - a unique issue should be used for issues that net to zero or a positive amount.	Y	Y	Y	Y	Y

		Program or Service (Budget Entity Codes)				
	Action	43010	43100	43200	43300	43400
7.16	Do the issues relating to *salary and benefits* have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See page 28 and 90 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.17	Do the issues relating to *Information Technology (IT)* have a "C" in the sixth position of the issue code (36XXXCX) and are the correct issue codes used (361XXC0, 362XXC0, 363XXC0, 17C01C0, 17C02C0, 17C03C0, 24010C0, 33001C0, 330010C0, 33011C0, 160E470, 160E480 or 55C01C0)?	Y	Y	Y	Y	Y
7.18	Are the issues relating to *major audit findings and recommendations* properly coded (4A0XXX0, 4B0XXX0)?	Y	Y	Y	Y	Y
7.19	Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	Y	Y	Y	Y	Y
AUDIT:						
7.20	Are all FSI's equal to '1', '2', '3', or '9'? There should be no FSI's equal to '0'. **(EADR, FSIA - Report should print "No Records Selected For Reporting")**	Y	Y	Y	Y	Y
7.21	Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? **(GENR, LBR1)**	N/A	N/A	N/A	N/A	N/A
7.22	Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? **(GENR, LBR2)**	N/A	N/A	N/A	N/A	N/A
7.23	Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? **(GENR, LBR3)**	N/A	N/A	N/A	N/A	N/A
7.24	Have FCO appropriations been entered into the nonrecurring column A04? **(GENR, LBR4 - Report should print "No Records Selected For Reporting" or a listing of D-3A issue(s) assigned to Debt Service (IOE N) or in some cases State Capital Outlay - Public Education Capital Outlay (IOE L))**	N/A	N/A	N/A	Y	N/A
TIP	Salaries and Benefits amounts entered using the OADA/C transactions must be thoroughly justified in the D-3A issue narrative. Agencies can run **OADA/OADR** from STAM to identify the amounts entered into OAD and ensure these entries have been thoroughly explained in the D-3A issue narrative.					
TIP	The issue narrative must completely and thoroughly explain and justify each D-3A issue. Agencies must ensure it provides the information necessary for the OPB and legislative analysts to have a complete understanding of the issue submitted. Thoroughly review pages 65 through 70 of the LBR Instructions.					
TIP	Check BAPS to verify status of budget amendments. Check for reapprovals not picked up in the General Appropriations Act. Verify that Lump Sum appropriations in Column A02 do not appear in Column A03. Review budget amendments to verify that 160XXX0 issue amounts correspond accurately and net to zero for General Revenue funds.					
TIP	If an agency is receiving federal funds from another agency the FSI should = 9 (Transfer - Recipient of Federal Funds). The agency that originally receives the funds directly from the federal agency should use FSI = 3 (Federal Funds).					

		Program or Service (Budget Entity Codes)				
	Action	43010	43100	43200	43300	43400
TIP	If a state agency needs to include in its LBR a realignment or workload request issue to align its data processing services category with its projected FY 2016-17 data center costs, this can be completed by using the new State Data Center data processing services category (210001).					
TIP	If an appropriation made in the FY 2015-16 General Appropriations Act duplicates an appropriation made in substantive legislation, the agency must create a unique deduct nonrecurring issue to eliminate the duplicated appropriation. Normally this is taken care of through line item veto.					
8. SCHEDULE I & RELATED DOCUMENTS (SC1R, SC1 - Budget Entity Level *or* SC1R, SC1D - Department Level)						
8.1	Has a separate department level Schedule I and supporting documents package been submitted by the agency?	Y	Y	Y	Y	Y
8.2	Has a Schedule I and Schedule IB been completed in LAS/PBS for each operating trust fund?	Y	Y	Y	Y	Y
8.3	Have the appropriate Schedule I supporting documents been included for the trust funds (Schedule IA, Schedule IC, and Reconciliation to Trial Balance)?	Y	Y	Y	Y	Y
8.4	Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	Y	Y	Y	Y	Y
8.5	Have the required detailed narratives been provided (5% trust fund reserve narrative; method for computing the distribution of cost for general management and administrative services narrative; adjustments narrative; revenue estimating methodology narrative**;** fixed capital outlay adjustment narrative)?	Y	Y	Y	Y	Y
8.6	Has the Inter-Agency Transfers Reported on Schedule I form been included as applicable for transfers totaling $100,000 or more for the fiscal year?	Y	Y	Y	Y	Y
8.7	If the agency is scheduled for the annual trust fund review this year, have the Schedule ID and applicable draft legislation been included for recreation, modification or termination of existing trust funds?	Y	Y	Y	Y	Y
8.8	If the agency is scheduled for the annual trust fund review this year, have the necessary trust funds been requested for creation pursuant to *section 215.32(2)(b), Florida Statutes* - including the Schedule ID and applicable legislation?	Y	Y	Y	Y	Y
8.9	Are the revenue codes correct? In the case of federal revenues, has the agency appropriately identified direct versus indirect receipts (object codes 000700, 000750, 000799, 001510 and 001599)? For non-grant federal revenues, is the correct revenue code identified (codes 000504, 000119, 001270, 001870, 001970)?	Y	Y	Y	Y	Y
8.10	Are the statutory authority references correct?	Y	Y	Y	Y	Y
8.11	Are the General Revenue Service Charge percentage rates used for each revenue source correct? (Refer to Section 215.20, Florida Statutes for appropriate general revenue service charge percentage rates.)	Y	Y	Y	Y	Y
8.12	Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	Y	Y	Y	Y	Y
8.13	If there is no Consensus Estimating Conference forecast available, do the revenue estimates appear to be reasonable?	Y	Y	Y	Y	Y
8.14	Are the federal funds revenues reported in Section I broken out by individual grant? Are the correct CFDA codes used?	Y	Y	Y	Y	Y
8.15	Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	Y	Y	Y	Y	Y

	Program or Service (Budget Entity Codes)				
Action	43010	43100	43200	43300	43400
8.16 Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-3A?	Y	Y	Y	Y	Y
8.17 If applicable, are nonrecurring revenues entered into Column A04?	Y	Y	Y	Y	Y
8.18 Has the agency certified the revenue estimates in columns A02 and A03 to be the latest and most accurate available? Does the certification include a statement that the agency will notify OPB of any significant changes in revenue estimates that occur prior to the Governor's Budget Recommendations being issued?	Y	Y	Y	Y	Y
8.19 Is a 5% trust fund reserve reflected in Section II? If not, is sufficient justification provided for exemption? Are the additional narrative requirements provided?	Y	Y	Y	Y	Y
8.20 Are appropriate general revenue service charge nonoperating amounts included in Section II?	Y	Y	Y	Y	Y
8.21 Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	Y	Y	Y	Y	Y
8.22 Do transfers balance between funds (within the agency as well as between agencies)? (See also 8.6 for required transfer confirmation of amounts totaling $100,000 or more.)	Y	Y	Y	Y	Y
8.23 Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	Y	Y	Y	Y	Y
8.24 Are prior year September operating reversions appropriately shown in column A01?	Y	Y	Y	Y	Y
8.25 Are current year September operating reversions appropriately shown in column A02?	Y	Y	Y	Y	Y
8.26 Does the Schedule IC properly reflect the unreserved fund balance for each trust fund as defined by the LBR Instructions, and is it reconciled to the agency accounting records?	Y	Y	Y	Y	Y
8.27 Has the agency properly accounted for continuing appropriations (category 13XXXX) in column A01, Section III?	Y	Y	Y	Y	Y
8.28 Does Column A01 of the Schedule I accurately represent the actual prior year accounting data as reflected in the agency accounting records, and is it provided in sufficient detail for analysis?	Y	Y	Y	Y	Y
8.29 Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	Y	Y	Y	Y	Y
AUDITS:					
8.30 Is Line I a positive number? (If not, the agency must adjust the budget request to eliminate the deficit).	Y	Y	Y	Y	Y
8.31 Is the June 30 Adjusted Unreserved Fund Balance (Line I) equal to the July 1 Unreserved Fund Balance (Line A) of the following year? If a Schedule IB was prepared, do the totals agree with the Schedule I, Line I? **(SC1R, SC1A - Report should print "No Discrepancies Exist For This Report")**	Y	Y	Y	Y	Y
8.32 Has a Department Level Reconciliation been provided for each trust fund and does Line A of the Schedule I equal the CFO amount? If not, the agency must correct Line A. **(SC1R, DEPT)**	Y	Y	Y	Y	Y
8.33 Has a Schedule IB been provided for each trust fund and does total agree with line I ?	Y	Y	Y	Y	Y

Action	Program or Service (Budget Entity Codes)				
	43010	43100	43200	43300	43400
8.34 Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	Y	Y	Y	Y	Y
TIP The Schedule I is the most reliable source of data concerning the trust funds. It is very important that this schedule is as accurate as possible!					
TIP Determine if the agency is scheduled for trust fund review. (See page 130 of the LBR Instructions.) Transaction DFTR in LAS/PBS is also available and provides an LBR review date for each trust fund.					
TIP Review the unreserved fund balances and compare revenue totals to expenditure totals to determine and understand the trust fund status.					
TIP Typically nonoperating expenditures and revenues should not be a negative number. Any negative numbers must be fully justified.					
9. SCHEDULE II (PSCR, SC2)					
AUDIT:					
9.1 Is the pay grade minimum for salary rate utilized for positions in segments 2 and 3? **(BRAR, BRAA - Report should print "No Records Selected For This Request")** Note: Amounts other than the pay grade minimum should be fully justified in the D-3A issue narrative. (See *Base Rate Audit* on page 161 of the LBR Instructions.)	N/J	N/J	N/J	N/J	N/J
10. SCHEDULE III (PSCR, SC3)					
10.1 Is the appropriate lapse amount applied in Segment 3? (See page 92 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
10.2 Are amounts in *Other Salary Amount* appropriate and fully justified? (See page 99 of the LBR Instructions for appropriate use of the OAD transaction.) Use **OADI** or **OADR** to identify agency other salary amounts requested.	N/A	N/A	N/A	N/A	N/A
11. SCHEDULE IV (EADR, SC4)					
11.1 Are the correct Information Technology (IT) issue codes used?	Y	Y	Y	Y	Y
TIP If IT issues are not coded correctly (with "C" in 6th position), they will not appear in the Schedule IV.					
12. SCHEDULE VIIIA (EADR, SC8A)					
12.1 Is there only one #1 priority, one #2 priority, one #3 priority, etc. reported on the Schedule VIII-A? Are the priority narrative explanations adequate? Note: FCO issues can now be included in the priority listing.	Y	Y	Y	Y	Y
13. SCHEDULE VIIIB-1 (EADR, S8B1)					
13.1 **NOT REQUIRED FOR THIS YEAR**					
14. SCHEDULE VIIIB-2 (EADR, S8B2)					
14.1 Do the reductions comply with the instructions provided on pages 104 through 106 of the LBR Instructions regarding a 5% reduction in recurring General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used?	Y	Y	Y	Y	Y
15. SCHEDULE VIIIC (EADR, S8C) **(LAS/PBS Web - see page 107-109 of the LBR Instructions for detailed instructions)**					
15.1 Agencies are required to generate this schedule via the LAS/PBS Web.	Y	Y	Y	Y	Y
15.2 Does the schedule include at least three and no more than 10 unique reprioritization issues, in priority order? Manual Check.	Y	Y	Y	Y	Y
15.3 Does the schedule display reprioritization issues that are each comprised of two unique issues - a deduct component and an add-back component which net to zero at the department level?	Y	Y	Y	Y	Y

		Program or Service (Budget Entity Codes)				
	Action	43010	43100	43200	43300	43400
15.4	Are the priority narrative explanations adequate and do they follow the guidelines on pages 107-109 of the LBR instructions?	Y	Y	Y	Y	Y
15.5	Does the issue narrative in A6 address the following: Does the state have the authority to implement the reprioritization issues independent of other entities (federal and local governments, private donors, etc.)? Are the reprioritization issues an allowable use of the recommended funding source?	Y	Y	Y	Y	Y
AUDIT:						
15.6	Do the issues net to zero at the department level? **(GENR, LBR5)**	N/J	N/J	N/J	N/J	N/J
16. SCHEDULE XI (USCR,SCXI) (LAS/PBS Web - see page 110-114 of the LBR Instructions for detailed instructions)						
16.1	Agencies are required to generate this spreadsheet via the LAS/PBS Web. **The Final Excel version no longer has to be submitted to OPB for inclusion on the Governor's Florida Performs Website.** (Note: Pursuant to *section 216.023(4) (b), Florida Statutes,* the Legislature can reduce the funding level for any agency that does not provide this information.)	Y	Y	Y	Y	Y
16.2	Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP and LBR match?	Y	Y	Y	Y	Y
AUDITS INCLUDED IN THE SCHEDULE XI REPORT:						
16.3	Does the FY 2014-15 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? **(GENR, ACT1)**	Y	Y	Y	Y	Y
16.4	None of the executive direction, administrative support and information technology statewide activities (ACT0010 thru ACT0490) have output standards (Record Type 5)? **(Audit #1 should print "No Activities Found")**	Y	Y	Y	Y	Y
16.5	Does the Fixed Capital Outlay (FCO) statewide activity (ACT0210) only contain 08XXXX or 14XXXX appropriation categories? **(Audit #2 should print "No Operating Categories Found")**	Y	Y	Y	Y	Y
16.6	Has the agency provided the necessary standard (Record Type 5) for all activities which <u>should</u> appear in Section II? (Note: **Audit #3** will identify those activities that do NOT have a Record Type '5' and have not been identified as a 'Pass Through' activity. These activities will be displayed in Section III with the 'Payment of Pensions, Benefits and Claims' activity and 'Other' activities. Verify if these activities should be displayed in Section III. If not, an output standard would need to be added for that activity and the Schedule XI submitted again.)	Y	Y	Y	Y	Y
16.7	Does Section I (Final Budget for Agency) and Section III (Total Budget for Agency) equal? **(Audit #4 should print "No Discrepancies Found")**	Y	Y	Y	Y	Y
TIP	If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					

Action	Program or Service (Budget Entity Codes)				
	43010	43100	43200	43300	43400

17. MANUALLY PREPARED EXHIBITS & SCHEDULES

		43010	43100	43200	43300	43400
17.1	Do exhibits and schedules comply with LBR Instructions (pages 115 through 158 of the LBR Instructions), and are they accurate and complete?	Y	Y	Y	Y	Y
17.2	Are appropriation category totals comparable to Exhibit B, where applicable?	Y	Y	Y	Y	Y
17.3	Are agency organization charts (Schedule X) provided and at the appropriate level of detail?	Y	Y	Y	Y	Y
17.4	Does the LBR include a separate IV-B for each IT project over $1 million (see page 134 of the LBR instructions for exemptions to this rule)? Have all IV-B been emailed to: **IT@LASPBS.state.fl.us**	N	N	N	N	N
17.5	Are all forms relating to Fixed Capital Outlay (FCO) funding requests submitted in the proper form, including a Truth in Bonding statement (if applicable) ?	N/A	N/A	N/A	Y	N/A

AUDITS - GENERAL INFORMATION

TIP	Review *Section 6: Audits* of the LBR Instructions (pages 160-162) for a list of audits and their descriptions.					
TIP	Reorganizations may cause audit errors. Agencies must indicate that these errors are due to an agency reorganization to justify the audit error.					

18. CAPITAL IMPROVEMENTS PROGRAM (CIP)

		43010	43100	43200	43300	43400
18.1	Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	N/A	N/A	N/A	Y	N/A
18.2	Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP Instructions)?	N/A	N/A	N/A	Y	N/A
18.3	Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	N/A	N/A	N/A	Y	N/A
18.4	Does the agency request include 5 year projections (Columns A03, A06, A07, A08 and A09)?	N/A	N/A	N/A	Y	N/A
18.5	Are the appropriate counties identified in the narrative?	N/A	N/A	N/A	Y	N/A
18.6	Has the CIP-2 form (Exhibit B) been modified to include the agency priority for each project and the modified form saved as a PDF document?	N/A	N/A	N/A	Y	N/A
TIP	Requests for Fixed Capital Outlay appropriations which are Grants and Aids to Local Governments and Non-Profit Organizations must use the Grants and Aids to Local Governments and Non-Profit Organizations - Fixed Capital Outlay major appropriation category (140XXX) and include the sub-title "Grants and Aids". These appropriations utilize a CIP-B form as justification.					

19. FLORIDA FISCAL PORTAL

		43010	43100	43200	43300	43400
19.1	Have all files been assembled correctly and posted to the Florida Fiscal Portal as outlined in the Florida Fiscal Portal Submittal Process?	Y	Y	Y	Y	Y

Fiscal Year 2016-17 LBR Technical Review Checklist

Department/Budget Entity (Service):   FINANCIAL SERVICES

Agency Budget Officer/OPB Analyst Name: TERI MADSEN

A "Y" indicates "YES" and is acceptable, an "N/J" indicates "NO/Justification Provided" - these require further explanation/justification (additional sheets can be used as necessary), and "TIPS" are other areas to consider.

Action	Program or Service (Budget Entity Codes)				
	43500	43600			
1. GENERAL					
1.1 Are Columns A01, A02, A04, A05, A23, A24, A25, A36, A93, IA1, IA5, IA6, IP1, IV1, IV3 and NV1 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for both the Budget and Trust Fund columns? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only? **(CSDI)**	Y	Y			
1.2 Is Column A03 set to TRANSFER CONTROL for DISPLAY and UPDATE status for both the Budget and Trust Fund columns? **(CSDI)**	Y	Y			
AUDITS:					
1.3 Has Column A03 been copied to Column A12? Run the Exhibit B Audit Comparison Report to verify. **(EXBR, EXBA)**	Y	Y			
1.4 Has security been set correctly? **(CSDR, CSA)**	Y	Y			
TIP The agency should prepare the budget request for submission in this order: 1) Lock columns as described above; 2) copy Column A03 to Column A12; and 3) set Column A12 column security to ALL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status. **A security control feature has been added to the LAS/PBS Web upload process that will require columns to be in the proper status before uploading.**					
2. EXHIBIT A (EADR, EXA)					
2.1 Is the budget entity authority and description consistent with the agency's LRPP and does it conform to the directives provided on page 59 of the LBR Instructions?	Y	Y			
2.2 Are the statewide issues generated systematically (estimated expenditures, nonrecurring expenditures, etc.) included?	Y	Y			
2.3 Are the issue codes and titles consistent with *Section 3* of the LBR Instructions (pages 15 through 29)? Do they clearly describe the issue?	Y	Y			
2.4 Have the coding guidelines in *Section 3* of the LBR Instructions (pages 15 through 29) been followed?	Y	Y			
3. EXHIBIT B (EXBR, EXB)					
3.1 Is it apparent that there is a fund shift where an appropriation category's funding source is different between A02 and A03? Were the issues entered into LAS/PBS correctly? Check D-3A funding shift issue 340XXX0 - a unique deduct and unique add back issue should be used to ensure fund shifts display correctly on the LBR exhibits.	N/A	N/A			
AUDITS:					
3.2 Negative Appropriation Category Audit for Agency Request (Columns A03 and A04): Are all appropriation categories positive by budget entity at the FSI level? Are all nonrecurring amounts less than requested amounts? **(NACR, NAC - Report should print "No Negative Appropriation Categories Found")**	Y	Y			

		Program or Service (Budget Entity Codes)				
	Action	43500	43600			
3.3	Current Year Estimated Verification Comparison Report: Is Column A02 equal to Column B07? **(EXBR, EXBC - Report should print "Records Selected Net To Zero")**	Y	Y			
TIP	Generally look for and be able to fully explain significant differences between A02 and A03.					
TIP	Exhibit B - A02 equal to B07: Compares Current Year Estimated column to a backup of A02. This audit is necessary to ensure that the historical detail records have not been adjusted. Records selected should net to zero.					
TIP	Requests for appropriations which require advance payment authority must use the sub-title "Grants and Aids". For advance payment authority to local units of government, the Aid to Local Government appropriation category (05XXXX) should be used. For advance payment authority to non-profit organizations or other units of state government, the Special Categories appropriation category (10XXXX) should be used.					

4. EXHIBIT D (EADR, EXD)

		43500	43600			
4.1	Is the program component objective statement consistent with the agency LRPP, and does it conform to the directives provided on page 61 of the LBR Instructions?	Y	Y			
4.2	Is the program component code and title used correct?	Y	Y			
TIP	Fund shifts or transfers of services or activities between program components will be displayed on an Exhibit D whereas it may not be visible on an Exhibit A.					

5. EXHIBIT D-1 (ED1R, EXD1)

		43500	43600			
5.1	Are all object of expenditures positive amounts? (This is a manual check.)	Y	Y			
AUDITS:						
5.2	Do the fund totals agree with the object category totals within each appropriation category? **(ED1R, XD1A - Report should print "No Differences Found For This Report")**	Y	Y			
5.3	FLAIR Expenditure/Appropriation Ledger Comparison Report: Is Column A01 less than Column B04? **(EXBR, EXBB - Negative differences need to be corrected in Column A01.)**	Y	Y			
5.4	A01/State Accounts Disbursements and Carry Forward Comparison Report: Does Column A01 equal Column B08? **(EXBR, EXBD - Differences need to be corrected in Column A01.)**	Y	Y			
TIP	If objects are negative amounts, the agency must make adjustments to Column A01 to correct the object amounts. In addition, the fund totals must be adjusted to reflect the adjustment made to the object data.					
TIP	If fund totals and object totals do not agree or negative object amounts exist, the agency must adjust Column A01.					
TIP	Exhibit B - A01 less than B04: This audit is to ensure that the disbursements and carry/certifications forward in A01 are less than FY 2014-15 approved budget. Amounts should be positive.					
TIP	If B08 is not equal to A01, check the following: 1) the initial FLAIR disbursements or carry forward data load was corrected appropriately in A01; 2) the disbursement data from departmental FLAIR was reconciled to State Accounts; and 3) the FLAIR disbursements did not change after Column B08 was created.					

		Program or Service (Budget Entity Codes)				
	Action	43500	43600			

6. EXHIBIT D-3 (ED3R, ED3) (Not required to be submitted in the LBR - for analytical purposes only.)

6.1	Are issues appropriately aligned with appropriation categories?	Y	Y			
TIP	Exhibit D-3 is no longer required in the budget submission but may be needed for this particular appropriation category/issue sort. Exhibit D-3 is also a useful report when identifying negative appropriation category problems.					

7. EXHIBIT D-3A (EADR, ED3A)

7.1	Are the issue titles correct and do they clearly identify the issue? (See pages 15 through 33 of the LBR Instructions.)	Y	Y			
7.2	Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See page 67-68 of the LBR Instructions.)	Y	Y			
7.3	Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 69 through 71 of the LBR Instructions?	Y	Y			
7.4	Are all issues with an IT component identified with a "Y" in the "IT COMPONENT?" field? If the issue contains an IT component, has that component been identified and documented?	Y	Y			
7.5	Does the issue narrative explain any variances from the Standard Expense and Human Resource Services Assessments package? Is the nonrecurring portion in the nonrecurring column? (See pages E-4 through E-6 of the LBR Instructions.)	Y	Y			
7.6	Does the salary rate request amount accurately reflect any new requests and are the amounts proportionate to the Salaries and Benefits request? Note: Salary rate should always be annualized.	Y	Y			
7.7	Does the issue narrative thoroughly explain/justify all Salaries and Benefits amounts entered into the Other Salary Amounts transactions (OADA/C)? Amounts entered into OAD are reflected in the Position Detail of Salaries and Benefits section of the Exhibit D-3A.	Y	Y			
7.8	Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	Y	Y			
7.9	Does the issue narrative reference the specific county(ies) where applicable?	Y	Y			
7.10	Do the 160XXX0 issues reflect budget amendments that have been approved (or in the process of being approved) and that have a recurring impact (including Lump Sums)? Have the approved budget amendments been entered in Column A18 as instructed in Memo #16-002?	Y	Y			
7.11	When appropriate are there any 160XXX0 issues included to delete positions placed in reserve in the OPB Position and Rate Ledger (e.g. unfunded grants)? Note: Lump sum appropriations not yet allocated should <u>not</u> be deleted. (**PLRR, PLMO**)	Y	Y			
7.12	Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	Y	Y			
7.13	Has the agency included a 160XXX0 issue and 210XXXX and 260XXX0 issues as required for lump sum distributions?	Y	Y			
7.14	Do the amounts reflect appropriate FSI assignments?	Y	Y			
7.15	Are the 33XXXX0 issues negative amounts only and do not restore nonrecurring cuts from a prior year or fund any issues that net to a positive or zero amount? Check D-3A issues 33XXXX0 - a unique issue should be used for issues that net to zero or a positive amount.	Y	Y			

		Program or Service (Budget Entity Codes)				
	Action	43500	43600			
7.16	Do the issues relating to *salary and benefits* have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See page 28 and 90 of the LBR Instructions.)	Y	Y			
7.17	Do the issues relating to *Information Technology (IT)* have a "C" in the sixth position of the issue code (36XXXCX) and are the correct issue codes used (361XXC0, 362XXC0, 363XXC0, 17C01C0, 17C02C0, 17C03C0, 24010C0, 33001C0, 330010C0, 33011C0, 160E470, 160E480 or 55C01C0)?	Y	Y			
7.18	Are the issues relating to *major audit findings and recommendations* properly coded (4A0XXX0, 4B0XXX0)?	Y	Y			
7.19	Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	Y	Y			
AUDIT:						
7.20	Are all FSI's equal to '1', '2', '3', or '9'? There should be no FSI's equal to '0'. **(EADR, FSIA - Report should print "No Records Selected For Reporting")**	Y	Y			
7.21	Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? **(GENR, LBR1)**	N/A	N/A			
7.22	Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? **(GENR, LBR2)**	N/A	N/A			
7.23	Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? **(GENR, LBR3)**	N/A	N/A			
7.24	Have FCO appropriations been entered into the nonrecurring column A04? **(GENR, LBR4 - Report should print "No Records Selected For Reporting" or a listing of D-3A issue(s) assigned to Debt Service (IOE N) or in some cases State Capital Outlay - Public Education Capital Outlay (IOE L))**	N/A	N/A			
TIP	Salaries and Benefits amounts entered using the OADA/C transactions must be thoroughly justified in the D-3A issue narrative. Agencies can run **OADA/OADR** from STAM to identify the amounts entered into OAD and ensure these entries have been thoroughly explained in the D-3A issue narrative.					
TIP	The issue narrative must completely and thoroughly explain and justify each D-3A issue. Agencies must ensure it provides the information necessary for the OPB and legislative analysts to have a complete understanding of the issue submitted. Thoroughly review pages 65 through 70 of the LBR Instructions.					
TIP	Check BAPS to verify status of budget amendments. Check for reapprovals not picked up in the General Appropriations Act. Verify that Lump Sum appropriations in Column A02 do not appear in Column A03. Review budget amendments to verify that 160XXX0 issue amounts correspond accurately and net to zero for General Revenue funds.					
TIP	If an agency is receiving federal funds from another agency the FSI should = 9 (Transfer - Recipient of Federal Funds). The agency that originally receives the funds directly from the federal agency should use FSI = 3 (Federal Funds).					

Action	Program or Service (Budget Entity Codes)				
	43500	43600			

TIP	If a state agency needs to include in its LBR a realignment or workload request issue to align its data processing services category with its projected FY 2016-17 data center costs, this can be completed by using the new State Data Center data processing services category (210001).					
TIP	If an appropriation made in the FY 2015-16 General Appropriations Act duplicates an appropriation made in substantive legislation, the agency must create a unique deduct nonrecurring issue to eliminate the duplicated appropriation. Normally this is taken care of through line item veto.					

8. SCHEDULE I & RELATED DOCUMENTS (SC1R, SC1 - Budget Entity Level *or* SC1R, SC1D - Department Level)

		43500	43600			
8.1	Has a separate department level Schedule I and supporting documents package been submitted by the agency?	Y	Y			
8.2	Has a Schedule I and Schedule IB been completed in LAS/PBS for each operating trust fund?	Y	Y			
8.3	Have the appropriate Schedule I supporting documents been included for the trust funds (Schedule IA, Schedule IC, and Reconciliation to Trial Balance)?	Y	Y			
8.4	Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	Y	Y			
8.5	Have the required detailed narratives been provided (5% trust fund reserve narrative; method for computing the distribution of cost for general management and administrative services narrative; adjustments narrative; revenue estimating methodology narrative**;** fixed capital outlay adjustment narrative)?	Y	Y			
8.6	Has the Inter-Agency Transfers Reported on Schedule I form been included as applicable for transfers totaling $100,000 or more for the fiscal year?	Y	Y			
8.7	If the agency is scheduled for the annual trust fund review this year, have the Schedule ID and applicable draft legislation been included for recreation, modification or termination of existing trust funds?	Y	Y			
8.8	If the agency is scheduled for the annual trust fund review this year, have the necessary trust funds been requested for creation pursuant to *section 215.32(2)(b), Florida Statutes* - including the Schedule ID and applicable legislation?	Y	Y			
8.9	Are the revenue codes correct? In the case of federal revenues, has the agency appropriately identified direct versus indirect receipts (object codes 000700, 000750, 000799, 001510 and 001599)? For non-grant federal revenues, is the correct revenue code identified (codes 000504, 000119, 001270, 001870, 001970)?	Y	Y			
8.10	Are the statutory authority references correct?	Y	Y			
8.11	Are the General Revenue Service Charge percentage rates used for each revenue source correct? (Refer to Section 215.20, Florida Statutes for appropriate general revenue service charge percentage rates.)	Y	Y			
8.12	Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	Y	Y			
8.13	If there is no Consensus Estimating Conference forecast available, do the revenue estimates appear to be reasonable?	Y	Y			
8.14	Are the federal funds revenues reported in Section I broken out by individual grant? Are the correct CFDA codes used?	Y	Y			
8.15	Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	Y	Y			

		Program or Service (Budget Entity Codes)				
	Action	43500	43600			
8.16	Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-3A?	Y	Y			
8.17	If applicable, are nonrecurring revenues entered into Column A04?	Y	Y			
8.18	Has the agency certified the revenue estimates in columns A02 and A03 to be the latest and most accurate available? Does the certification include a statement that the agency will notify OPB of any significant changes in revenue estimates that occur prior to the Governor's Budget Recommendations being issued?	Y	Y			
8.19	Is a 5% trust fund reserve reflected in Section II? If not, is sufficient justification provided for exemption? Are the additional narrative requirements provided?	Y	Y			
8.20	Are appropriate general revenue service charge nonoperating amounts included in Section II?	Y	Y			
8.21	Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	Y	Y			
8.22	Do transfers balance between funds (within the agency as well as between agencies)? (See also 8.6 for required transfer confirmation of amounts totaling $100,000 or more.)	Y	Y			
8.23	Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	Y	Y			
8.24	Are prior year September operating reversions appropriately shown in column A01?	Y	Y			
8.25	Are current year September operating reversions appropriately shown in column A02?	Y	Y			
8.26	Does the Schedule IC properly reflect the unreserved fund balance for each trust fund as defined by the LBR Instructions, and is it reconciled to the agency accounting records?	Y	Y			
8.27	Has the agency properly accounted for continuing appropriations (category 13XXXX) in column A01, Section III?	Y	Y			
8.28	Does Column A01 of the Schedule I accurately represent the actual prior year accounting data as reflected in the agency accounting records, and is it provided in sufficient detail for analysis?	Y	Y			
8.29	Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	Y	Y			
AUDITS:						
8.30	Is Line I a positive number? (If not, the agency must adjust the budget request to eliminate the deficit).	Y	Y			
8.31	Is the June 30 Adjusted Unreserved Fund Balance (Line I) equal to the July 1 Unreserved Fund Balance (Line A) of the following year? If a Schedule IB was prepared, do the totals agree with the Schedule I, Line I? **(SC1R, SC1A - Report should print "No Discrepancies Exist For This Report")**	Y	Y			
8.32	Has a Department Level Reconciliation been provided for each trust fund and does Line A of the Schedule I equal the CFO amount? If not, the agency must correct Line A. **(SC1R, DEPT)**	Y	Y			
8.33	Has a Schedule IB been provided for each trust fund and does total agree with line I ?	Y	Y			

		Program or Service (Budget Entity Codes)				
	Action	43500	43600			
8.34	Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	Y	Y			
TIP	The Schedule I is the most reliable source of data concerning the trust funds. It is very important that this schedule is as accurate as possible!					
TIP	Determine if the agency is scheduled for trust fund review. (See page 130 of the LBR Instructions.) Transaction DFTR in LAS/PBS is also available and provides an LBR review date for each trust fund.					
TIP	Review the unreserved fund balances and compare revenue totals to expenditure totals to determine and understand the trust fund status.					
TIP	Typically nonoperating expenditures and revenues should not be a negative number. Any negative numbers must be fully justified.					

9. SCHEDULE II (PSCR, SC2)

AUDIT:

	Action	43500	43600			
9.1	Is the pay grade minimum for salary rate utilized for positions in segments 2 and 3? **(BRAR, BRAA - Report should print "No Records Selected For This Request")** Note: Amounts other than the pay grade minimum should be fully justified in the D-3A issue narrative. (See *Base Rate Audit* on page 161 of the LBR Instructions.)	N/J	N/J			

10. SCHEDULE III (PSCR, SC3)

	Action	43500	43600			
10.1	Is the appropriate lapse amount applied in Segment 3? (See page 92 of the LBR Instructions.)	N/A	N/A			
10.2	Are amounts in *Other Salary Amount* appropriate and fully justified? (See page 99 of the LBR Instructions for appropriate use of the OAD transaction.) Use **OADI** or **OADR** to identify agency other salary amounts requested.	N/A	N/A			

11. SCHEDULE IV (EADR, SC4)

	Action	43500	43600			
11.1	Are the correct Information Technology (IT) issue codes used?	Y	Y			
TIP	If IT issues are not coded correctly (with "C" in 6th position), they will not appear in the Schedule IV.					

12. SCHEDULE VIIIA (EADR, SC8A)

	Action	43500	43600			
12.1	Is there only one #1 priority, one #2 priority, one #3 priority, etc. reported on the Schedule VIII-A? Are the priority narrative explanations adequate? Note: FCO issues can now be included in the priority listing.	Y	Y			

13. SCHEDULE VIIIB-1 (EADR, S8B1)

	Action	43500	43600			
13.1	**NOT REQUIRED FOR THIS YEAR**					

14. SCHEDULE VIIIB-2 (EADR, S8B2)

	Action	43500	43600			
14.1	Do the reductions comply with the instructions provided on pages 104 through 106 of the LBR Instructions regarding a 5% reduction in recurring General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used?	Y	Y			

15. SCHEDULE VIIIC (EADR, S8C)
(LAS/PBS Web - see page 107-109 of the LBR Instructions for detailed instructions)

	Action	43500	43600			
15.1	Agencies are required to generate this schedule via the LAS/PBS Web.	Y	Y			
15.2	Does the schedule include at least three and no more than 10 unique reprioritization issues, in priority order? Manual Check.	Y	Y			
15.3	Does the schedule display reprioritization issues that are each comprised of two unique issues - a deduct component and an add-back component which net to zero at the department level?	Y	Y			

		Program or Service (Budget Entity Codes)				
	Action	43500	43600			
15.4	Are the priority narrative explanations adequate and do they follow the guidelines on pages 107-109 of the LBR instructions?	Y	Y			
15.5	Does the issue narrative in A6 address the following: Does the state have the authority to implement the reprioritization issues independent of other entities (federal and local governments, private donors, etc.)? Are the reprioritization issues an allowable use of the recommended funding source?	Y	Y			
AUDIT:						
15.6	Do the issues net to zero at the department level? **(GENR, LBR5)**	N/J	N/J			
16. SCHEDULE XI (USCR,SCXI) (LAS/PBS Web - see page 110-114 of the LBR Instructions for detailed instructions)						
16.1	Agencies are required to generate this spreadsheet via the LAS/PBS Web. **The Final Excel version no longer has to be submitted to OPB for inclusion on the Governor's Florida Performs Website.** (Note: Pursuant to *section 216.023(4) (b), Florida Statutes,* the Legislature can reduce the funding level for any agency that does not provide this information.)	Y	Y			
16.2	Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP and LBR match?	Y	Y			
AUDITS INCLUDED IN THE SCHEDULE XI REPORT:						
16.3	Does the FY 2014-15 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? **(GENR, ACT1)**	Y	Y			
16.4	None of the executive direction, administrative support and information technology statewide activities (ACT0010 thru ACT0490) have output standards (Record Type 5)? **(Audit #1 should print "No Activities Found")**	Y	Y			
16.5	Does the Fixed Capital Outlay (FCO) statewide activity (ACT0210) only contain 08XXXX or 14XXXX appropriation categories? **(Audit #2 should print "No Operating Categories Found")**	Y	Y			
16.6	Has the agency provided the necessary standard (Record Type 5) for all activities which <u>should</u> appear in Section II? (Note: **Audit #3** will identify those activities that do NOT have a Record Type '5' and have not been identified as a 'Pass Through' activity. These activities will be displayed in Section III with the 'Payment of Pensions, Benefits and Claims' activity and 'Other' activities. Verify if these activities should be displayed in Section III. If not, an output standard would need to be added for that activity and the Schedule XI submitted again.)	Y	Y			
16.7	Does Section I (Final Budget for Agency) and Section III (Total Budget for Agency) equal? **(Audit #4 should print "No Discrepancies Found")**	Y	Y			
TIP	If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					

Action	Program or Service (Budget Entity Codes)				
	43500	43600			

17. MANUALLY PREPARED EXHIBITS & SCHEDULES

17.1	Do exhibits and schedules comply with LBR Instructions (pages 115 through 158 of the LBR Instructions), and are they accurate and complete?	Y	Y			
17.2	Are appropriation category totals comparable to Exhibit B, where applicable?	Y	Y			
17.3	Are agency organization charts (Schedule X) provided and at the appropriate level of detail?	Y	Y			
17.4	Does the LBR include a separate IV-B for each IT project over $1 million (see page 134 of the LBR instructions for exemptions to this rule)? Have all IV-B been emailed to: **IT@LASPBS.state.fl.us**	N	N			
17.5	Are all forms relating to Fixed Capital Outlay (FCO) funding requests submitted in the proper form, including a Truth in Bonding statement (if applicable) ?	N/A	N/A			

AUDITS - GENERAL INFORMATION

TIP	Review *Section 6: Audits* of the LBR Instructions (pages 160-162) for a list of audits and their descriptions.	
TIP	Reorganizations may cause audit errors. Agencies must indicate that these errors are due to an agency reorganization to justify the audit error.	

18. CAPITAL IMPROVEMENTS PROGRAM (CIP)

18.1	Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	N/A	N/A			
18.2	Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP Instructions)?	N/A	N/A			
18.3	Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	N/A	N/A			
18.4	Does the agency request include 5 year projections (Columns A03, A06, A07, A08 and A09)?	N/A	N/A			
18.5	Are the appropriate counties identified in the narrative?	N/A	N/A			
18.6	Has the CIP-2 form (Exhibit B) been modified to include the agency priority for each project and the modified form saved as a PDF document?	N/A	N/A			
TIP	Requests for Fixed Capital Outlay appropriations which are Grants and Aids to Local Governments and Non-Profit Organizations must use the Grants and Aids to Local Governments and Non-Profit Organizations - Fixed Capital Outlay major appropriation category (140XXX) and include the sub-title "Grants and Aids". These appropriations utilize a CIP-B form as justification.					

19. FLORIDA FISCAL PORTAL

19.1	Have all files been assembled correctly and posted to the Florida Fiscal Portal as outlined in the Florida Fiscal Portal Submittal Process?	Y	Y			

AUDIT EXCEPTIONS FOR THE DEPARTMENT OF FINANCIAL SERVICES

BASE RATE AUDIT:	
43010200	2 FTE - BA B0027 moving FTE between Legal and R&L
43300200	(1) FTE - BA Q0021 moving FTE between SFM
	5 FTE at approximately 20% over mimimum - in narrative
43300400	(1) FTE - BA Q0021 moving FTE between SFM
	1 FTE at approximately 30% over minimum - in narrative
43300500	2 FTE - BA Q0021 moving FTE between SFM
43500100	(2) FTE - BA B0027 moving FTE between Legal and R&L
43500700	10 FTE at approximately 10% over minimum - in narrative
43600100	3 FTE at approximately 10% over minimum - in narrative