



CHIEF FINANCIAL OFFICER
JIMMY PATRONIS
STATE OF FLORIDA

LEGISLATIVE BUDGET REQUEST

September 15, 2017

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

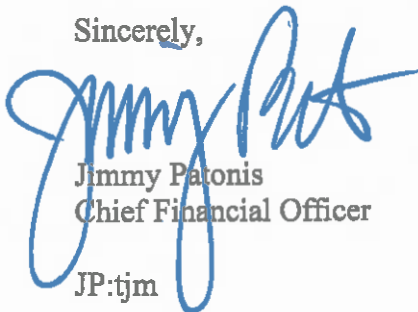
Mike Hansen, Staff Director
Senate Committee on Appropriations
201 Capitol
Tallahassee, Florida 32399-1300

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 2018-19 Fiscal Year.

I approve this submission, and thank you for your consideration of these issues.

Sincerely,

A handwritten signature in blue ink that reads "Jimmy Patronis".

Jimmy Patronis
Chief Financial Officer

JP:tjm



OFFICE OF INSURANCE REGULATION

DAVID ALTMAIER
COMMISSIONER

**FINANCIAL SERVICES
COMMISSION**

RICK SCOTT
GOVERNOR

JIMMY PATRONIS
CHIEF FINANCIAL OFFICER

PAM BONDI
ATTORNEY GENERAL

ADAM PUTNAM
COMMISSIONER OF
AGRICULTURE

September 15, 2017

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

Mike Hansen, 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 2018-19 Fiscal Year. I have approved this submission as the Insurance Commissioner of the State of Florida.

Sincerely,

A handwritten signature in blue ink that reads "David Altmaier".

David Altmaier

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FLORIDA OFFICE OF FINANCIAL REGULATION

DREW J. BREAKSPEAR
COMMISSIONER

Legislative Budget Request

September 15, 2017

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

Mike Hansen, Staff Director
Senate Committee on Appropriations
201 The Capitol
Tallahassee, Florida 32399-1300

Dear Directors:

Pursuant to Chapter 216, Florida Statutes, 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 2018-19 Fiscal Year. This submission has been approved by Drew J. Breakspear, Commissioner.

Sincerely,

A handwritten signature in blue ink that reads "Mark A. Hammett".

Mark A. Hammett
Budget Director

DEPARTMENT OF FINANCIAL SERVICES

PAY ADDITIVES PLAN
FISCAL YEAR 2018-2019

The Department of Financial Services (Department), in accordance with Section 110.2035(7)(b), Florida Statutes (F.S.), and Chapter 60L-32.0012(2)(e), Florida Administrative Code (F.A.C.), is requesting approval to implement ‘temporary special duties – general’ pay additives during Fiscal Year 2018-2019.

When approved, the Department can implement and sustain these pay additives from existing appropriations, so no additional appropriations or rate is requested as a part of this plan.

Temporary Special Duties – General (s. 110.2035(7)(b), F.S.)

The Department requests approval to grant a temporary 5% pay additive to Law Enforcement Officers (LEO) who perform additional duties as a canine (K-9) handlers.

1. Justification and Description:

The Bureau of Fire and Arson Investigations (BFAI) currently has six (6) K-9 LEO throughout the state. To become a K-9 handler, the LEO must attend and successfully complete a five-week training academy and maintain proficiency and certification for K-9 handling. Each K-9 is specially trained as an Accelerant Detection Canine (ADC) and, along with the LEO, work in the BFAI, as well as assists other agencies on special details. The LEO has full time (24/7) responsibilities for care and feeding of the K-9, and must also be able to house and maintain the K-9 at their residence. The K-9 must be trained daily, even when the handler is not on duty.

2. Length of Time for Additive:

The LEO is granted the temporary pay increase (calculated at 5% of the LEO’s current salary) after completion of the training for K-9 handling duties, and begins on the first day that LEO receives the K-9. The LEO’s temporary pay increase ends when the K-9 retires or upon reassignment of the K-9 to a different LEO.

3. Classes and Number of Positions Affected:

<u>Class Code</u>	<u>Class Title</u>	<u>No. of FTE</u>
8541	Law Enforcement Investigator II	6*

* One of the K-9 handlers is a currently a Law Enforcement Captain, and would not be eligible for this pay additive.

4. Area of State Impacted:

The additive will impact employees statewide, as K-9 handlers are assigned to regions throughout Florida.

5. Historical Information:

The Department has participated in the State Farm Arson Dog Program since 1998. State Farm Insurance provides financial support for the acquisition and training of the ADC and its handler. The number of K-9 handlers has remained stable since implementation.

6. Estimate Cost of Additive:

Based on a salary estimate at the mid-range for a Law Enforcement Investigator II, the calculation is as follows: $\$56,735.64 \times 5\% = \$2,836.79$ annually $\times 6$ positions = $\$17,020.74$ annually.

7. Additional Information:

The Department's K-9 handlers receive recertification annually. The handlers work a full investigative case load in addition to the K-9 duties. These employees often work unusual and long hours. The K-9 LEO pay additive provides the incentive needed to recruit and retain these highly trained employees.

Lastly, the Department respectfully requests the following language be added into the "Pay Additives and Other Incentive Programs" section of the Fiscal Year 18-19 General Appropriations Act:

"In addition to the K-9 additive, the temporary special duty - general pay additives outlined in the Department of Financial Services plan may also include duties and responsibilities that will be performed on a temporary basis. This type of pay additive will begin on the first day the special duties are assigned. The temporary special duty pay additive will not go beyond 90 days without the Department reviewing the circumstances to extend it beyond 90 days. When necessary, the Department is authorized to continue temporary special duties beyond 90 days without having to obtain approval from the Department of Management Services. The temporary special pay additive will be an amount up to 15% of the employee's base rate of pay, depending on the extra duties given. These requests meet the requirements specified in the applicable collective bargaining agreements."

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:	Jan Myrick	Phone Number:	850-413-4126
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<i>Jeff Atwater v. United States</i>		
Court with Jurisdiction:	U. S. Court of Federal Claims		
Case Number:	1:16-cv-01482-EDK		
Summary of the Complaint:	<p>The Department has completed state court escheat proceedings to take title to three categories of savings bonds that are considered unclaimed property under Florida law. The third category of bonds includes matured, unredeemed savings bonds with a registered owner whose last known address is in the state of Florida; the state does not have physical possession or serial numbers for this category of bonds. The U.S. Treasury has refused to provide information or the funds related to this third category of bonds to state treasurers, including CFO Patronis. Nine other states previously initiated federal litigation in the United States Court of Federal Claims against the United States over the funds from these unknown bonds; the style of the Kansas case is <i>LaTurner, Treasurer for the State of Kansas v. United States</i>. The state of Florida case is stayed pending the outcome of the <i>LaTurner</i> case.</p>		
Amount of the Claim:	The CFO deems this a significant case that may increase revenues received by the state by more than \$500,000.		
Specific Statutes or Laws (including GAA) Challenged:	31 C.F.R. § 315, <i>et seq.</i> ; 31 C.F.R. § 353, <i>et seq.</i> ; Chapter 717, F.S.		
Status of the Case:	The instant case has been stayed pending the outcome of the <i>Estes</i> case.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input checked="" type="checkbox"/>	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
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Office of Policy and Budget – July 2017

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:	Jan Myrick	Phone Number:	850-413-4210
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<i>Howard Forman, Clerk of Court v. Dep't of Rev., et al.</i>		
Court with Jurisdiction:	Second Judicial Circuit, Leon County		
Case Number:	2016-CA-001044		
Summary of the Complaint:	Challenge to the constitutionality of statutory filing fee distribution scheme, similar to <i>Crist v. Ervin</i> , 56 So. 3d 745 (Fla. 2010). The Department is a defendant as the administrator of trust funds that receive a portion of the filing fees.		
Amount of the Claim:	Uncertain, but in excess of \$500,000.		
Specific Statutes or Laws (including GAA) Challenged:	Constitutional challenge to sections 28.2401, 28.241(1)(a)1. a.-b., 28.241(1)(a)2., 28.241(1)(c)1.-2., 28.35-.36, 34.041(1), 34.041(1)(c), 48.108(1), F.S., under art. V, § 14; art. III, § 12; and art. III, § 19(c)(3), Fla. Const.		
Status of the Case:	Motions to dismiss filed in 2016 were denied. A Supplemental Complaint for Declaratory and Other Relief was filed 7/19/17; Motion to Dismiss filed 8/8/17 pending.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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		

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:	Jan Myrick	Phone Number:	850-413-4126
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<i>Marion/Polk County v. Daley, Atwater Seminole County v. Daley, Atwater</i>		
Court with Jurisdiction:	Second Judicial Circuit, Leon County		
Case Number:	2016-CA-001849		
Summary of the Complaint:	Action seeking a declaratory judgment that counties are entitled to recover from the state treasury alleged overpayments to the Department of Juvenile Justice, plus fees, costs, and damages, despite failure to file the refund application in accordance with the procedure designated by section 215.26, F.S. (2014) and (2016).		
Amount of the Claim:	Uncertain, but in excess of \$500,000.		
Specific Statutes or Laws (including GAA) Challenged:	Application of section 985.686, F.S.		
Status of the Case:	Motion to Dismiss and Motion for Summary Judgment pending.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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		

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:	Paul Stadler	Phone Number:	850-413-4255
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<i>United Insurance Company of America, The Reliable Life Insurance Company, Mutual Savings Life Insurance Company, and Reserve National Insurance Company v. Jimmy Patronis (formerly Jeff Atwater), in his official capacity as Chief Financial Officer of the State of Florida, and the Florida Department of Financial Services</i>		
Court with Jurisdiction:	Second Judicial Circuit, Leon County		
Case Number:	2016-CA-001009		
Summary of the Complaint:	The amended two count complaint alleges in Count I that section 717.107, F.S. (2016), as amended by chapter 2016-219, s. 1, Laws of Florida, adversely affects the vested rights of the plaintiffs, imposes new obligations on plaintiffs in connection with previous transactions, and imposes new penalties upon the plaintiffs in violation of their due process rights. Plaintiffs have voluntarily dismissed Count II of the amended complaint, which alleged that section 717.107, F.S. (2016), as amended, substantially impairs plaintiffs' rights contained in the insurance contracts, including the right to condition the investigation and payment of claims upon due proof of death, to the detriment of plaintiffs in violation of their constitutional rights.		
Amount of the Claim:	If the litigation is successful, potentially millions of dollars will either not be paid to beneficiaries by life insurance companies or not be remitted to the state of Florida so that the Department may attempt to notify the beneficiaries of their unclaimed property.		
Specific Statutes or Laws (including GAA) Challenged:	Section 717.107, F.S. (2016).		
Status of the Case:	The case is still in the discovery phase; plaintiffs have filed a Motion for Summary Judgment. A hearing on plaintiffs’ Motion for Summary Judgment has not been scheduled.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input checked="" type="checkbox"/>	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
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Office of Policy and Budget – July 2017

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:	Dustin Metz	Phone Number:	(850) 413-4243
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<i>State of Florida, Department of Financial Services, and Jeff Atwater v. Danahy & Murray, P.A., and Bennett Dennison, PLLC</i>		
Court with Jurisdiction:	First District Court of Appeal		
Case Number:	1D17-2493		
Summary of the Complaint:	The Department appeals the circuit court’s order declaring part of sections 624.23(1)(b)7. and (2), F.S., unconstitutional. Bennett Dennison and Danahy & Murray sought access to consumer names and addresses relating to the Department’s residential property mediation and neutral evaluation programs. The requested information is confidential and exempt from disclosure under section 624.23, F.S.		
Amount of the Claim:	The outcome of this case may require amendments to the law under which the agency operates.		
Specific Statutes or Laws (including GAA) Challenged:	Sections 624.23(1)(b)7. and (2), F.S.		
Status of the Case:	Department’s initial brief due September 22, 2017. Department’s notice of appeal filed June 14, 2017. Order declaring part of section 624.23(1)(b)7. and (2), Florida Statutes, unconstitutional issued May 16, 2017.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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:	Department of Financial Services		
Contact Person:	Gina Smith	Phone Number:	850-413-4180
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<i>James Michael Hand, et al. v. Rick Scott, Pam Bondi, Jeff Atwater, et al.</i>		
Court with Jurisdiction:	United States District Court, Northern District of Florida		
Case Number:	4:17-CV-00128-MW-CAS		
Summary of the Complaint:	Civil rights class action seeking declaratory and injunctive relief alleging that Florida’s clemency/restoration of civil rights process regarding felon re-enfranchisement violates the 1st and 14th Amendments of the U.S. Constitution.		
Amount of the Claim:	Attorney fees (unknown)		
Specific Statutes or Laws (including GAA) Challenged:	Executive Clemency Rules		
Status of the Case:	The Plaintiffs filed and served a Complaint on all parties and the Florida Solicitor General is representing all Defendants. The Defendants filed motions to dismiss and to stay on June 13, 2017. The Motion to Dismiss is pending, and the court denied the Motion to Stay.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input type="checkbox"/>	Agency Counsel	
	<input checked="" type="checkbox"/>	Office of the Solicitor General	
	<input type="checkbox"/>	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).	Fair Elections Legal Network and Cohen Milstein Sellers & Toll, PLLC		

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:	Tom Nemecek	Phone Number:	850-413-1694
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	<p><i>Florida Society of Ambulatory Surgical Centers, Inc.; HCA Health Services of Florida, Inc., d/b/a Oak Hill Hospital; HSS Systems, LLC, d/b/a Parallon Business Performance Group; and Automated Healthcare Solutions, Inc. v. Department of Financial Services, Division of Workers' Compensation.</i></p> <p>NOTE: <i>Zenith Insurance Company; Bridgefield Casualty Insurance Company; Business First Insurance Company; and RetailFirst Insurance Company</i> have intervened in support of the proposed rule.</p>		
Court with Jurisdiction:	Division of Administrative Hearings		
Case Number:	17-3025RP (Consolidated with 17-3026RP and 17-3027RP)		
Summary of the Complaint:	Petitioners have challenged proposed Rules 69L-31.016(1), 69L-31.016(2), and 69L-31.005(2), <i>Florida Administrative Code</i> , claiming they constitute an invalid exercise of delegated legislative authority.		
Amount of the Claim:	If the challenges to the rules are successful, amendments to the law under which our agency operates may be required. In addition, attorney fees and costs may be awarded to the prevailing party pursuant to section 120.595(2), Florida Statutes; however, attorney fees shall not exceed \$50,000.		
Specific Statutes or Laws (including GAA) Challenged:	Sections 120.56(2) and 120.52(8), Florida Statutes.		
Status of the Case:	Currently set for hearing October 11 and 12, 2017.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Solicitor General	
	<input type="checkbox"/>	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).	
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Office of Policy and Budget – July 2017

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	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.	<input type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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		

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:	General Counsel’s Office	Phone Number:	850-410-9703
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	Ingo Money Inc.		
Court with Jurisdiction:	N/A		
Case Number:	OFR Case No. 71161		
Summary of the Complaint:	This matter involves alleged unlicensed money transmission activity.		
Amount of the Claim:	Potential fine of \$1,103,000		
Specific Statutes or Laws (including GAA) Challenged:	N/A		
Status of the Case:	Parties discussing possible settlement prior to the filing of an administrative complaint.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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		

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:	General Counsel’s Office	Phone Number:	850-410-9703
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	Reliafund Inc.		
Court with Jurisdiction:	N/A		
Case Number:	OFR Case No. 71973		
Summary of the Complaint:	This matter involves alleged unlicensed money transmission activity and possible aiding and abetting.		
Amount of the Claim:	Potential fine of \$986,000		
Specific Statutes or Laws (including GAA) Challenged:	N/A		
Status of the Case:	Under legal review.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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		

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:	General Counsel’s Office	Phone Number:	850-410-9703
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	Central de Envios		
Court with Jurisdiction:	N/A		
Case Number:	OFR Case No. 68634		
Summary of the Complaint:	This matter involves alleged unlicensed check cashing activity.		
Amount of the Claim:	Potential fine of \$868,000		
Specific Statutes or Laws (including GAA) Challenged:	N/A		
Status of the Case:	Administrative complaint has been served and the parties are discussing possible settlement prior to scheduling the case for hearing.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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		

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:	General Counsel’s Office	Phone Number:	850-410-9703
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	Praeses, LLC and Fred Auer		
Court with Jurisdiction:	N/A		
Case Number:	OFR Case No. 85873		
Summary of the Complaint:	This matter involves alleged unlicensed activity.		
Amount of the Claim:	Potential fine of \$1,765,000		
Specific Statutes or Laws (including GAA) Challenged:	N/A		
Status of the Case:	Administrative complaint has been prepared and is under supervisory reviewed prior to service on Respondents.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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		

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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:	General Counsel’s Office	Phone Number:	850-410-9703
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	Lipsky & Associates		
Court with Jurisdiction:	N/A		
Case Number:	OFR Case No. 67804		
Summary of the Complaint:	This matter involves alleged unlicensed activity.		
Amount of the Claim:	Potential fine of \$1,148,000		
Specific Statutes or Laws (including GAA) Challenged:	N/A		
Status of the Case:	Under legal review.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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		

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:	General Counsel's Office	Phone Number:	850-410-9703
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	John Leo Parker		
Court with Jurisdiction:	N/A		
Case Number:	OFR Case No. 66652		
Summary of the Complaint:	This matter involves alleged sale of unregistered securities, selling securities while not registered as a securities dealer or associated person of a securities dealer, and for engaging in securities fraud.		
Amount of the Claim:	Potential fine of \$950,000		
Specific Statutes or Laws (including GAA) Challenged:	N/A		
Status of the Case:	Case being referred to the Division of Administrative Hearings.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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		

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:	General Counsel's Office	Phone Number:	850-410-9703
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	A.J. Brent, Jr.		
Court with Jurisdiction:	N/A		
Case Number:	OFR Case No. 66419		
Summary of the Complaint:	This matter involves alleged sale of unregistered securities, selling securities while not registered as a securities dealer or associated person of a securities dealer, and for engaging in securities fraud.		
Amount of the Claim:	\$1,375,000		
Specific Statutes or Laws (including GAA) Challenged:	N/A		
Status of the Case:	Final Order was issued on May 15, 2017, imposing an administrative fine of \$1,375,000.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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		

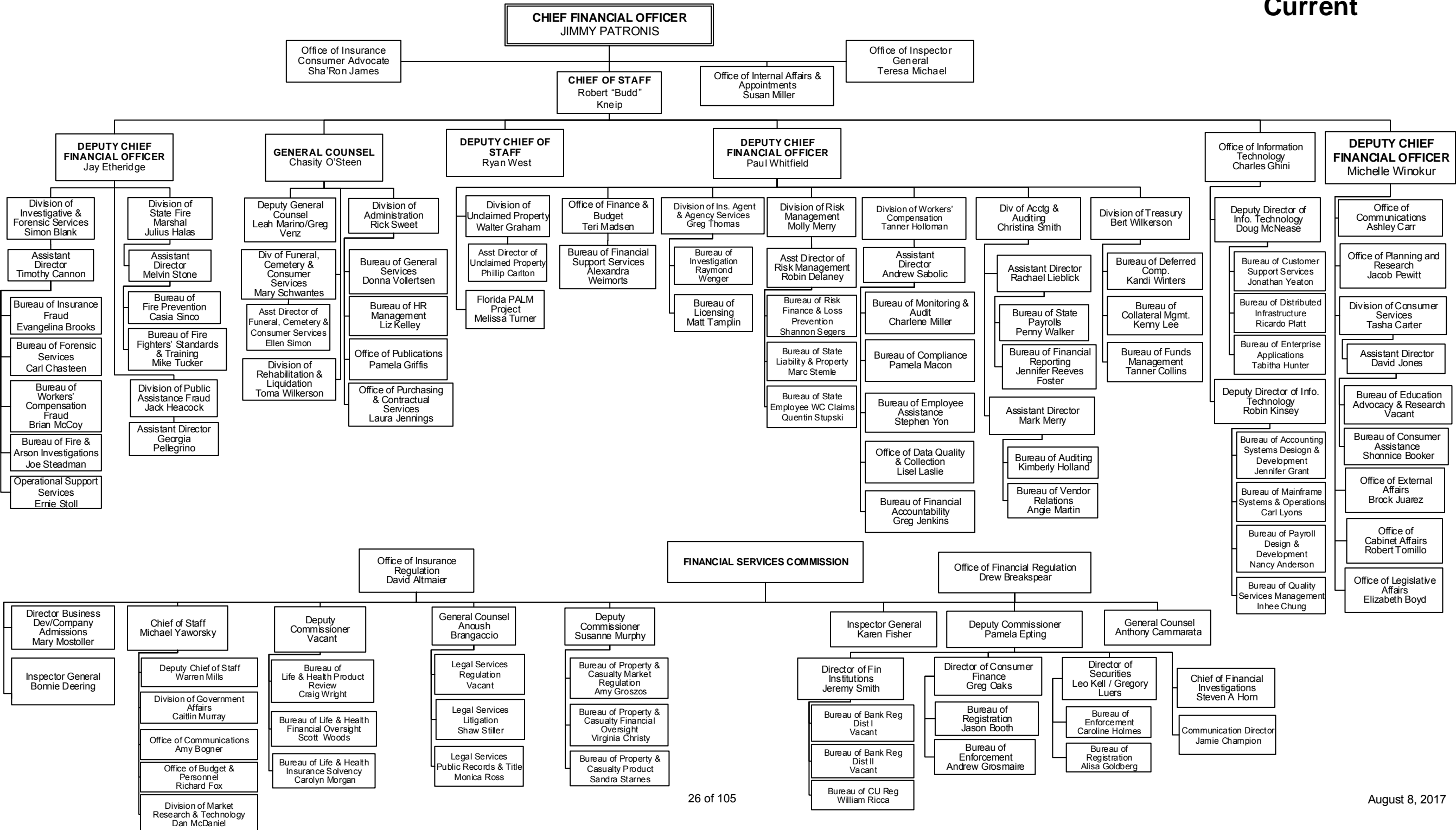
Schedule VII: Agency Litigation Inventory

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:	General Counsel’s Office	Phone Number:	850-410-9703
Names of the Case: (If no case name, list the names of the plaintiff and defendant.)	BullsnBears.com		
Court with Jurisdiction:	N/A		
Case Number:	OFR Case No. 55897		
Summary of the Complaint:	This matter involves alleged sale of unregistered securities in the form unregistered convertible notes, in or from offices in Florida without being registered as a dealer, associated person, or issuer of securities; and obtaining money or property in connection with the offer, sale or purchase of any security and failing to disclose all material information about its President's background, including that he was suspended by the NASD for failing to comply with an arbitration award.		
Amount of the Claim:	\$980,000		
Specific Statutes or Laws (including GAA) Challenged:	N/A		
Status of the Case:	Final Order was issued on July 3, 2017, imposing an administrative fine of \$980,000.		
Who is representing (of record) the state in this lawsuit? Check all that apply.	<input checked="" type="checkbox"/>	Agency Counsel	
	<input type="checkbox"/>	Office of the Attorney General or Division of Risk Management	
	<input type="checkbox"/>	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		

DEPARTMENT OF FINANCIAL SERVICES

Current



FINANCIAL SERVICES, DEPARTMENT OF		FISCAL YEAR 2016-17			
SECTION I: BUDGET		OPERATING		FIXED CAPITAL OUTLAY	
TOTAL ALL FUNDS GENERAL APPROPRIATIONS ACT		343,543,417		365,000	
ADJUSTMENTS TO GENERAL APPROPRIATIONS ACT (Supplementals, Vetoed, Budget Amendments, etc.)		1,302,963		0	
FINAL BUDGET FOR AGENCY		344,846,380		365,000	
SECTION II: ACTIVITIES * MEASURES		Number of Units	(1) Unit Cost	(2) Expenditures (Allocated)	(3) FCO
Executive Direction, Administrative Support and Information Technology (2)					365,000
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.		4,533	88.60	401,622	
Process Transactions, Account Changes And Audit Functions * Number of account actions taken on regulatory collateral deposit accounts.		60,254	17.92	1,079,906	
Investment Of Public Funds * Dollar Volume of Funds Invested		24,700,000,000	0.00	800,962	
Provide Cash Management Services * Number of cash management consultation services.		41	29,186.85	1,196,661	
Receive Funds, Process Payment Of Warrants And Provide Account And Reconciliation Services * Number of financial management/accounting transactions processed and reports produced.		2,700,000	0.68	1,846,915	
Administer The State Supplemental Deferred Compensation Plan * Number of participant account actions processed by the state deferred compensation office.		1,793,386	0.97	1,735,433	
Accounting And Reporting Of State Funds * State Accounts Managed in the Florida Accounting Information Reporting System.		38,848	115.67	4,493,609	
Migrate Current Accounts Payable Procedures To Electronic Commerce * Payments issued electronically to settle claims against the state.		9,134,700	0.12	1,064,534	
Conduct Pre-audits Of Selected Accounts Payable * Vendor payment requests that are pre-audited for compliance with statutes and contract requirements		299,792	15.10	4,525,406	
Conduct Post-audits Of Major State Programs * Post-audits completed of major state programs to determine compliance with statutes and contract requirements		4	606,376.00	2,425,504	
Process State Employees Payroll * Payroll payments issued		3,154,618	0.76	2,409,296	
Conduct Post-audits Of Payroll * Post-audits completed of state agencies payroll payments to determine compliance with statutes		2	92,307.00	184,614	
Conduct Fiscal Integrity Investigations * Fiscal integrity investigations completed to investigate allegations or suspicions of fraud, waste or abuse.		23	58,595.39	1,347,694	
Article V - Clerk Of The Courts * N/A		7	51,176.71	358,237	
Collect Unclaimed Property * Accounts reported by holders of unclaimed property.		2,269,743	1.34	3,046,743	
Process And Payment Of Unclaimed Property * Payments processed for claims of unclaimed property.		492,477	6.80	3,347,005	
License The Fire Protection Industry * Number of entity requests for licenses, permits and certificates processed within statutorily mandated time frames.		6,968	79.85	556,382	
Perform Fire Safety Inspections * Number of inspections of fire code compliance completed.		16,390	258.15	4,231,133	
Review Construction Plans For Fire Code Compliance * Number of construction plans reviewed.		379	1,429.27	541,695	
Perform Boiler Inspections * Number of boiler inspections completed by department inspectors.		1,155	538.34	621,781	
Investigate Fires Accidental, Arson And Other * Total number of closed fire investigations involving economic or physical loss.		3,707	4,058.46	15,044,719	
Provide State, Local And Business Professional Training And Education * Number of classroom contact hours provided by the Florida State Fire College.		263,457	10.38	2,734,546	
Provide State, Local And Business Professional Standards, Testing And Statutory Compliance * Number of examinations administered.		8,657	125.79	1,088,966	
Provide Forensic Laboratory Services * Number of evidence items and photographic images processed.		8,979	193.47	1,737,170	
Fire Incident Reporting * Number of total incidents reported to the Florida Fire Incident Reporting System.		3,642,070	0.09	343,771	
Provide Adjusting Services On State Workers' Compensation Claims * Number of workers' compensation claims worked.		20,682	1,947.40	40,276,107	
Provide Adjusting Services On State Liability Claims * Number of liability claims worked.		5,811	2,802.47	16,285,143	
Process Property Claims On State Owned Buildings (structure And Contents) * Number of state property loss/damage claims worked.		1,611	1,776.31	2,861,637	
Provide Risk Services Training And Consultation * Number of agency loss prevention staff trained during the fiscal year.(top 3 agencies)		70	36,756.46	2,572,952	
Rehabilitate And/Or Liquidate Financially Impaired Insurance Companies * Number of insurance companies in receivership during the year.		29	21,915.07	635,537	
Review Applications For Licensure (qualifications) * Number of applications for licensure processed.		105,020	25.78	2,707,240	
Administer Examinations And Issue Licenses * Number of examinations administered and licenses authorized.		42,546	33.87	1,441,193	
Administer The Appointment Process From Employers And Insurers * Number of appointment actions processed.		1,799,053	0.44	783,466	
Administration Of Education Requirements (pre Licensing And Continuing Education) * Number of applicants and licensees required to comply with education requirements.		224,755	1.82	409,940	
Investigate Agents And Agencies * Number of agent and agency investigations completed.		4,639	1,285.65	5,964,111	
Investigate Insurance Fraud (general) * Number of insurance fraud investigations completed (not including workers' compensation).		1,843	10,764.73	19,839,400	
Investigate Workers' Compensation Insurance Fraud * Number of workers' compensation insurance fraud investigations completed (not including general fraud investigations).		330	11,259.38	3,715,594	
Respond To Consumer Request For Assistance * Number of consumer requests and informational inquiries handled.		62,054	74.04	4,594,410	
Provide Consumer Education Activities * Number of visits to the Consumer Services website.		352,251	2.00	706,185	
Answer Consumer Telephone Calls * Number of telephone calls answered through the consumer helpline.		281,046	18.43	5,179,959	
Examine And Regulate Licensees In The Funeral & Cemetery Business (chapter 497) To Ensure Regulatory Compliance * Number of examinations and inspections completed.		1,885	1,432.28	2,699,848	
Monitor And Audit Workers' Compensation Insurers To Ensure Benefit Payments * Number of claims reviewed annually.		95,061	46.94	4,462,445	
Verify That Employers Comply With Workers' Compensation Laws * Number of employer investigations conducted.		31,508	461.83	14,551,409	
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.		797	6,360.73	5,069,504	
Provide Reimbursement For Workers' Compensation Claims Paid By Insurance Carriers On Employees Hired With Preexisting Conditions * Number of reimbursement requests (SDF-2) audited.		1,804	778.92	1,405,174	
Collection Of Assessments From Workers' Compensation Insurance Providers * Amount of assessment dollars collected.		122,734,809	0.01	713,137	
Data Collection, Dissemination, And Archival * Number of records successfully entered into the division's databases.		5,659,032	0.68	3,840,195	
Reimbursement Disputes * Number of petitions resolved annually		4,726	332.09	1,569,437	
Public Assistance Fraud Investigations * Number of public assistance fraud investigations conducted.		3,163	2,188.83	6,923,266	
Approve And License Entities To Conduct Insurance Business. * Number of Certificates of Authority (COAs) processed.		112	8,739.53	978,827	
Conduct And Direct Market Conduct Examinations. * Number of examinations and investigations completed for licensed companies and unlicensed entities		576	5,692.55	3,278,909	
Conduct Financial Reviews And Examinations. * Number of financial reviews and examinations completed.		8,335	2,022.53	16,857,758	
Review And Approve Rate And Form Filings. * Number of rate and forms review completed.		13,531	645.01	8,727,677	
Examine And Regulate Financial Services Companies To Ensure Regulatory Compliance. * Examinations of non-depository financial service companies to determine compliance with regulations.		310	15,771.97	4,889,312	
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.		24,617	86.21	2,122,319	
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.		174	68,757.27	11,963,765	
Examine And Enforce Laws Regarding International Financial Institutions To Ensure Safety And Soundness. * Number of international financial institutions examined to ensure safety and soundness.		13	62,720.69	815,369	
Conduct Financial Investigations Into Allegations Of Fraudulent Activity. * Number of financial investigations into allegations of fraudulent activity.		152	24,105.97	3,664,108	
Examine And Regulate Money Services Businesses To Ensure Regulatory Compliance * Examinations of money services businesses conducted to determine compliance with regulations.		217	26,784.84	5,812,311	
Examine And Regulate Securities Firms, Branches To Ensure Regulatory Compliance. * Conduct examinations of securities firms and branches.		252	23,933.71	6,031,295	
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.		56,336	47.82	2,694,151	
TOTAL				274,207,394	365,000
SECTION III: RECONCILIATION TO BUDGET					
PASS THROUGHS					
TRANSFER - STATE AGENCIES					
AID TO LOCAL GOVERNMENTS					
PAYMENT OF PENSIONS, BENEFITS AND CLAIMS					
OTHER				39,409,690	
REVERSIONS				31,229,297	
TOTAL BUDGET FOR AGENCY (Total Activities + Pass Throughs + Reversions) - Should equal Section I above. (4)				344,846,381	365,000

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	301,643	
43010400	1602000000	ACT1040	INSURANCE CONSUMER ADVOCATE	670,540	
43010500	1603000000	ACT1050	INFORMATION TECHNOLOGY - FLAIR	11,555,232	
43200100	1601000000	ACT2010	PASS THROUGH FROM PRISON INDUSTRY	1,250,000	
43200100	1601000000	ACT2180	FLORIDA ACCOUNTING INFORMATION	5,744,851	
43200100	1601000000	ACT2195	PASS THROUGH FLORIDA CLERKS OF	1,435,856	
43300400	1202000000	ACT3430	PASS-THROUGH GRANTS AND AIDS	150,000	
43300500	1202000000	ACT3530	PASS THROUGH - TRANSFER TO	1,500,000	
43400100	1601000000	ACT4150	PURCHASE OF EXCESS INSURANCE	11,248,536	
43700400	1205000000	ACT5510	HURRICANES AND OTHER NATURAL	1,899,483	
43600100	1102020000	ACT6010	TRANSFER TO 1ST DISTRICT COURT OF	1,868,123	
43900110	1204000000	ACT9150	HURRICANE RATE/RISK MODEL	1,535,426	
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):	344,846,380	365,000
TOTAL BUDGET FOR AGENCY (SECTION III):	344,846,381	365,000
	-----	-----
DIFFERENCE:	1-	
(MAY NOT EQUAL DUE TO ROUNDING)	=====	=====

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 2018-19 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 2018-19 Legislative Budget Request)

Schedule XIV – Variance from Long Range Financial Outlook

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2018-19 Legislative Budget Request)

Schedule XV - Contract Reporting

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2018-19 Legislative Budget Request)

SCHEDULE IV-B FOR FLORIDA PALM

For Fiscal Year 2018-19



September 15, 2017

DEPARTMENT OF FINANCIAL SERVICES

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I. Schedule IV-B Cover Sheet

Schedule IV-B Cover Sheet and Agency Project Approval	
Agency: Department of Financial Services	Schedule IV-B Submission Date:
Project Name: Florida PALM	Is this project included in the Agency's LRPP? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
FY 2018-19 LBR Issue Code: 36105C0	FY 2018-19 LBR Issue Title: FLAIR Replacement
Agency Contact for Schedule IV-B (Name, Phone #, and E-mail address): Melissa Turner, (850) 410-9024, Melissa.Turner@myfloridacfo.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: _____	Date: _____
Printed Name: Jeff Atwater Jimmy Patronis	
Agency Chief Information Officer (or equivalent): _____	Date: _____
Printed Name: Charles Ghini	
Budget Officer: _____	Date: _____
Printed Name: Teri Madsen	
Planning Officer: _____	Date: _____
Printed Name:	
Project Sponsor: _____	Date: _____
Printed Name: Christina Smith Paul Whitfield	
Schedule IV-B Preparers (Name, Phone #, and E-mail address):	
Business Need:	Melissa Turner, (850) 410-9040, melissa.turner@myfloridacfo.com
Cost Benefit Analysis:	Brandi Babb, (850) 413-9040, brandi.babb@myfloridacfo.com
Risk Analysis:	Brandi Babb, (850) 413-9040, brandi.babb@myfloridacfo.com David Gilmore, (850) 410-9033, David.Gilmore@myfloridacfo.com
Technology Planning:	
Project Planning:	

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General Guidelines

The Schedule IV-B contains more detailed information on information technology (IT) projects than is included in the D-3A issue narrative submitted with an agency's Legislative Budget Request (LBR). The Schedule IV-B compiles the analyses and data developed by the agency during the initiation and planning phases of the proposed IT project. A Schedule IV-B must be completed for all IT projects when the total cost (all years) of the project is \$1 million or more.

Schedule IV-B is not required for requests to:

- Continue existing hardware and software maintenance agreements,
- Renew existing software licensing agreements that are similar to the service level agreements currently in use, or
- Replace desktop units ("refresh") with new technology that is similar to the technology currently in use.
- Contract only for the completion of a business case or feasibility study for the replacement or remediation of an existing IT system or the development of a new IT system.

Documentation Requirements

The type and complexity of an IT project determines the level of detail an agency should submit for the following documentation requirements:

- Background and Strategic Needs Assessment
- Baseline Analysis
- Proposed Business Process Requirements
- Functional and Technical Requirements
- Success Criteria
- Benefits Realization
- Cost Benefit Analysis
- Major Project Risk Assessment
- Risk Assessment Summary
- Current Information Technology Environment
- Current Hardware/Software Inventory
- Proposed Technical Solution
- Proposed Solution Description
- Project Management Planning

Compliance with s. 216.023(4)(a)10, F.S. is also required if the total cost for all years of the project is \$10 million or more.

A description of each IV-B component is provided within this general template for the benefit of the Schedule IV-B authors. These descriptions and this guidelines section should be removed prior to the submission of the document.

Sections of the Schedule IV-B may be authored in software applications other than MS Word, such as MS Project and Visio. Submission of these documents in their native file formats is encouraged for proper analysis.

The Schedule IV-B includes two required templates, the Cost Benefit Analysis and Major Project Risk Assessment workbooks. For all other components of the Schedule IV-B, agencies should submit their own planning documents and tools to demonstrate their level of readiness to implement the proposed IT project. It is also necessary to assemble all Schedule IV-B components into one PDF file for submission to the Florida Fiscal Portal and to ensure that all personnel can open component files and that no component of the Schedule has been omitted.

Submit all component files of the agency's Schedule IV-B in their native file formats to the Office of Policy and Budget and the Legislature at IT@LASPBS.STATE.FL.US. Reference the D-3A issue code and title in the subject line.

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

The Florida Constitution (s. 4(c), Article IV) and Florida Statutes (Section 17.001 and 215.94, F.S.) identify the Chief Financial Officer (CFO) as the chief fiscal officer and designated agency head for the Department of Financial Services (DFS). By virtue of the position, the CFO is responsible for the Florida Accounting Information Resource Subsystem (FLAIR) and the Cash Management Subsystem (CMS). FLAIR and CMS perform various financial and cash management functions. The systems support the business aspects of the Department’s Division of Accounting and Auditing (A&A), Division of Treasury (Treasury) and state agency financial accounting. The Department’s Division of Information Systems Office of Information Technology (OIT) supports the operation and maintenance of FLAIR and CMS.

A capable, flexible and reliable financial management system is critical for an enterprise the size of Florida. FLAIR is not keeping up with the State’s evolving and growing business needs and, as time goes on, the operational risk of relying on FLAIR increases. The limitations with FLAIR and the associated impacts (e.g., proliferation of agency compensating systems and agency unique processes) are not trivial and negatively impact the operational productivity and the financial management of the State.

The CMS is a collective group of eleven individual components, each performing specific functions to support the overall cash management and investment duties of the State. These components were implemented at various points dating back to 1984 on multiple platforms, with three updated into a web based system as recently as 2013. These components interface with each other, FLAIR, and external systems to manage the cash management needs of the State. Due to the number of interfaces and proliferation of data, it is difficult to obtain information from these components and reconcile them with FLAIR and agency business systems.

The ability of the CFO and DFS to perform their mission is becoming increasingly difficult given the significant limitations with FLAIR and CMS. A new financial management solution is needed and the need for change is evident by the following:

- Agencies have implemented and continue to implement workarounds and financial related business systems to fill “gaps” created by FLAIR limitations. The proliferation of these agency unique processes and compensating financial systems will only continue as business needs change. The result is an increase in operational complexity, maintenance and administrative costs, and increased difficulty for the CFO and DFS to manage the State’s financial resources. A secondary impact related to the number of agency unique processes and homegrown systems will be an increased level of complexity to transition to new go forward solution.
- FLAIR is a fragile system developed over 30 years ago, and it cannot evolve to meet the State’s ever changing business and financial management needs. The fragility is evidenced by the complications and instability arising from required changes to support business and policy needs, e.g., changing agency names or payroll calculations.
- FLAIR is an inflexible system based on the underlying programming and data structure. This is demonstrated by the limited potential to add data elements. The limiting factor is the structure of the programming modules.
- Resources needed to maintain FLAIR are scarce and are becoming more limited. As reflected in the FLAIR Study, over 40% of personnel supporting FLAIR have at least 30 years of service and are currently eligible for full retirement. The loss of irreplaceable institutional knowledge and lack of qualified resources to support FLAIR increases future operational risk when changes to the system are needed or system issues must be resolved. Resource knowledge is critical since system documentation may not always be accurate and up to date.

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- For CMS there is a similar, albeit more modern situation, regarding support staff. While a portion of CMS functionality has been replaced by more modern technology, the resource pool supporting and developing the modern components is constrained by a small number of existing, senior employees. It is challenging, if not unrealistic, to build an infrastructure to acquire and develop employees on a specific technical platform. This presents additional risk across the domain and functions of the Treasury.
- FLAIR cannot support the Department’s or the State’s financial management needs. FLAIR cannot forecast cash demands at a state level nor does it contain functionality supporting operational efficiency (i.e., workflow, automated reconciliation) and cannot promote cost savings/revenue generation (i.e., Net Discounts, interest earnings).
- FLAIR, and the FFMIS subsystems, are designed and operated in a way contrary to supporting an enterprise-wide solution. If the state ever wants to move towards an enterprise-wide solution, it must establish a flexible foundation to allow for evolution (i.e., add capabilities) and to be a catalyst for future statewide operational efficiency and effectiveness efforts.
- CMS is an integrated group of individual components. While these components were designed to work together, there are limitations to their ability to easily share data, particularly with FLAIR and external agency systems, leading to significant reconciliation and manual reporting efforts to manage the cash position of the State.

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In accordance with Chapter 2014-051, Section 6, Line 2340A, Laws of Florida, established funding for the Florida PALM Project (formerly known as the FLAIR and CMS Replacement Project), Additional funding was established through:

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- Chapter 2015-232, Section 6, Line 2331A, Laws of Florida
- Chapter 2016-066, Section 6, Line 2317A, Laws of Florida
- Chapter 2017-070, Section 6, Line 2334, Laws of Florida

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2. Business Objectives

NOTE: For IT projects with total cost in excess of \$10 million, the business objectives described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

The overall vision for the Florida PALM Project is to:

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Implement a statewide accounting system to enforce standardization, acts as a scalable foundation to evolve as business needs change, and positions Florida for future innovation as it considers a true enterprise-wide solution.

To achieve this, the goals for the Project are:

1. Reduce the State’s risk exposure by harnessing modern financial management technology built on the premises of scalability, flexibility, and maintainability
2. Improve state and agency-specific decision making by capturing a consistent and an expandable set of data
3. Improve the State’s financial management capabilities to enable more accurate oversight of budget and cash demands today and in the future
4. Improve staff productivity, reduce operational complexity, and increase internal controls by enabling standardization and automation of business processes within and between DFS and agencies

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)

NOTE: If an agency has completed a workflow analysis, include through file insertion or attachment the analyses documentation developed and completed by the agency.

The core financial management and cash management transaction processing performed today in FLAIR and CMS are limited in scope. The limitations of these transactions, due in large part to the technical limitations of FLAIR and CMS has led to agencies developing and maintaining their own processes and systems, linked to FLAIR and CMS through automated and manual interfaces, to perform their financial management activities. The State currently lacks a set of clearly documented, enterprise level financial management processes and guidelines.

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2. Assumptions and Constraints

The Florida PALM Project is operating under the following assumptions.

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- There is commitment to the Project goals from all stakeholders.
- The Project will request and receive appropriations for implementation of the Project.
- All core functionality to be included in the solution will be identified as part of the requirements gathering and finalized prior to contract award.
- Significant Legislative, business requirement, or policy changes during the Project will follow the Project Scope and Change Management Process.
- Software customization will be minimal and focused on those which are absolutely necessary to meet the needs of the State.
- The current FLAIR and CMS systems will function until the financial management solution has replaced all FLAIR and CMS components.
- The required State staff resources with the necessary skill sets will be available within the Project budget.
- There will be sufficient and adequate responses from the vendor community for contracted services.
- Collaborative partnerships established with external advisors will be used to add value to the State and enhance the success of the Project.
- The Department will select and award a contract for a software and system integrator that provides the best value to the State.

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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

Florida PALM's first activity was to develop a single set of standardized statewide business processes. The business process standardization was performed in two analysis steps, Level 1, and Level 2 analysis. These standard processes were reviewed and approved by representatives from all 34 agencies using FLAIR and CMS.

The Level 1 analysis was completed at the end of 2014 to produce business process models along with supporting information identifying key business events, Accounting Events, and internal Control Points across ten business process areas.

The Level 2 analysis used the Level 1 analysis as the foundation in designing the business processes to a greater level of detail including integration points with statewide administrative systems, agency-specific business systems, and other third-party systems. The Level 2 Business Process Model also identifies examples of roles and responsibilities for process areas, sub-processes, approvals, and internal activities.

These standardized business processes will be referenced as part of the solution and system integrator solicitation and is available on the Project website at [https://www.myfloridacfo.com/floridapalm/resources/process-areas/Business Solution Alternatives](https://www.myfloridacfo.com/floridapalm/resources/process-areas/Business%20Solution%20Alternatives)

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On November 1, 2016, Florida PALM released a comprehensive ITN to obtain the software and system integrator to replace FLAIR and CMS. The ITN is structured to successfully replace the current systems and implement the standardized financial management business processes while obtaining additional benefits from the software and system integrator.

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In addition to identifying the best software to perform future financial management transactions, the ITN requested the respondents provide options and recommendations for additional elements of the solution including the timing of implementation activities, timing of agency conversions to the new processes and software, and options for the hardware platform and system support.

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2. Rationale for Selection

Through the ITN, the Project established a set of comprehensive criteria to guide the evaluation, negotiation, and contracting for the software and system integrator which will provide the best value to the State.

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3. Recommended Business Solution

NOTE: For IT projects with total cost in excess of \$10 million, the project scope described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4) (a) 10, F.S.

The software and system integrator to provide a comprehensive statewide financial management solution which provides the best value to the State will be identified and contracted through the ITN process described above.

D. Functional and Technical Requirements

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

The Project has performed an extensive analysis of the FLAIR and CMS systems and the approved standardized financial management business processes. As an outcome of this analysis, the Project has developed a comprehensive set of functional and technical requirements for the system. These requirements were reviewed with the stakeholder agencies through multiple stages of review beginning October of 2015 in preparation for the Florida PALM Executive Steering Committee review and approval of the requirements prior to their inclusion in the ITN. The requirements were approved on September 28, 2016 and are available on the Project website at <https://www.myfloridacfo.com/floridapalm/resources/business-requirements/>.

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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.

SUCCESS CRITERIA TABLE				
#	Description of Criteria	How will the Criteria be measured/assessed?	Who benefits?	Realization Date (MM/YY)
1	A financial management solution to replace FLAIR and CMS is contracted and implemented	Successful execution of a software and system integrator contract Successful completion of pilot implementation Successful cutover of first agency onto new	DFS and State Agencies	As determined based on contract with awarded vendor

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SUCCESS CRITERIA TABLE				
		solution		
2	The State is able to transition to the new solution as the system of record for State financial transactions and generate appropriate statutory reporting	Successful cutover of all State agencies onto the new solution	DFS and State Agencies	As determined based on contract with awarded vendor
3	Agencies are able to use the new replacement system for their operational needs	Use of agency business systems to perform core financial transactional activities and reporting tasks is reduced	DFS and State Agencies	As determined based on contract with awarded vendor

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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.

For each tangible benefit, identify the recipient of the benefit, how and when it is realized, how the realization will be measured, and how the benefit will be measured to include estimates of tangible benefit amounts.

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	Reduction of the State's financial risk exposure through technology built on the premises of scalability, flexibility, and maintainability	DFS	Reduction of employee time spent on non-value added maintenance and the ability to address system changes/enhancement requests on a timely basis.	Employee time spent on maintenance activities; with targets determined by OIT after contract with the awarded vendor	As determined based on contract with awarded vendor
2	Improvement in the State's decision making by capturing a consistent and an expandable set of data	DFS, Policy Makers , and State Agencies	Increased standardization in capture of transactional data and improved reporting	Reduction in individual agency reporting solutions after successful implementation	As determined based on contract with awarded vendor
3	Improvement in the State's financial	DFS, Policy Makers, and State	Improved Cash Management, reduced time to reconcile	Agency time spent reconciling cash, cash management	As determined based on contract with awarded vendor

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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)
	management and accounting capabilities to enable more accurate oversight of budget and cash demands today and in the future	Agencies	transactions, enhanced financial reporting due to automated encumbrances/payables	optimization, agency time spent managing budget with targets determined by Treasury after contract with the awarded vendor	
4	Improvement in state employee productivity, reduction of operational complexity and an increase of internal controls by enabling standardization and automation of business processes within and between DFS and the State's other governmental agencies	DFS and State Agencies	Reduced time performing redundant data entry and reconciliation, reformatting reports, etc.	Amount of employee time spent performing transactions vs. time spent performing analysis and other higher value activities with targets determined by A&A after contract with the awarded vendor	As determined based on contract with awarded vendor

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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 chart below summarizes the required CBA Forms which are included as Appendix A on the Florida Fiscal Portal and must be completed and submitted with the Schedule IV-B.

Cost Benefit Analysis	
Form	Description of Data Captured
CBA Form 1 - Net Tangible Benefits	<p>Agency Program Cost Elements: Existing program operational costs versus the expected program operational costs resulting from this project. The agency needs to identify the expected changes in operational costs for the program(s) that will be impacted by the proposed project.</p> <p>Tangible Benefits: Estimates for tangible benefits resulting from implementation of the proposed IT project, which correspond to the benefits identified in the Benefits Realization Table. These estimates appear in the year the benefits will be realized.</p>
CBA Form 2 - Project Cost Analysis	<p>Baseline Project Budget: Estimated project costs.</p> <p>Project Funding Sources: Identifies the planned sources of project funds, e.g., General Revenue, Trust Fund, Grants.</p> <p>Characterization of Project Cost Estimate.</p>
CBA Form 3 - Project Investment Summary	<p>Investment Summary Calculations: Summarizes total project costs and net tangible benefits and automatically calculates:</p> <ul style="list-style-type: none"> • Return on Investment • Payback Period • Breakeven Fiscal Year • Net Present Value • Internal Rate of Return

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.

NOTE: All multi-year projects must update the Risk Assessment Component of the Schedule IV-B along with any other components that have been changed from the original Feasibility Study.

The Risk Assessment Tool and Risk Assessment Summary are included in Appendix B on the Florida Fiscal Portal and must be completed and submitted with the agency's Schedule IV-B. After answering the questions on the Risk Assessment Tool, the Risk Assessment Summary is automatically populated.

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

FLAIR (see [Exhibit 1 FLAIR/CMS Current Environment, below](#)) is the State's accounting system. It supports the accounting and financial management functions for the State's CFO including budget posting, receipt and disbursement of funds, payroll processing and employee portal, and the accounting information for the State's Comprehensive Annual Financial Report (CAFR).

FLAIR consists of the following components:

- **Payroll Accounting:** Processes the State's payroll. Payroll capabilities are contained within FLAIR.
- **Central Accounting:** Maintains cash basis records and is used by the CFO to ensure expenditures are made in accordance with the legislative appropriations. It contains cash balances and budget records as well as supports tax reporting; it is not a comprehensive General Ledger.
- **Departmental Accounting:** Maintains agencies' accounting records and is utilized at the end of each fiscal year to prepare financial statements in accordance with generally accepted accounting principles.
- **Information Warehouse:** A data repository and reporting system allowing users to access Central Accounting information and most Departmental Accounting information in FLAIR. The IW receives data from Central FLAIR, Departmental FLAIR, and Payroll.

The Treasury receives and disburses cash, invests available balances, and performs related accounting functions, cash management operations, and consultations. The Treasury operates separate applications known collectively as CMS to carry out its responsibilities of monitoring cash levels and activities in State bank accounts, for keeping detailed records of cash transactions and investments for State agencies, and paying of warrants and other payments issued by the CFO. CMS interfaces with Central FLAIR, Departmental FLAIR, Department of Revenue systems, the Information Warehouse, other State agency systems, and bank business partner systems.

The Treasury upgraded a portion of the current CMS platform to a web-based system in August 2013. This upgrade established a new integrated platform and replaced three existing business applications including Verifies, Receipts, and Chargebacks.

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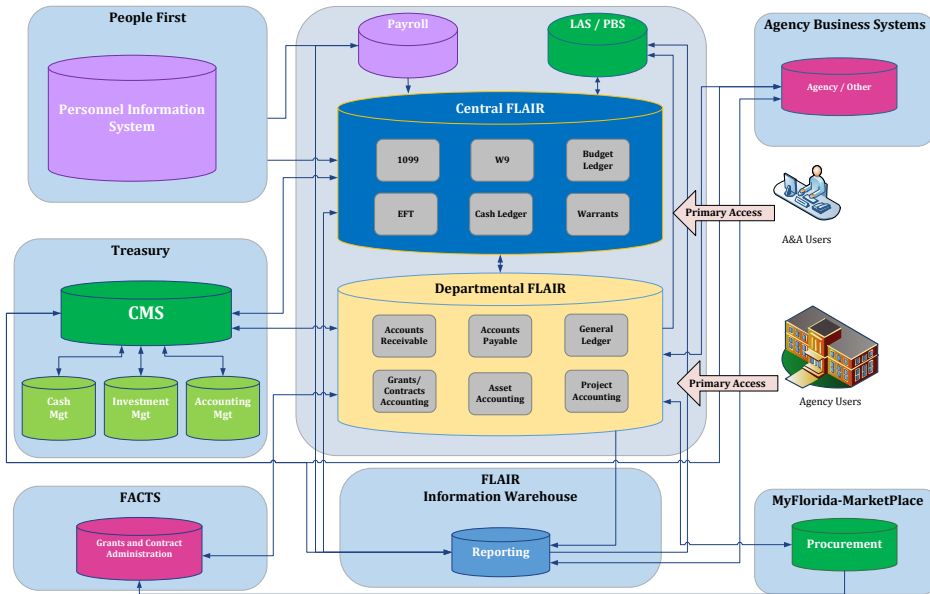


Exhibit 1 FLAIR/CMS Current Environment

FLAIR was implemented in the early 1980s based on source code from the 1970s. It runs on a mainframe and is used by 36 state agencies with approximately 14,000+ individual users at 400+ accounting office sites throughout the State. FLAIR supports the financial oversight management of the State's \$90 billion budget and processes more than 95 million accounting transactions annually. FLAIR also pays 180,000 State personnel annually.

[CMS is a collective group of eleven individual components, each performing specific functions to support the overall cash management and investment duties of the State. The individual components interface with each other to share information. The components were developed at various points between 1984 and 2002¹, with three of the original components combined into one web-based system in 2013.](#)

FLAIR is primarily a batch system, accessed via terminal emulation with no graphical interface. The mainframe and related database and software technology are difficult to maintain and do not fit with the Department's desired hardware and software platform standards. The current FLAIR and CMS architecture is neither flexible nor adaptable. The "siloed" design between FLAIR components presents challenges in making modifications and is not conducive to supporting the industry standard required number of instances necessary to support enterprise applications.

b. Current system resource requirements

The FLAIR programming language and data file structure are not commonplace and resources to support the technology are scarce in the market today. According to software industry analysts, the current programming language does not rank in the top 50 in-demand today. From an IT support perspective, [as reflected in the FLAIR Study, over 40% of FLAIR technical support employees have 30 or more years of service. As these employees retire it will represent a significant loss of institutional knowledge and technical expertise. Replacing the technical](#)

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¹DFS Treasury Cash Management System Modular Redesign Project Justification, 10/27/2009

expertise of a market scarce resource is highly unlikely. Conclusively, the FLAIR staff members who may depart within the next five years are seasoned and experienced experts with many combined years of institutional knowledge presenting a significant risk for enhancement and support to FLAIR in the near future.

For CMS there is a similar, albeit more modern situation, regarding support staff. While a portion of CMS functionality has been replaced by more modern technology, the resource pool supporting and developing the modern components is constrained by a small number of existing, senior employees. This presents additional risk across the domain and functions of the Treasury. Mitigating the risk by building a complete programming support organization is unrealistic.

c. Current system performance

FLAIR currently meets the minimum requirements to manage the accounts of the State, and is not meeting the needs of DFS or the state's agencies. Some of the major concerns that agencies have with FLAIR include:

- Agencies have financial management needs **which are** not being met by FLAIR and have therefore implemented their own systems to meet these needs
- The current design of FLAIR creates complex manual processing requirements and produces delays in processing times
- Integration with FLAIR is technically difficult, and the technology used causes limitations to agency functionality

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Agencies have had to develop reporting capabilities and workaround solutions due to limitations in FLAIR.

For CMS there is a similar, albeit more modern situation, regarding support staff. While a portion of CMS functionality has been replaced by more modern technology, the resource pool supporting and developing the modern components is constrained by a small number of existing, senior employees. This presents additional risk across the domain and functions of the Treasury. Mitigating the risk by building a complete programming support organization is unrealistic.

Prior to 2013, the Treasury used fourteen different applications which were developed at various points in time between 1984 and 2002. The net result of the various application development efforts was multiple database platforms to support multiple programming languages. The difficulty to maintain adequate resources with the complex skill set needed to support such a variety of platforms, and integration among platforms can become a challenge. Furthermore, from a business perspective, processes can be disjointed and interrupted creating multiple entry points for inefficient and ineffective practices. The Treasury functions CMS serves are:

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- Cash Management
- Investment Management
- Accounting Management

Treasury embarked on a two phase modernization effort which began in 2009³. Phase 1 included an integrated application to support cash management processes including receipts, verifications, and chargebacks ultimately updating the bank and state account applications. The first phase of the modernization effort was implemented in August 2013.

For additional information on current system performance and limitations, refer to [the FLAIR Study](#);

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³ Cash Management System, Project Management Plan, Department of Financial Services, 12/16/2011

- Chapter 1, Section 1.3 Current State Performance
- Chapter 2, Section 2.2.1.2 Summary of Agency Information

The FLAIR Study is available on the Project website at <https://www.myfloridacfo.com/floridapalm/resources/flair-study/>

2. Information Technology Standards

FLAIR is the system of record for the State of Florida financial transactions. The current nightly batch process takes most of the night and can therefore only run one time in a 24 hour cycle, presenting a significant limitation to user productivity and causing some complex transactions to take up to five days to process.

FLAIR is over 30-years old running on an IBM z114 2818-W03 mainframe supported at the DFS data center. FLAIR was custom developed beginning in the 1970s, implemented in the 1980s, and continues to be supported by OIT. The FLAIR components were developed separately, and rely on batch interfaces to transfer data between them. The Departmental FLAIR, Central FLAIR, and Payroll components utilize Adaptable Database Management System (ADABAS) for the database and Natural and COBOL as the programming languages. FLAIR nightly batch processes are run on the IBM mainframe using Job Control Language (JCL). The IW utilizes IBM DB2 software for the database and WebFOCUS reporting tools.

The CMS components were developed in-house on a variety of platforms. The most recent component developed, CMS, is a Windows based .Net application utilizing a Microsoft SQL Server database. The other 10 components run on an IBM iSeries Power 7 8202-E4D server. The database platform for these components is IBM DB2, and programming languages include Java, Cobol, and MS Access.

B. Current Hardware and/or Software Inventory

NOTE: Current customers of the state data center would obtain this information from the data center.

C. Proposed Technical Solution

1. Technical Solution Alternatives

On November 1, 2016, Florida PALM released a comprehensive ITN to obtain the software and system integrator to replace FLAIR and CMS. The ITN is structured to successfully replace the current systems and implement the standardized financial management business processes while obtaining additional benefits from the software and system integrator.

In addition to identifying the best software to perform future financial management transactions, the ITN requested the respondents provide options and recommendations for additional elements of the solution including the timing of implementation activities, timing of agency conversions to the new processes and software, and options for the hardware platform and system support.

2. Rationale for Selection

Through the ITN, the Project established a set of comprehensive criteria to guide the evaluation, negotiation, and contracting for the software and system integrator which will provide the best value to the State.

3. Recommended Technical Solution

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The software and system integrator to provide a comprehensive statewide financial management solution which provides the best value to the State will be identified and contracted through the ITN process described above.

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D. Proposed Solution Description

1. Summary Description of Proposed System

Florida PALM developed a comprehensive ITN to replace FLAIR and CMS with a commercial-off-the-shelf software system which will meet the State's business needs and the identified functional and technical requirements as outlined above. Upon completion of the ITN process, the software solution will be known.

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2. Resource and Summary Level Funding Requirements for Proposed Solution (if known)

Until the Department negotiates a contract, DFS is using the results of the FLAIR Study as the basis for resource and funding requests.

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E. Capacity Planning

(historical and current trends versus projected requirements)

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.

Florida PALM is following a structured approach to manage the Pre Design Development and Implementation (Pre-DDI) activities of the project. The current Project Management Plan (PMP) outlines the control and project execution elements currently in place and is available on the Project website at <https://www.myfloridacfo.com/floridapalm/wp-content/uploads/Florida-PALM-Pre-DDI-Project-Management-Plan.pdf>.

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It is planned that this PMP will be enhanced to manage the DDI elements of the Project upon when the DDI phase commences at the close of negotiations. The current Florida PALM PMP is compliant with AST project management standards and includes the following sections:

- [Performance Management](#)
- [Cost Management](#)
- [Schedule Management](#)
- [Quality Management](#)
- [Procurement Management](#)
- [Staffing Management](#)
- [Collaboration Management](#)
- [Project Scope and Change Management](#)
- [Risk Management](#)
- [Communications Management](#)
- [Issue Management](#)
- [Decision Management](#)
- [Deliverable Management](#)
- [Action Item Management](#)
- [Content Management](#)
- [Lessons Learned Management](#)

Florida PALM has a formal governance process to guide its decision making. This process includes an Executive Steering Committee with representation from multiple stakeholder agencies. The Florida PALM governance

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processes are documented in the [Project Charter](https://www.myfloridacfo.com/floridapalm/wp-content/uploads/Florida-PALM-Project-Charter-1.pdf) which is available on the Project website at <https://www.myfloridacfo.com/floridapalm/wp-content/uploads/Florida-PALM-Project-Charter-1.pdf>.

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NOTE: For IT projects with total cost in excess of \$10 million, the project scope, business objectives, and timelines described in this section must be consistent with existing or proposed substantive policy required in s. 216.023(4)(a)10, F.S.

VIII. Appendices

Number and include all required spreadsheets along with any other tools, diagrams, charts, etc. chosen to accompany and support the narrative data provided by the agency within the Schedule IV-B.

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<#>Appendix 23 – Florida PALM PMP¶
<#>Appendix 3 – Florida PALM Governance Charter

CBAForm 1 - Net Tangible Benefits

Agency	Department of Financial Services	Project	Florida PALM
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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 <i>(Recurring Costs Only -- No Project Costs)</i>	FY 2018-19			FY 2019-20			FY 2020-21			FY 2021-22			FY 2022-23		
	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a)+(b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Cost Change Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project	(a) Existing Program Costs	(b) Operational Cost Change	(c) = (a) + (b) New Program Costs resulting from Proposed Project
A. Personnel Costs -- Agency-Managed Staff	\$7,003,904	\$3,012,131	\$10,016,035	\$10,016,035	\$4,286,494	\$14,302,528	\$14,302,528	\$4,634,047	\$18,936,575	\$17,841,081	\$2,896,279	\$20,737,361	\$20,737,361	\$1,621,916	\$22,359,277
A.b Total Staff	56.00	26.00	82.00	82.00	0.00	114.00	114.00	40.00	154.00	154.00	25.00	179.00	179.00	14.00	193.00
A-1.a. State FTEs (Salaries & Benefits)	\$5,908,410	\$3,012,131	\$8,920,541	\$8,920,541	\$4,286,494	\$13,207,034	\$13,207,034	\$4,634,047	\$17,841,081	\$17,841,081	\$2,896,279	\$20,737,361	\$20,737,361	\$1,621,916	\$22,359,277
A-1.b. State FTEs (#)	51.00	26.00	77.00	77.00	37.00	114.00	114.00	40.00	154.00	154.00	25.00	179.00	179.00	14.00	193.00
A-2.a. OPS Staff (Salaries)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
A-2.b. OPS (#)	0.00	0.00	0.00	\$0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A-3.a. Staff Augmentation (Contract Cost)	\$1,095,494	\$0	\$1,095,494	\$1,095,494	\$0	\$1,095,494	\$1,095,494	\$0	\$1,095,494	\$0	\$0	\$0	\$0	\$0	\$0
A-3.b. Staff Augmentation (# of Contractors)	5.00	0.00	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Application Maintenance Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B-1. Managed Services (Staffing)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B-2. Hardware	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B-3. Software	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
B-4. Other <i>Specify</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C. Data Center Provider Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C-1. Managed Services (Staffing)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C-2. Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C-3. Network / Hosting Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C-4. Disaster Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
C-5. Other <i>Specify</i>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
D. Plant & Facility Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E. Other Costs	\$20,743,854	\$7,740,112	\$28,483,965	\$28,483,965	\$11,464,088	\$39,948,054	\$39,948,054	-\$3,598,222	\$36,349,832	\$36,349,832	\$6,733,226	\$43,083,057	\$43,083,057	-\$31,431,673	\$11,651,384
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 <i>Project Administration (FY 17/18)</i>	\$1,339,865	-\$1,339,865	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E-3. Other <i>Procurement Support (FY 17/18)</i>	\$730,790	-\$730,790	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
E-3. Other <i>IV&V</i>	\$600,000	\$206,254	\$806,254	\$806,254	\$12,094	\$818,348	\$818,348	\$12,275	\$830,623	\$830,623	\$12,459	\$843,082	\$843,082	\$12,646	\$855,729
E-3. Other <i>DDI Phase 1 (SSI, Add'l Support Services, Project Administration)</i>	\$18,073,199	\$9,604,512	\$27,677,711	\$27,677,711	\$11,451,994.33	\$39,129,706	\$39,129,706	-\$3,610,497	\$35,519,208	\$35,519,208	\$6,720,766	\$42,239,975	\$42,239,975	-\$31,444,320	\$10,795,655
Total of Recurring Operational Costs	\$27,747,758	\$10,752,242	\$38,500,000	\$38,500,000	\$15,750,582	\$54,250,582	\$54,250,582	\$1,035,825	\$55,286,407	\$54,190,913	\$9,629,505	\$63,820,418	\$63,820,418	-\$29,809,757	\$34,010,661
F. Additional Tangible Benefits:		\$0			\$0			\$0			\$0			\$0	
F-1. <i>Specify</i>		\$0			\$0			\$0			\$0			\$0	
F-2. <i>Specify</i>		\$0			\$0			\$0			\$0			\$0	
F-3. <i>Specify</i>		\$0			\$0			\$0			\$0			\$0	
Total Net Tangible Benefits:		(\$10,752,242)			(\$15,750,582)			(\$1,035,825)			(\$9,629,505)			\$29,809,757	

CHARACTERIZATION OF PROJECT BENEFIT ESTIMATE -- CBAForm 1B		
Choose Type	Estimate Confidence	Enter % (+/-)
Detailed/Rigorous	<input type="checkbox"/> Confidence Level	
Order of Magnitude	<input type="checkbox"/> Confidence Level	
Placeholder	<input type="checkbox"/> Confidence Level	

	B	C	D	E	F	G	H		
3	Project		<i>Florida PALM</i>						
4									
5	Agency		<i>Department of Financial Services</i>						
6	FY 2017-18 LBR Issue Code:			FY 2017-18 LBR Issue Title:					
7	<i>36105C0</i>			<i>FLAIR Replacement</i>					
8	Risk Assessment Contact Info (Name, Phone #, and E-mail Address):								
9	<i>Melissa Turner, (850) 410-9024, melissa.turner@myfloridacfo.com</i>								
10	Executive Sponsor		<i>CFO Jimmy Patronis</i>						
11	Project Manager		<i>Melissa Turner</i>						
12	Prepared By		<i>Melissa Turner</i>			<i>9/15/2017</i>			
14	Risk Assessment Summary								
15	<div style="display: flex; align-items: center; justify-content: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg); font-weight: bold; margin-right: 10px;">Business Strategy</div> <table border="1" style="border-collapse: collapse; width: 100%; height: 100%;"> <tr> <td style="width: 50%; height: 50%;"></td> <td style="width: 50%; height: 50%; text-align: center; vertical-align: middle;">◆</td> </tr> </table> </div>								◆
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17								Most Aligned	
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28	Least Aligned								
29									
30	Level of Project Risk								
31	Least Risk					Most Risk			
32									
34	Project Risk Area Breakdown								
35	Risk Assessment Areas						<i>Risk Exposure</i>		
36	Strategic Assessment						MEDIUM		
37									
38	Technology Exposure Assessment						MEDIUM		
39									
40	Organizational Change Management Assessment						HIGH		
41									
42	Communication Assessment						LOW		
43									
44	Fiscal Assessment						MEDIUM		
45									
46	Project Organization Assessment						MEDIUM		
47									
48	Project Management Assessment						MEDIUM		
49									
50	Project Complexity Assessment						HIGH		
51									
52									
53	Overall Project Risk						HIGH		

Schedule VI – Detail of Debt Service

(The Department of Financial Services has no submission for this schedule for the Fiscal Year 2018-19 Legislative Budget Request)

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Budget Period: 2018-2019

Department: Financial Services

Chief Internal Auditor: Leah Gardner

Budget Entity: Office of Inspector General

Phone Number: (850) 413-4953

(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. 2017- 089	December, 2016	<i>Florida Accounting Information Resource Subsystem (FLAIR)</i>	<p>Finding 1: The access privileges for some FLAIR and network users did not promote an appropriate separation of duties and did not restrict users to only those functions necessary for assigned job duties.</p> <p>Recommendation: Department management should improve controls to ensure that user accounts are uniquely assigned, timely deactivated when no longer needed or an employee terminates or transfers, and promote an appropriate separation of duties.</p>	<p>Ongoing: The Department removed a shared account and developed procedures to mitigate risks associated with change management and separation of duties. Additional procedures for access controls are being developed.</p>	
			<p>Finding 2: The Department’s procedures and processes for conducting periodic reviews of user access privileges need improvement to ensure access privileges assigned to users remain appropriate.</p> <p>Recommendation: Department management should ensure that access control procedures are up to date, all periodic reviews are performed as required and include all assigned user access privileges, and documentation of completed reviews is maintained.</p>	<p>Ongoing: The Department implemented some procedures for conducting periodic reviews of user access privileges. Additional procedures for the periodic reviews of user privileges are being developed.</p>	
			<p>Finding 3: Certain security controls related to physical security, user authentication, and configuration management need improvement to ensure the confidentiality, integrity, and availability of Department data and IT resources.</p> <p>Recommendation: Department management should improve certain security controls related to physical security, user authentication, and configuration management to ensure the confidentiality, integrity, and availability of Department data and IT resources.</p>	<p>Ongoing: The Department continues to address security controls.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
Auditor General Report No. 2017-180	June, 2016	<i>State of Florida Compliance and Internal Controls over Financial Reporting and Federal Awards</i>	<p>Finding 2016-004: The FDOR did not properly record cash deposited in the State Treasury as Pooled investments with State Treasury.</p> <p>Recommendation: To ensure that deposits with the State Treasury are properly recorded as Pooled investments with State Treasury, the FDFS State Financial Reporting Section should take steps to ensure that only amounts recorded to GLCs 121, 122, and 224 are considered when reconciling to Cash with the State Treasury.</p>	<p>Ongoing: The Department is taking steps to ensure that only amounts recorded to GLCs 121, 122, and 224 are considered when reconciling to Cash with the State Treasury.</p>	
Auditor General Report No. 2016-032	August, 2015	<i>Florida Accounting Information Resource Subsystem (FLAIR)</i>	<p>Finding 1: The access privileges for some FLAIR users did not promote an appropriate separation of duties or did not restrict users to only those functions necessary for their assigned job duties.</p> <p>Recommendation: Department management should limit user access privileges to FLAIR data and IT resources to promote an appropriate separation of duties and restrict users to only those functions necessary for their assigned job duties.</p>	<p>Ongoing: The Department changed the access privileges for some of the FLAIR users. Evaluation of the changes is in progress.</p>	
			<p>Finding 2: Department procedures for the periodic review of user access privileges needed improvement to ensure that the access privileges assigned to users are authorized and appropriate.</p> <p>Recommendation: Department management should improve written procedures for periodic reviews of user access privileges to include all programming and reporting systems to ensure that the user access privileges assigned are authorized and appropriate.</p>	<p>Ongoing: The Department developed procedures for the periodic review of user access privileges. Evaluation of the procedures is in progress.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
			<p>Finding 3: Certain Payroll Component application controls were not effective in ensuring the completeness, accuracy, and availability of payroll transactions and data.</p> <p>Recommendation: Department management should improve Payroll Component application controls to ensure the completeness, accuracy, and availability of payroll transactions and data.</p>	<p>Ongoing: The Department continues to identify and evaluate solutions to address the Payroll component application controls.</p>	
Auditor General Report No. 2016-069	May, 2015	<i>Division of Insurance Fraud and Selected Administrative Activities</i>	<p>Finding 1: The Department did not always include sufficient information in the Augmented Criminal Investigative Support System (ACISS) to support the reasons referrals regarding potential insurance fraud were closed without investigation.</p> <p>Recommendation: Department management should ensure that sufficient information is included in ACISS to support decisions to close referrals without investigation.</p>	<p>Ongoing: The Division updated the ACISS manual and provided training for procedures to document the reasons referrals regarding potential insurance fraud were closed without investigation. The new procedures were evaluated and improvements identified.</p>	
			<p>Finding 2: The Department did not ensure that all referrals received from the Office of Financial Regulation (OFR) were identified or accurately recorded in ACISS. In addition, contrary to the Department’s Memorandum of Understanding with the OFR, the Department did not provide the OFR with information on the disposition of referrals.</p> <p>Recommendation: Department management should ensure that all referrals received from the OFR are accurately identified in ACISS and that referral disposition information is timely reported to the OFR as specified by the MOU.</p>	<p>Ongoing: The Division implemented process changes to ensure all referrals received from OFR are recorded in ACCIS and provide reports to OFR about referral disposition. The process changes were evaluated and improvements identified.</p>	
			<p>Finding 3: Department investigations of potential insurance fraud were sometimes inappropriately closed in ACISS using a resource limitations reason code.</p> <p>Recommendation: Department management should remove Closed – Due to Resource Limitations as a reason code in ACISS for closing investigations. Department management should evaluate whether any of the investigations closed using the Closed – Due to Resource Limitations reason code should be reopened.</p>	<p>Ongoing: The Division removed the code: Closed – Due to Resource Limitations.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
Auditor General Report No. 2016-069 (...cont'd)	May, 2015	<i>Division of Insurance Fraud and Selected Administrative Activities</i>	<p>Finding 4: ACISS data processing controls need improvement to provide for the proper accounting for and processing of referrals and investigative cases.</p> <p>Recommendation: Department management should establish procedures for documenting the reason and approval for deleting referral and investigative case records from ACISS. These procedures could include the establishment of logs to document and provide an explanation for all referrals and investigative cases deleted from ACISS. If established, such logs should be periodically reviewed by management to determine the significance and nature of data gaps as well as the status of any uncorrected data errors.</p>	<p>Ongoing: The Division developed procedures to track case referral and investigation case record deletions from ACISS. The procedures were evaluated and improvements identified.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
			<p>Finding 5: ACISS controls need improvement to ensure that user access privileges are limited to only those necessary for the user's assigned job responsibilities and to demonstrate that user access privileges are timely deactivated upon an employee's separation from Department employment or when the privileges are no longer required.</p> <p>Recommendation: Department management should limit ACISS user access privileges to only those access privileges necessary for the user's assigned job responsibilities. Department management should ensure that ACISS user access privileges are timely deactivated upon an employee's separation from Department employment or transfer to a position where the privileges are no longer required and that such deactivation be appropriately documented.</p>	<p>Ongoing: The Division drafted revised policies and procedures for the appropriateness and timely termination of ACISS user access privileges. The process to ensure the timely termination of ACISS user access privileges is being reviewed to determine effectiveness. A process to monitor user access is being developed.</p>	
			<p>Finding 6: Certain security controls related to Department network authentication need improvement to better protect the confidentiality, integrity, and availability of Department data and information technology resources.</p> <p>Recommendation: Department management should strengthen certain security controls related to Department network authentication to ensure the continued confidentiality, integrity, and availability of Department data and related IT resources.</p>	<p>Ongoing: The Department continues to address security controls.</p>	
			<p>Finding 7: The Department had not established Department-wide policies and procedures for the collection and use of social security numbers or always documented the timely evaluation of its collection and use of social security numbers to ensure compliance with State law.</p> <p>Recommendation: Department management should establish Department-wide written policies and procedures regarding the collection and use of individuals' SSNs and take appropriate steps to demonstrate compliance with applicable statutory requirements.</p>	<p>Closed: A Department-wide policy and procedures for the collection and use of social security numbers was implemented.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
Auditor General Report No. 2016-159	June, 2015	<i>State of Florida Compliance and Internal Controls over Financial Reporting and Federal Awards</i>	<p>Finding 2015:003: The Department did not ensure that State agencies recorded amounts to nonspendable fund balances net of committed amounts.</p> <p>Recommendation: The Department should enhance Statewide financial statement compilation procedures to ensure that nonspendable fund balances are recorded net of committed proceeds from long-term receivables and advances.</p>	<p>Closed: The Department enhanced reporting and review controls to ensure nonspendable fund balances are stated correctly.</p>	
Auditor General Report No. 2016-199	January, 2016	<i>Special Disability Trust Fund Claims Manager 2004 System</i>	<p>Finding 1: The Department did not timely deactivate the access privileges for a former employee to prevent the former employee or others from misusing the former employee's access privileges.</p> <p>Recommendation: Department management should ensure that user account access privileges of former employees are timely deactivated.</p>	<p>Closed: The Department modified the process that required the use of a specific user id and that user id was deactivated.</p>	
			<p>Finding 2: Certain security controls related to physical security, confidential and exempt data, and monitoring of the SDTF System and related IT resources continue to need improvement to ensure the confidentiality, integrity, and availability of SDTF System data and related IT resources.</p> <p>Recommendation: Department management should improve certain security controls related to physical security, confidential and exempt data, and monitoring of the SDTF System and related IT resources to ensure the confidentiality, integrity, and availability of SDTF System data and related IT resources.</p>	<p>Ongoing: The Department continues to address security controls.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
DCF Project #A-1617DCF-023	June, 2016	<i>Audit of the Department's Office of Public Benefits Integrity Memorandum of Understanding with the DFS' Division of Public Assistance Fraud (DPAF)</i>	Finding 1: The invoices submitted by DPAF did not contain the detail as required by the agreement. Recommendation: Future invoices submitted by DPAF should contain the spending categories as outlined in Exhibit A of the agreement.	Ongoing: The DPAF is enhancing controls to ensure future invoices submitted by DPAF include the spending categories as outlined in Exhibit A of the agreement.	
Office of Inspector General Report No. IA 14-501B	December, 2015	<i>Division of Rehabilitation and Liquidation (DRL) – Monitoring and Oversight Processes and Stewardship of Insurer Assets</i>	Finding 1: The Estate Management Section's policies and procedures are not sufficient to ensure that all of its duties and responsibilities are timely and properly performed. Recommendation: The DRL should update its policies and procedures to address all significant functions of the Estate Management Section, define the roles and responsibilities of all positions involved in applicable processes, and reflect current practices and organizational changes. Consideration should also be given to consolidating the various sections' on-site policies into a single policy that applies to all DRL sections.	Ongoing. The Division drafted policies and procedures, guides and forms for the Estate Management Sections' duties and responsibilities.	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
Office of Inspector General Report No. IA 14-501B (...cont'd)	December, 2015	<i>Division of Rehabilitation and Liquidation (DRL) – Monitoring and Oversight Processes and Stewardship of Insurer Assets</i>	<p>Finding 2: “Initial Receivership Actions – Checklists” were not always properly and timely completed or adequate to ensure that required tasks were performed.</p> <p>Recommendation: The DRL should update its policies and procedures to ensure that on-site activities are adequately documented and tracked so that all required tasks are properly and timely completed. Should DRL continue to use the Checklists, they should be updated to: 1) reflect those steps that should be performed on-site versus those that will be completed later; 2) remove duplicate steps; and 3) align the steps on each Checklist with the Section/individual responsible for those tasks. The Checklists should also include a documented supervisory review and approval and be maintained in a central repository. Finally, the Checklists would be more effective if they were tailored to the type of company in receivership (Property & Casualty versus HMO, etc.).</p>	<p>Ongoing: The Division revised and implemented “Initial Receivership Actions – Checklists.” The Division drafted policies and procedures and a guide for utilizing the revised checklists. In addition, a reporting mechanism was made available to Estate Management Analysts to provide enhanced auditor independence in generating random audit reports.</p>	
			<p>Finding 3: Procedures for auditor independence are not sufficient to ensure that the Estate Management Section’s audits are objectively performed and auditors are independent.</p> <p>Recommendation: The DRL should enhance its policies and procedures to ensure that Estate Management auditors are independent and can independently and objectively perform the various assigned audits. Independence would require the auditors to be free of all impairments, including personal, organizational and external factors.</p>	<p>Ongoing: The Division provided training to appropriate Division staff to ensure that audits are properly performed. In addition, the Division drafted policies and procedures to enhance controls for auditor independence.</p>	
			<p>Finding 4: Digital signature audits do not effectively ensure that digital signatures are properly secured or deleted, when required.</p> <p>Recommendation: The DRL should reassess its policies and procedures related to the digital signatures to ensure that the signatures are properly secured and accessible only to those individuals with a business need to access the folders. The DRL should consult with DFS’s Division of Information Systems to identify tools that can be used to increase the security of the signature files and assist in monitoring/restricting access to the secure folders. In addition, the digital signature audits should be improved to increase their effectiveness, and training or written instructions should be provided to the Estate Management auditor to ensure that the audits are properly performed.</p>	<p>Ongoing: The Division drafted policies and procedures to enhance controls for digital signature audits, and is evaluating tools and forms to be utilized to increase the effectiveness and efficiency of the audits.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
Office of Inspector General Report No. IA 14-501B (...cont'd)	December, 2015	<i>Division of Rehabilitation and Liquidation (DRL) – Monitoring and Oversight Processes and Stewardship of Insurer Assets</i>	<p>Finding 5: The Estate Management Section’s audits of claims processes were not always effectively or efficiently performed. In addition, Estate Management’s audits did not address the revenue-generating functions of the receiverships.</p> <p>Recommendation: The DRL should enhance its audit-related policies and procedures to better ensure that audits are properly performed and consistent with the (enhanced/implemented) policy, and the resulting reports are accurate and clearly convey the work performed and level of assurance provided by the audit. Audit procedures, tools and forms should also be evaluated to increase the effectiveness and efficiency of the audits and ensure that documentation is maintained to evidence the work performed. In addition, Estate Management should conduct audits over revenue-generating processes and securely maintain custody of the checks through the duration of the CAF audits.</p>	<p>Ongoing: The Division drafted policies and procedures to enhance controls for the audits of claims processes.</p>	
			<p>Finding 6: The Claims Section could not provide source documentation showing the appropriateness of all proposed claim payments.</p> <p>Recommendation: The DRL should strengthen its policies and procedures to ensure that supporting documentation is maintained for claims payments.</p>	<p>Ongoing: The Division is evaluating controls to maintain source documentation for proposed claim payments.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
			<p>Finding 7: Insurer accounts receivable balances were not always properly or consistently recorded or reported and sufficient documentation was not always available to show that accounts receivable balances were properly analyzed and valued.</p> <p>Recommendation: The DRL should enhance its policies and procedures related to the identification, tracking, recording, reporting and collection of accounts receivables. Internal controls should be strengthened to facilitate robust management of collection activities and limit the potential for fraud, errors or misstatements. Written policies and procedures should be updated to reflect these improved controls and also to ensure that all significant functions are addressed within the policies and procedures. In addition, DRL should continue its efforts to obtain a collections management software.</p>	<p>Ongoing: The Division enhanced policies and procedures for accounts receivable. The Department continues to improve procedures and evaluate additional processes to enhance controls for accounts receivable.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
Office of Inspector General Report No. IA 14-501B (...cont'd)	December, 2015	<i>Division of Rehabilitation and Liquidation (DRL) – Monitoring and Oversight Processes and Stewardship of Insurer Assets</i>	<p>Finding 8: Internal controls were not adequate to ensure that insurer accounts receivable are properly tracked and managed.</p> <p>Recommendation: The DRL should strengthen internal controls over insurer accounts receivable to ensure that incompatible functions are properly separated, receivables are effectively managed, and account adjustments are consistent with policy and adequately documented. In addition, DRL may consider an independent documented review of account adjustments.</p>	<p>Ongoing: The Division enhanced policies and procedures and reassigned responsibilities to establish a separation of duties for accounts receivable. The Division is evaluating additional controls for accounts receivable.</p>	
			<p>Finding 9: The Asset Recovery Section’s collection activities and account adjustment documentation were not always sufficient to demonstrate that appropriate effort was undertaken to obtain a maximum recovery of marshalled assets.</p> <p>Recommendation: We recommend that DRL enhance its policies and procedures to strengthen monitoring of contracted collection agents and more clearly define thresholds for authorizing settlements and write-offs. Write-off/settlement procedures would be further strengthened by requiring the use of a specified form to document the settlements/write-offs. In addition, contract reporting requirements should be revised to provide for more frequent and robust reporting including a detailed assessment of the referral and case activity.</p>	<p>Ongoing: The Division enhanced policies and procedures for managing uncollectable assets. The Division is evaluating additional controls for managing uncollectable accounts.</p>	
			<p>Finding 10: Records management policies and procedures were not sufficient to ensure that original records and non-public personal financial and health information is safeguarded and that the chain of custody is maintained.</p> <p>Recommendation: The DRL should enhance its policies and procedures to include provisions necessary to maintain the integrity of original records and chain of custody. The DRL should determine whether Florida Statutes permits the release of original insurer records to the guaranty associations. In addition, DRL should strengthen its policies and procedures to ensure the protection and non-disclosure of non-public personal financial and health information, including notification provisions for disclosure of this data to third parties.</p>	<p>Ongoing: The Division received chain of custody training on November 17, 2016, and has proposed legislation that will allow original records to be shared with guaranty associations. The Division is revising its policy to strengthen protection of personal financial and health information.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
Office of Inspector General Report No. IA 14-501B (...cont'd)	December, 2015	<i>Division of Rehabilitation and Liquidation (DRL) – Monitoring and Oversight Processes and Stewardship of Insurer Assets</i>	<p>Finding 11: The DRL's procedures for the periodic review of information technology (IT) system access privileges were not adequate to ensure that the reviews were properly and timely completed.</p> <p>Recommendation: The DRL should enhance its access control procedures to ensure consistency and compliance with DFS AP&P 4-05. Controls should be strengthened to ensure that access reviews are timely performed and that procedures provide sufficient guidance to result in effective audits. Consideration should be given to the need for the Application Access Control Request Form Audits, which appear to duplicate (in some respects) the Current Access Reviews and serve primarily to verify whether DRL's IT Section is processing the access control requests forms. Finally, DRL should improve procedures to ensure that an ASO is continuously assigned for all IT systems.</p>	<p>Ongoing: The Division's IT system access control review procedures were revised. The Division is evaluating additional procedures to enhance the controls for access reviews.</p>	
			<p>Finding 12: The DRL's administration of insurer IT systems was not always adequate to demonstrate that access was properly authorized.</p> <p>Recommendation: The DRL should enhance its access authorization procedures to ensure that access to company IT systems is timely and properly authorized and documented. Access forms should be completed in a manner that clearly identifies the systems for which access is requested; the level of access requested; and signatures of all required parties.</p>	<p>Closed. The Division enhanced its policies and procedures for administering access to insurers' IT systems.</p>	
			<p>Finding 13: Certain security controls related to IT system access and monitoring need improvement.</p> <p>Recommendation: The DRL should improve, for DRL and insurer systems, certain security controls related to system access and monitoring to ensure the confidentiality, integrity and availability of system data and resources.</p>	<p>Ongoing: The Division continues to address security controls.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
Office of Inspector General Report No. IA 14-501A	December, 2014	<i>Division of Rehabilitation and Liquidation – Disbursement and Receipting Processes</i>	<p>Finding 1: Certain staff duties related to the disbursement and receipting processes were not appropriately segregated to result in effective internal controls.</p> <p>Recommendation: The Division of Rehabilitation and Liquidation (DRL) should review the position descriptions of all staff to ensure that they are current and that duties are assigned in a manner to reflect an appropriate segregation of duties. The DRL should consider centralizing its cash receipting function in Tallahassee and directing all payments to the Tallahassee office. Given the limited staffing in Miami, this may result in improved controls over DRL's receipting processes and increased efficiency in the Miami office since staff currently performing receipting functions will be able to focus their time on their core duties. Consideration should also be given to removing vendor/contract set-up functions from the Accounting Section. Alternatively, DRL could implement compensating controls such as a periodic review of the vendor file by an independent party.</p>	<p>Ongoing: The Division reviewed their position descriptions and centralized its cash receipting functions. The Division is evaluating additional controls for vendor data management.</p>	
			<p>Finding 2: The adequacy and effectiveness of DRL's internal controls related to its receipting process need strengthening to ensure that receipts are properly safeguarded and accurately recorded in the accounting records.</p> <p>Recommendation: The DRL should revise its existing cash receipting and related policies and procedures to enhance controls designed to safeguard cash receipts, including those receipts subsequently returned to the sender. The DRL should undertake activities to increase staff awareness regarding internal controls and review its cash receipting processes in an effort to reduce the time it takes to deposit checks. The DRL may recognize efficiencies and improved internal controls by transferring Miami's cash receipting function to the Tallahassee office. In addition, controls should be strengthened to ensure that all receipts are properly and timely dispositioned (i.e., either deposited or returned to the sender), and that dispositions are accurately reflected in the cash receipts log. The cash receipts log should be routinely reconciled to ensure that discrepancies are timely and properly identified and resolved.</p>	<p>Ongoing: The Division enhanced its policies and procedures and is evaluating additional controls for cash receipts.</p>	

REPORT NUMBER	PERIOD ENDING	UNIT/AREA	SUMMARY OF FINDINGS AND RECOMMENDATIONS	SUMMARY OF CORRECTIVE ACTION TAKEN	ISSUE CODE
Office of Inspector General Report No. IA 14-501A (...cont'd)	December, 2014	<i>Division of Rehabilitation and Liquidation – Disbursement and Receipting Processes</i>	<p>Finding 3: Internal controls related to DRL's blank check stock did not sufficiently ensure that the check stock was properly safeguarded.</p> <p>Recommendation: The DRL should enhance its policies and procedures to more effectively ensure that access to its blank check stock is properly restricted and the check stock is safeguarded. Additionally, the DRL should consider ordering check stock that has an "inventory" number pre-printed on the back of the check. Having such blank check stock and requiring the key log to denote how many blank checks are removed by a certain person, at a certain time, lends itself to periodic blank check stock reconciliations that would provide another means to safeguard this asset and discourage fraud.</p>	Closed. The Division replaced the blank check stock with prenumbered check stock.	
			<p>Finding 4: The procedures utilized to process DRL-issued checks, which are subsequently returned to DRL, were not sufficient to ensure that the checks were adequately safeguarded.</p> <p>Recommendation: The DRL should enhance its written policies and procedures to address DRL-issued checks, which are subsequently returned to DRL. Current procedures should be strengthened by requiring: 1) a periodic supervisory review and approval of the Returned Check Log; 2) a periodic reconciliation of the signed General Services Logs with the Returned Check Log and the physical copies of the voided checks by a person independent of the returned check process; 3) that returned checks be promptly voided in the accounting system upon receipt; and 4) that adequate documentation be maintained for an appropriate period of time.</p>	Ongoing: The Division enhanced and continues to evaluate the controls for the DRL-issued returned checks process.	
			<p>Finding 5: Procedures related to maintenance of bank signature authorities were not adequate to ensure that signature authorities were timely and properly updated.</p> <p>Recommendation: The DRL should enhance its policies and procedures to ensure that bank signature authorities are timely and properly removed and pertinent DRL staff is timely notified of the changes.</p>	Ongoing: The Division enhanced policies and procedures for the maintenance of bank signature authorities. The new procedures were evaluated and improvements identified.	

SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Budget Period: 2018 - 2019

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-15/16-070 OIR OIG	12/27/2016	Audit of OIR's Oversight of Collateral Deposited or Pledged by Entities Regulated by OIR	<p>Finding 1: OIR did not timely communicate with or respond to DFS' requests for status updates for insurer accounts with incomplete transactions. Additionally, OIR did not timely communicate the insurer's status to DFS upon receipt of the periodic market value deficiency report.</p> <p><i>The OIG acknowledged the corrective actions OIR has developed during the course of this audit and recommended sustained efforts to (1) ensure OIR timely responds to DFS reports and requests for status updates and (2) provide notification to DFS such as new applications requiring deposits, changes to an insurer's status, etc. The nature, content, and frequency of OIR notifications should reflect the items discussed and agreed to between OIR and DFS management.</i></p>	<p>Corrective Action 1: The Outstanding Request Reports and the Market Value Deficiency Reports have been assigned to a supervisor who communicates with the analyst and ensures that follow-ups are being done. The supervisor then provides updates via email to DFS.</p> <p>COA status changes, name changes, mergers and acquisitions are being monitored by supervisors to ensure timely notification to DFS. The PCFO unit will amend procedures to state the analyst is to timely notify DFS when the OIR has been made aware of above-mentioned changes.</p>	
AUD-15/16-070 OIR-OIG	12/27/2016	Audit of OIR's Oversight of Collateral Deposited or Pledged by Entities Regulated by OIR	<p>Finding 2: Insurers regulated by the PCFO unit had deposits exceeding the amount allowed by statute. Additionally, OIR did not always submit DRNs to DFS to increase the respective MRCs after becoming aware of the increase in insurer deposits through the financial review process.</p> <p><i>The OIG acknowledged the corrective actions OIR has developed during the course of this audit to monitor and enforce compliance with excess collateral restrictions. The OIG recommended OIR continue these efforts, as well as implement controls to ensure the insurer's MRC is periodically reviewed and adjusted, as appropriate, based on any changes to its collateral requirement.</i></p>	<p>Corrective Action 2: The PCFO unit is in process of designing a spreadsheet to incorporate into the annual review process that will identify companies that have collateral deposits being held under s.624.411, F.S. for which the MRC is more than 3 times the deposit amount required or permitted and then determine the appropriate course of action.</p>	

<p>AUD-15/16-070 OIR-OIG</p>	<p>12/27/2016</p>	<p>Audit of OIR's Oversight of Collateral Deposited or Pledged by Entities Regulated by OIR</p>	<p>Finding 3: OIR did not routinely perform financial reviews after an insurer is placed in a non-active status (i.e., insurer with a surrendered, revoked, expired, withdrawn, or denied COA/license). OIR did not initiate or proactively review non-active insurers to determine eligibility for the release of deposit; instead, the insurer must first submit a written request for release before a review is performed to determine eligibility for the release of deposit.</p> <p><i>The OIG recommended OIR maintain a list of non-active insurers with required deposits and perform periodic reviews to proactively determine whether the deposit requirements are still necessary, inform insurers of their collateral on deposits at the time they become non-active, or any other action management deems would be of benefit to this process. The OIG acknowledged management's concerns and the importance of safeguards and internal controls given the overall complexity of this matter. As such, the OIG recommended OIR perform a comprehensive review before taking any corrective actions or revising its current policy and practice.</i></p>	<p>Corrective Action 3: OIR will implement an annual review process to identify non-active insurers that have collateral deposits and perform a review to determine if the collateral deposit should be maintained or released to the insurer. Under review is PCFO's spreadsheet that has identified companies with collateral deposits whose status is surrendered, revoked or withdrawn to determine the appropriate course of action.</p>	
<p>AUD-16/17-065 OIR-OIG</p>	<p>7/3/2017</p>	<p>Audit of OIR Authorized Mobile Devices</p>	<p>Finding 1: OIR has an opportunity to formalize and define the mobile device inventory management process and enhance internal control activities to ensure proper stewardship and accountability over OIR resources.</p> <p><i>The OIG recommended OIR implement a formalized and defined mobile device inventory management process and enhance internal control activities to ensure proper stewardship and accountability over OIR resources. Key areas include the following:</i></p> <ul style="list-style-type: none"> <i>* Define the roles and responsibilities over OIR authorized mobile devices</i> <i>* Obtain authorized written approvals prior to issuing mobile devices</i> <i>* Complete respective PTFs for each issuance, return, and reissuance of mobile devices</i> <i>* Maintain an accurate and complete inventory of mobile devices</i> <i>* Establish a central repository of all inventory-related records to ensure such records are complete, accurate, current, and readily available for effective monitoring</i> 	<p>Corrective Action 1: The Office acknowledges the recommendation and will take steps to implement a formalized, appropriate, and enhanced mobile device inventory management process, as well as ensure proper accountability of Office resources.</p>	

<p>2017-050 Auditor General</p>	<p>11/2016</p>	<p>Operational Audit: OIR Insurer Rate Filing Review Process and Prior Audit Follow-Up</p>	<p>Finding 1: The Office did not establish policies and procedures that specify the nature and extent of the Office’s independent reviews of judgement, calculations, and conclusions made by Office actuaries and analysts during rate filing reviews or the documentation to be maintained to evidence such reviews. The Office did not always maintain documentation evidencing the independent reviews of health, property, and casualty insurer rate filings. The Office records did not always demonstrate that approved health insurer rates had been accurately communicated to insurers or appropriately reviewed by Office actuaries and analysts.</p> <p><i>The Auditor General recommended the Office management establish policies and procedures to specify the nature and extent of the Office’s independent reviews of the judgements, calculations, and conclusions made by Office actuaries and analysts during rate filing reviews and the documentation to be maintained to evidence such reviews. The Auditor General also recommended that Office management ensure that approved health insurer rates are accurately communicated to insurers and that Rate Filing Summary forms are completed and maintained for all rate filing reviews.</i></p>	<p>Corrective Action 1: The LHPR unit has developed training courses and is currently conducting classes instructing analysts on the analytic review of filings, actuarial standards of practice, and general professionalism standards. These classes train the analysts how to systematically review filings. This will assist the analysts and actuaries with the independent reviews of the calculations and conclusions. A written guidance manual documenting the review procedures is currently being developed for use of the team. In addition, they are in the process of making sure documentation is added to each filing in the comment sections showing the thought process that occurred during the review of the submissions.</p> <p>In the PCPR unit, a quality-assurance checklist has been drafted to be used for all P&C filings with a rate impact. This document would be similar to the transparency document that is included for all residential property rate filings. This document would include additional requirements: adding a brief description of the reason for any change by the Office actuary from the insurer’s indication and how the recommendations by the Office actuary were determined; adding a section where the actuary lists the location of any supporting documentation; and adding a section that lists the date that the filing was discussed with the Office’s Senior Management and the decision that was made.</p> <p>Lastly, a quality-assurance checklist is being developed for the unit to be used on a random sample basis by the supervisor to ensure that all appropriate documentation was available and that the filing closing procedures were followed. Expected implementation - performance review cycle of FY 2017-18.</p>	
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SCHEDULE IX: MAJOR AUDIT FINDINGS AND RECOMMENDATIONS

Budget Period: 2016 - 17

Department: Office of Financial Regulation

Chief Internal Auditor: Karen Fisher, Inspector General

43900540 - Bureau of Financial Investigations
43900550 - Executive Direction

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 2016-196	30-Jun-16	Bureau of Financial Investigations	<p>Bureau investigations records were not always complete and the Bureau did not always sufficiently document case review and approval activities in accordance with established procedures.</p> <p>Recommendation: Bureau management should ensure that REAL system records include all required documentation prior to closing investigations. Bureau management should also update the Standards to address documentation of case review meetings with Office attorneys and the recording of approvals of reports of investigations and closing reports within the REAL system.</p>	<p>Six-Month Follow-up Report, dated December 12, 2016: The Bureau has implemented the following corrective measures: 1) Adopted a checklist approach to records management at case closure to ensure that documents such as closing reports, civil complaints, criminal filings, and reports of investigation are recorded in the REAL System. A Case Audit Checklist form has been created in REAL. The <i>Investigative Standards and Operations Guide</i> has been updated to include the required Case Audit Checklist form. 2) Incorporated a performance measure into each investigator's performance expectations. The performance measure is titled Case Records Management and measures if all documentation has been added to REAL at case closure and the case record is complete and accurate. 3) Implemented the use of Legal Consultation (LGLC) Activity Code to document meetings with attorneys in REAL System and summarize the substance of the meeting in the Activity Notes. In addition, the requirement to include attorneys at the Investigative Case Reviews has been eliminated. This was done because the organizational structure of the agency has changed since the standards were written and it is no longer feasible or practical to include the attorneys in the Case Reviews. This information has been updated in the <i>Investigative Standards and Operations Guide</i>. 4) The <i>Investigative Standards and Operations Guide</i> has also been updated to clarify how Bureau managers record their review and approval of submitted reports in the REAL System. New Activity Codes were created for this purpose. Activity Code RAP1 signifies that a manager has approved a Closing Report and RAP2 signifies management approval of a Report of Investigation. 5) Attorneys no longer review and approve investigative reports. The <i>Investigative Standards and Operational Guide</i> was modified to remove this requirement.</p>	
Auditor General Report 2016-196	30-Jun-16	Bureau of Financial Investigations	<p>The Bureau did not always accurately record complaint information in the REAL system, appropriately acknowledge the receipt of complaints, or timely process complaints.</p> <p>Recommendation: Bureau management should ensure that complaint review activities and complaint closure reasons are appropriately recorded in the REAL system in accordance with Standards. Also Bureau management should enhance the Standards to include requirements for documenting complaint acknowledgments in REAL system and a time frame for reviewing complaints.</p>	<p>Six-Month Follow-up Report, dated December 12, 2016: The <i>Investigative Standards and Operational Guide</i> has been updated to reflect a requirement that complaints and closing decisions be acknowledged to the complainant in writing except in instances where management's review of the facts and circumstances of the case argue against a written acknowledgment. The <i>Investigative Standards and Operational Guide</i> was also updated to reflect that complaint review and closure reasons are appropriately recorded in REAL and encourage Bureau managers to review and either assign or close complaints within 30 days. The Bureau conducted training with staff specifically on these issues of complaint acknowledgments and complaint closing decisions, on June 21, 2016 at the Bureau's Annual Training Conference. In addition, upon hire each investigator is required to read and attest that they understand the <i>Investigative Standards and Operational Guide</i>.</p>	
Auditor General Report 2016-196	30-Jun-16	Bureau of Financial Investigations	<p>Quarterly case reviews designed to ensure that investigations complied with investigative standards, policies, and operational memoranda were not adequately documented.</p>	<p>Six-Month Follow-up Report, dated December 12, 2016: The Bureau has updated its <i>Investigative Standards and Operational Guide</i> to specify the manner in which the quarterly case reviews will be conducted. Finding 3 and the Bureau's response to the finding were discussed in detail at the Bureau's Annual Training Conference on June 21, 2016, as evidenced by the training agenda and PowerPoint. Additionally, all investigators and the Investigations Managers were reminded at the beginning of the case reviews held in August/September 2016 of their responsibilities outlined in the <i>Investigative Standards and Operations Guide</i>. This step will be repeated once again during the scheduled December 2016 case reviews.</p>	

			<p>Recommendation: Bureau management should revise the Standards to specify the manner in which quarterly case reviews are to be conducted and documented.</p>	
Auditor General Report 2016-196	30-Jun-16	Bureau of Financial Investigations	<p>The Bureau did not conduct periodic inventories of evidence rooms.</p> <p>Recommendation: Bureau management should ensure that periodic inventories of all evidence rooms are conducted by personnel independent of the evidence inventory record and custodial functions and that the results are timely reconciled to evidence logs.</p>	<p>Six-Month Follow-up Report, dated December 12, 2016: The Bureau no longer maintains evidence rooms in any of its offices and has not taken in any new evidence since the time of the audit response. The Bureau still has some evidence from older cases and is in the process of disposing of it. Going forward, in instances where the Bureau participates in searches, all evidence taken into custody is held and maintained by the law enforcement agency responsible for executing the search warrant.</p>
Auditor General Report 2016-196	30-Jun-16	Executive Direction and Support Services	<p>The Office did not make or obtain an independent and periodic assessment of the effectiveness of relevant contractor controls for the REAL system.</p> <p>Recommendation: Because of the critical nature of the REAL system data, Office management should make or obtain an independent and periodic assessment of the contractor's relevant internal controls, including documentation to support that required level 2 screenings of contractor employees are performed.</p>	<p>Six-Month Follow-up Report, dated December 12, 2016: OFR received a copy of the REAL contractor's Service Organization Control (SOC) 1 Report for the time-period January 1, 2016 to October 1, 2016. The SOC report addresses one of the REAL contractor's other locations in another state. The REAL contractor indicated that this report is what the contractor provides for these type inquires. There is a <i>Complementary User Entity Controls</i> section that indicates that report only covers a portion of a comprehensive internal control structure and list the areas of the internal control structure the client may have responsibility for, to include: security access and change management. The OFR Contract Manager has established an internal process to include the REAL contractor and the Department of Financial Services (DFS), Office of Information Technology (OIT) (previously, Division of Information Systems) to capture change schedules and determine their impact on REAL. The REAL System deployment efforts are captured within the OIT System through the OIT Remedy System which is in accordance with OIT's Procedure No. DIS-015, DIS Change Management and DFS AP&P 4-17, Change Management. In addition, effective October 28, 2016, OFR entered a new contract with Accenture to complete REAL System improvement initiatives, and ongoing operations and maintenance services. This contract includes requirements that all contractor and subcontractor staff complete a level 2 fingerprint and background clearance, and sign a Non-Disclosure Agreement prior to being granted access to OFR's network and to the REAL System. In addition, this contract includes requirements that all contractor and subcontractor staff complete Criminal Justice Information Systems Security Awareness training, and sign a Security Addendum prior to being granted access to OFR's network and to the REAL System, which is in accordance with OIT's AP&P 4-01, CJIS Management Directive, and Local Security Policy. The level 2 fingerprint and background clearances have been completed. The Non-Disclosure Agreements, completion of Criminal Justice Systems Security Awareness training and signed Security Addendum documentation has been received and maintained by the Contract Manager.</p>
Auditor General Report 2016-196	30-Jun-16	Executive Direction and Support Services	<p>REAL system controls need improvement to ensure that user access privileges are limited to only those necessary for the user's assigned job responsibilities and to demonstrate that user access privileges are timely deactivated upon a user's separation from Office or contractor employment.</p>	<p>Six-Month Follow-up Report, December 12, 2016: OFR performed the required review of REAL System access for OFR users in January 2016, during the audit fieldwork; however, OFR did not perform the next review until November 2016. OFR REAL Procedure REAL-02 requires that a review of REAL System access for OFR users be conducted quarterly. There are compensating controls in place that mitigate certain risks if a quarterly review is not performed. The OFR has pre-established access privileges associated with each OFR position that is a REAL System user in the REAL System Procedures - Security Access Process document. Unless an employee changes positions within the agency those access privileges do not change. If an employee changes positions within the agency there is an established process for requesting and revising the employees access privileges, which must be done immediately so that the employee can perform the functions in the new position. All this activity is tracked and documented. The REAL access quarterly review serves as a follow-up control to ensure these functions were properly performed. When an employee separates from the OFR, their DFS Network access is terminated immediately. If the DFS Network access is terminated, REAL cannot be accessed. A meeting was held with the OFR personnel responsible for the quarterly access reviews and all parties have acknowledged an understanding of their responsibilities pertaining to REAL access reviews and protecting REAL data.</p>

			<p>Recommendation: Office management should document the access privileges associated with each established REAL system user access role and ensure that periodic reviews of user access privileges are performed and documented in accordance with Office policies and procedures. Office management should also enhance procedures to ensure that REAL system user access privileges are timely deactivated upon an employee's separation from Office or contracted employment and that such deactivation be appropriately documented.</p>	
Auditor General Report 2016-196	30-Jun-16	Executive Direction and Support Services	<p>Certain security controls related to the logging and deleting of files in the REAL system need improvement to better protect the confidentiality, integrity, and availability of REAL system data and IT resources.</p> <p>Recommendation: Office management should strengthen certain security controls related to the logging and deleting of files to ensure the continued confidentiality, integrity, and availability of REAL system data and related IT resources.</p>	<p>Six-Month Follow-up Report, dated December 12, 2016: In May 2016, OFR began a project with the Department of Financial Services, Office of Information Technology (OIT) to migrate its document management functions into OIT's Enterprise FileNet System. This effort was completed in September 2016, and the REAL System FileNet/documents and document management functions are now integrated and incorporated into OIT's System. The FileNet Administrator (DFS-OIT employee) maintains an audit log which tracks all deletions on FileNet.</p>
Auditor General Report 2016-196	30-Jun-16	Division of Consumer Finance	<p>The Office did not ensure that all referrals for investigation were appropriately submitted to the Department of Financial Services, Division of Insurance Fraud, or were recorded in the REAL system.</p> <p>Recommendation: Office management should take appropriate actions to ensure that all referrals are appropriately sent to the Division and accurately identified in the REAL system.</p>	<p>Six Month Follow-up Report, dated, December 12, 2016: The Division of Consumer Finance has developed a written procedure for referring Reports of Examination to the Division of Investigative and Forensic Services (previously named the Division of Insurance Fraud) and following up with the Division of Investigative and Forensic Services if a response is not received.</p>
Auditor General Report 2016-196	30-Jun-16	Division of Consumer Finance	<p>Follow-Up to Auditor General Report 2013-031: As similarly noted in report 2013-031, Office records for commercial collection agency renewal registrations did not always include all the information required by State law.</p> <p>Recommendations: Office management should take steps to ensure that all requirements of State law are satisfied by commercial collection agencies prior to issuing renewal registrations.</p>	<p>Six-Month Follow-up Report, Dated, December 12, 2016: The Division of Consumer Finance hired an OPS employee to conduct a review of all the Commercial Collection Agency registrants to identify any missing information required by law. A deficiency letter is being issued to any registrant with missing information.</p>
<i>Office of Policy and Budget - June 2017</i>				

Fiscal Year 2018-19 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, 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 (no trust fund files for narrative columns)? Is Column A02 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for the Trust Fund Files (the Budget Files should already be on TRANSFER CONTROL for DISPLAY and MANAGEMENT CONTROL for UPDATE)? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only (UPDATE status remains on OWNER)? (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 Column A12 security been set correctly to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status? (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 after all audits have been corrected, reports are complete, and data verified for final submission; 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.					
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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 <i>Section 3</i> of the LBR Instructions (pages 15 through 29)? Do they clearly describe the issue?	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
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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
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Action		Program or Service (Budget Entity Codes)				
		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, a 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 62 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 [with a \$5,000 allowance] 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 [with a \$5,000 allowance at the department level] 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 <u>adjustment made to the object data.</u>					
TIP	If fund totals and object totals do not agree or negative object amounts exist, the agency <u>must adjust Column A01.</u>					
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 2016-17 approved budget. Amounts <u>should be positive. The \$5,000 allowance is necessary for rounding.</u>					
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.					
6. EXHIBIT D-3 (ED3R, ED3) (Not required in the LBR - for analytical purposes only.)						
6.1	Are issues appropriately aligned with appropriation categories?	Y	Y	Y	Y	Y
TIP	Exhibit D-3 is not 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.					

Action		Program or Service (Budget Entity Codes)				
		43010	43100	43200	43300	43400
7. EXHIBIT D-3A (EADR, ED3A) (Required to be posted to the Florida Fiscal Portal)						
7.1	Are the issue titles correct and do they clearly identify the issue? (See pages 15 through 29 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 pages 67 through 69 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 72 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. (See pages 95 and 96 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.8	Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	N/A	N/A	N/A	N/A	N/A
7.9	Does the issue narrative reference the specific county(ies) where applicable?	N/A	N/A	N/A	N/A	N/A
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 #18-005?	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 <u>not</u> 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
7.16	Do the issue codes relating to special <i>salary and benefits</i> issues (e.g., position reclassification, pay grade adjustment, overtime/on-call pay, etc.) have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See pages 28 and 90 of the LBR Instructions.)	Y	Y	Y	Y	Y
7.17	Do the issues relating to <i>Information Technology (IT)</i> have a "C" in the sixth position of the issue code (36XXXXCX) and are the correct issue codes used (361XXC0, 362XXC0, 363XXC0, 17C01C0, 17C02C0, 17C03C0, 24010C0, 33001C0, 30010C0, 33011C0, 160E470, 160E480 or 55C01C0)?	Y	Y	Y	Y	Y
7.18	Are the issues relating to <i>major audit findings and recommendations</i> properly coded (4A0XXX0, 4B0XXX0)?	N/A	N/A	N/A	N/A	N/A
7.19	Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	N/A	N/A	N/A	N/A	N/A

Action		Program or Service (Budget Entity Codes)				
		43010	43100	43200	43300	43400
AUDIT:						
7.20	Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? (GENR, LBR1)	Y	Y	Y	Y	Y
7.21	Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? (GENR, LBR2)	Y	Y	Y	Y	Y
7.22	Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? (GENR, LBR3)	Y	Y	Y	Y	Y
7.23	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))	Y	Y	Y	Y	Y
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 67 through 72 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).					
TIP	If an appropriation made in the FY 2017-18 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) (Required to be posted to the Florida Fiscal Portal)						
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?	N/A	N/A	N/A	N/A	N/A

Action		Program or Service (Budget Entity Codes)				
		43010	43100	43200	43300	43400
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?	N/A	N/A	N/A	N/A	N/A
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
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, Section III?	Y	Y	Y	Y	Y
8.25	Are current year September operating reversions (if available) appropriately shown in column A02, Section III?	N	N	N	N	N
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?	N/A	N/A	N/A	N/A	N/A
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

Action		Program or Service (Budget Entity Codes)				
		43010	43100	43200	43300	43400
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 ALL trust funds having an unreserved fund balance in columns A01, A02 and/or A03, and if so, does each column's total agree with line I of the Schedule I?	Y	Y	Y	Y	Y
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 128 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 <i>Base Rate Audit</i> on page 158 of the LBR Instructions.)	Y	Y	Y	Y	Y
10. SCHEDULE III (PSCR, SC3)						
10.1	Is the appropriate lapse amount applied? (See page 93 of the LBR Instructions.)	Y	Y	Y	Y	Y
10.2	Are amounts in <i>Other Salary Amount</i> appropriate and fully justified? (See page 96 of the LBR Instructions for appropriate use of the OAD transaction.) Use OADI or OADR to identify agency other salary amounts requested.	Y	Y	Y	Y	Y
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 (with "C" in 6th position or within a program component of 1603000000), 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 be included in the priority listing.	Y	Y	Y	Y	Y
13. SCHEDULE VIIIB-1 (EADR, S8B1)						
13.1	NOT REQUIRED FOR THIS YEAR	N/A	N/A	N/A	N/A	N/A
14. SCHEDULE VIIIB-2 (EADR, S8B2) (Required to be posted to the Florida Fiscal Portal)						
14.1	Do the reductions comply with the instructions provided on pages 102 through 104 of the LBR Instructions regarding a 10% reduction in recurring General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used? Verify that excluded appropriation categories and funds were not used (e.g. funds with FSI 3 and 9, etc.)	Y	Y	Y	Y	Y

Action		Program or Service (Budget Entity Codes)				
		43010	43100	43200	43300	43400
15. SCHEDULE VIII C (EADR, S8C) (This Schedule is optional, but if included it is required to be posted to the Florida Fiscal Portal)						
15.1	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?	N/A	N/A	N/A	N/A	N/A
15.2	Are the priority narrative explanations adequate and do they follow the guidelines on pages 105-107 of the LBR instructions?	N/A	N/A	N/A	N/A	N/A
15.3	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?	N/A	N/A	N/A	N/A	N/A
AUDIT:						
15.6	Do the issues net to zero at the department level? (GENR, LBR5)	N/A	N/A	N/A	N/A	N/A
16. SCHEDULE XI (USCR, SCXI) (LAS/PBS Web - see pages 108-112 of the LBR Instructions for detailed instructions) (Required to be posted to the Florida Fiscal Portal in Manual Documents)						
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 2016-17 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.					
17. MANUALLY PREPARED EXHIBITS & SCHEDULES (Required to be posted to the Florida Fiscal Portal)						
17.1	Do exhibits and schedules comply with LBR Instructions (pages 113 through 155 of the LBR Instructions), and are they accurate and complete?	Y	Y	Y	Y	Y
17.2	Does manual exhibits tie to LAS/PBS 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 Schedule IV-B for each IT project over \$1 million (see page 131 of the LBR instructions for exceptions to this rule)? Have all IV-Bs been emailed to: IT@LASPBS.STATE.FL.US ?	Y	Y	Y	Y	Y
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) ?	Y	Y	Y	Y	Y

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

AUDITS - GENERAL INFORMATION

TIP	Review <i>Section 6: Audits</i> of the LBR Instructions (pages 157-159) 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) (Required to be posted to the Florida Fiscal Portal)

18.1	Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	Y	Y	Y	Y	Y
18.2	Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP Instructions)?	Y	Y	Y	Y	Y
18.3	Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	Y	Y	Y	Y	Y
18.4	Does the agency request include 5 year projections (Columns A03, A06, A07, A08 and A09)?	Y	Y	Y	Y	Y
18.5	Are the appropriate counties identified in the narrative?	Y	Y	Y	Y	Y
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?	Y	Y	Y	Y	Y
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	Y	Y	Y
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	Program or Service (Budget Entity Codes)				
Action	43010	43100	43200	43300	43400

Fiscal Year 2018-19 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.

	Program or Service (Budget Entity Codes)				
Action	43500	43600	43700		

1. GENERAL

1.1	Are Columns A01, 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 (no trust fund files for narrative columns)? Is Column A02 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for the Trust Fund Files (the Budget Files should already be on TRANSFER CONTROL for DISPLAY and MANAGEMENT CONTROL for UPDATE)? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only (UPDATE status remains on OWNER)? (CSDI)	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		

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		
1.4	Has Column A12 security been set correctly to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status? (CSDR, CSA)	Y	Y	Y		

TIP The agency should prepare the budget request for submission in this order: 1) Lock columns as described above after all audits have been corrected, reports are complete, and data verified for final submission; 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		
2.2	Are the statewide issues generated systematically (estimated expenditures, nonrecurring expenditures, etc.) included?	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		

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		
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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		
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Action		Program or Service (Budget Entity Codes)				
		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		
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. <u>Records selected should net to zero.</u>					
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, a 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 62 of the LBR Instructions?	Y	Y	Y		
4.2	Is the program component code and title used correct?	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		
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		
5.3	FLAIR Expenditure/Appropriation Ledger Comparison Report: Is Column A01 less than Column B04? (EXBR, EXBB - Negative differences [with a \$5,000 allowance] need to be corrected in Column A01.)	Y	Y	Y		
5.4	A01/State Accounts Disbursements and Carry Forward Comparison Report: Does Column A01 equal Column B08? (EXBR, EXBD - Differences [with a \$5,000 allowance at the department level] need to be corrected in Column A01.)	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 <u>adjustment made to the object data.</u>					
TIP	If fund totals and object totals do not agree or negative object amounts exist, the agency must <u>adjust Column A01.</u>					
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 2016-17 approved budget. Amounts <u>should be positive. The \$5,000 allowance is necessary for rounding.</u>					
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.					
6. EXHIBIT D-3 (ED3R, ED3) (Not required in the LBR - for analytical purposes only.)						
6.1	Are issues appropriately aligned with appropriation categories?	Y	Y	Y		
TIP	Exhibit D-3 is not 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 <u>negative appropriation category problems.</u>					

Action		Program or Service (Budget Entity Codes)				
		43010	43100	43200	43300	43400
7. EXHIBIT D-3A (EADR, ED3A) (Required to be posted to the Florida Fiscal Portal)						
7.1	Are the issue titles correct and do they clearly identify the issue? (See pages 15 through 29 of the LBR Instructions.)	Y	Y	Y		
7.2	Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See pages 67 through 69 of the LBR Instructions.)	Y	Y	Y		
7.3	Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 69 through 72 of the LBR Instructions?	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		
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		
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		
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. (See pages 95 and 96 of the LBR Instructions.)	Y	Y	Y		
7.8	Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	N/A	N/A	N/A		
7.9	Does the issue narrative reference the specific county(ies) where applicable?	N/A	N/A	N/A		
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 #18-005?	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 <u>not</u> be deleted. (PLRR, PLMO)	Y	Y	Y		
7.12	Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	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		
7.14	Do the amounts reflect appropriate FSI assignments?	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		
7.16	Do the issue codes relating to special <i>salary and benefits</i> issues (e.g., position reclassification, pay grade adjustment, overtime/on-call pay, etc.) have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See pages 28 and 90 of the LBR Instructions.)	Y	Y	Y		
7.17	Do the issues relating to <i>Information Technology (IT)</i> 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, 30010C0, 33011C0, 160E470, 160E480 or 55C01C0)?	Y	Y	Y		
7.18	Are the issues relating to <i>major audit findings and recommendations</i> properly coded (4A0XXX0, 4B0XXX0)?	N/A	N/A	N/A		
7.19	Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	N/A	N/A	N/A		

Action		Program or Service (Budget Entity Codes)				
		43010	43100	43200	43300	43400
AUDIT:						
7.20	Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? (GENR, LBR1)	Y	Y	Y		
7.21	Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? (GENR, LBR2)	Y	Y	Y		
7.22	Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? (GENR, LBR3)	Y	Y	Y		
7.23	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))	Y	Y	Y		
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 67 through 72 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).					
TIP	If an appropriation made in the FY 2017-18 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) (Required)						
8.1	Has a separate department level Schedule I and supporting documents package been submitted by the agency?	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		
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		
8.4	Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	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		
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		
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?	N/A	N/A	N/A		

Action		Program or Service (Budget Entity Codes)				
		43010	43100	43200	43300	43400
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		
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		
8.10	Are the statutory authority references correct?	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		
8.12	Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	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		
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		
8.15	Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	Y	Y	Y		
8.16	Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-3A?	Y	Y	Y		
8.17	If applicable, are nonrecurring revenues entered into Column A04?	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		
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		
8.20	Are appropriate General Revenue Service Charge nonoperating amounts included in Section II?	Y	Y	Y		
8.21	Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	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		
8.23	Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	Y	Y	Y		
8.24	Are prior year September operating reversions appropriately shown in column A01, Section III?	Y	Y	Y		
8.25	Are current year September operating reversions (if available) appropriately shown in column A02, Section III?	N	N	N		
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		
8.27	Has the agency properly accounted for continuing appropriations (category 13XXXX) in column A01, Section III?	N/A	N/A	N/A		
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		
8.29	Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	Y	Y	Y		

Action		Program or Service (Budget Entity Codes)				
		43010	43100	43200	43300	43400
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		
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		
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		
8.33	Has a Schedule IB been provided for ALL trust funds having an unreserved fund balance in columns A01, A02 and/or A03, and if so, does each column's total agree with line I of the Schedule I?	Y	Y	Y		
8.34	Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	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 128 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 <i>Base Rate Audit</i> on page 158 of the LBR Instructions.)	Y	Y	Y		
10. SCHEDULE III (PSCR, SC3)						
10.1	Is the appropriate lapse amount applied? (See page 93 of the LBR Instructions.)	Y	Y	Y		
10.2	Are amounts in <i>Other Salary Amount</i> appropriate and fully justified? (See page 96 of the LBR Instructions for appropriate use of the OAD transaction.) Use OADI or OADR to identify agency other salary amounts requested.	Y	Y	Y		
11. SCHEDULE IV (EADR, SC4)						
11.1	Are the correct Information Technology (IT) issue codes used?	Y	Y	Y		
TIP	If IT issues are not coded (with "C" in 6th position or within a program component of 1603000000), 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 be included in the priority listing.	Y	Y	Y		
13. SCHEDULE VIIIB-1 (EADR, S8B1)						
13.1	NOT REQUIRED FOR THIS YEAR	N/A	N/A	N/A		
14. SCHEDULE VIIIB-2 (EADR, S8B2) (Required to be posted to the Florida Fiscal Portal)						
14.1	Do the reductions comply with the instructions provided on pages 102 through 104 of the LBR Instructions regarding a 10% reduction in recurring General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used? Verify that excluded appropriation categories and funds were not used (e.g. funds with FSI 3 and 9, etc.)	Y	Y	Y		

Action		Program or Service (Budget Entity Codes)				
		43010	43100	43200	43300	43400
15. SCHEDULE VIIIIC (EADR, S8C) (This Schedule is optional, but if included it is required to be posted to the Florida						
15.1	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?	N/A	N/A	N/A		
15.2	Are the priority narrative explanations adequate and do they follow the guidelines on pages 105-107 of the LBR instructions?	N/A	N/A	N/A		
15.3	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?	N/A	N/A	N/A		
AUDIT:						
15.6	Do the issues net to zero at the department level? (GENR, LBR5)	N/A	N/A	N/A		
16. SCHEDULE XI (USCR, SCXD) (LAS/PBS Web - see pages 108-112 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		
16.2	Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP and LBR match?	Y	Y	Y		
AUDITS INCLUDED IN THE SCHEDULE XI REPORT:						
16.3	Does the FY 2016-17 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? (GENR, ACT1)	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		
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		
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 <u>Schedule XI submitted again.</u>)	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		
TIP	If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					
17. MANUALLY PREPARED EXHIBITS & SCHEDULES (Required to be posted to the Florida Fiscal Portal)						
17.1	Do exhibits and schedules comply with LBR Instructions (pages 113 through 155 of the LBR Instructions), and are they accurate and complete?	Y	Y	Y		
17.2	Does manual exhibits tie to LAS/PBS where applicable?	Y	Y	Y		
17.3	Are agency organization charts (Schedule X) provided and at the appropriate level of detail?	Y	Y	Y		
17.4	Does the LBR include a separate Schedule IV-B for each IT project over \$1 million (see page 131 of the LBR instructions for exceptions to this rule)? Have all IV-Bs been emailed to: IT@LASPBS.STATE.FL.US?	Y	Y	Y		
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) ?	Y	Y	Y		

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

AUDITS - GENERAL INFORMATION

TIP	Review <i>Section 6: Audits</i> of the LBR Instructions (pages 157-159) 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) (Required to be posted to the Florida Fiscal Portal)

18.1	Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	Y	Y	Y		
18.2	Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP Instructions)?	Y	Y	Y		
18.3	Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	Y	Y	Y		
18.4	Does the agency request include 5 year projections (Columns A03, A06, A07, A08 and A09)?	Y	Y	Y		
18.5	Are the appropriate counties identified in the narrative?	Y	Y	Y		
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?	Y	Y	Y		
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	Y		
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Fiscal Year 2018-19 LBR Technical Review Checklist

Department/Budget Entity (Service): Office of Insurance Regulation
Agency Budget Officer/OPB Analyst Name: Richard Fox

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)				
	43900110	43900120			

1. GENERAL

1.1 Are Columns A01, 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 (no trust fund files for narrative columns)? Is Column A02 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for the Trust Fund Files (the Budget Files should already be on TRANSFER CONTROL for DISPLAY and MANAGEMENT CONTROL for UPDATE)? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only (UPDATE status remains on OWNER)? (CSDI)	N/A	N/A			
1.2 Is Column A03 set to TRANSFER CONTROL for DISPLAY and UPDATE status for both the Budget and Trust Fund columns? (CSDI)	N/A	N/A			

AUDITS:

1.3 Has Column A03 been copied to Column A12? Run the Exhibit B Audit Comparison Report to verify. (EXBR, EXBA)	N/A	N/A			
1.4 Has Column A12 security been set correctly to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status? (CSDR, CSA)	N/A	N/A			

TIP The agency should prepare the budget request for submission in this order: 1) Lock columns as described above after all audits have been corrected, reports are complete, and data verified for final submission; 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 <i>Section 3</i> of the LBR Instructions (pages 15 through 29)? Do they clearly describe the issue?	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			
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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			
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			

		Program or Service (Budget Entity Codes)				
Action		43900110	43900120			
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, a 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 62 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)						
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 [with a \$5,000 allowance] 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 [with a \$5,000 allowance at the department level] 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 2016-17 approved budget. Amounts should be positive. The \$5,000 allowance is necessary for rounding.					
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.					
6. EXHIBIT D-3 (ED3R, ED3) (Not required in the LBR - for analytical purposes only.)						
6.1	Are issues appropriately aligned with appropriation categories?	N/A	N/A			
TIP	Exhibit D-3 is not 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) (Required to be posted to the Florida Fiscal Portal)						
7.1	Are the issue titles correct and do they clearly identify the issue? (See pages 15 through 29 of the LBR Instructions.)	N/A	N/A			
7.2	Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See pages 67 through 69 of the LBR Instructions.)	N/A	N/A			

Action		Program or Service (Budget Entity Codes)				
		43900110	43900120			
7.3	Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 69 through 72 of the LBR Instructions?	N/A	N/A			
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?	N/A	N/A			
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.)	N/A	N/A			
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.	N/A	N/A			
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. (See pages 95 and 96 of the LBR Instructions.)	N/A	N/A			
7.8	Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	N/A	N/A			
7.9	Does the issue narrative reference the specific county(ies) where applicable?	N/A	N/A			
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 #18-005?	N/A	N/A			
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)	N/A	N/A			
7.12	Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	N/A	N/A			
7.13	Has the agency included a 160XXX0 issue and 210XXXX and 260XXX0 issues as required for lump sum distributions?	N/A	N/A			
7.14	Do the amounts reflect appropriate FSI assignments?	N/A	N/A			
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.	N/A	N/A			
7.16	Do the issue codes relating to special <i>salary and benefits</i> issues (e.g., position reclassification, pay grade adjustment, overtime/on-call pay, etc.) have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See pages 28 and 90 of the LBR Instructions.)	N/A	N/A			
7.17	Do the issues relating to <i>Information Technology (IT)</i> 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, 30010C0, 33011C0, 160E470, 160E480 or 55C01C0)?	N/A	N/A			
7.18	Are the issues relating to <i>major audit findings and recommendations</i> properly coded (4A0XXX0, 4B0XXX0)?	N/A	N/A			
7.19	Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	N/A	N/A			
AUDIT:						
7.20	Does the General Revenue for 160XXXX (Adjustments to Current Year Expenditures) issues net to zero? (GENR, LBR1)	N/A	N/A			
7.21	Does the General Revenue for 180XXXX (Intra-Agency Reorganizations) issues net to zero? (GENR, LBR2)	N/A	N/A			
7.22	Does the General Revenue for 200XXXX (Estimated Expenditures Realignment) issues net to zero? (GENR, LBR3)	N/A	N/A			

Action		Program or Service (Budget Entity Codes)				
		43900110	43900120			
7.23	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 67 through 72 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).					
TIP	If an appropriation made in the FY 2017-18 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) (Required to be posted to the Florida Fiscal Portal)						
8.1	Has a separate department level Schedule I and supporting documents package been submitted by the agency?	N/A	N/A			
8.2	Has a Schedule I and Schedule IB been completed in LAS/PBS for each operating trust fund?	N/A	N/A			
8.3	Have the appropriate Schedule I supporting documents been included for the trust funds (Schedule IA, Schedule IC, and Reconciliation to Trial Balance)?	N/A	N/A			
8.4	Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	N/A	N/A			
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)?	N/A	N/A			
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?	N/A	N/A			
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?	N/A	N/A			
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?	N/A	N/A			
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)?	N/A	N/A			
8.10	Are the statutory authority references correct?	N/A	N/A			
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.)	N/A	N/A			

Action		Program or Service (Budget Entity Codes)				
		43900110	43900120			
8.12	Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	N/A	N/A			
8.13	If there is no Consensus Estimating Conference forecast available, do the revenue estimates appear to be reasonable?	N/A	N/A			
8.14	Are the federal funds revenues reported in Section I broken out by individual grant? Are the correct CFDA codes used?	N/A	N/A			
8.15	Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	N/A	N/A			
8.16	Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-3A?	N/A	N/A			
8.17	If applicable, are nonrecurring revenues entered into Column A04?	N/A	N/A			
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?	N/A	N/A			
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?	N/A	N/A			
8.20	Are appropriate General Revenue Service Charge nonoperating amounts included in Section II?	N/A	N/A			
8.21	Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	N/A	N/A			
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.)	N/A	N/A			
8.23	Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	N/A	N/A			
8.24	Are prior year September operating reversions appropriately shown in column A01, Section III?	N/A	N/A			
8.25	Are current year September operating reversions (if available) appropriately shown in column A02, Section III?	N/A	N/A			
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?	N/A	N/A			
8.27	Has the agency properly accounted for continuing appropriations (category 13XXXX) in column A01, Section III?	N/A	N/A			
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?	N/A	N/A			
8.29	Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	N/A	N/A			
AUDITS:						
8.30	Is Line I a positive number? (If not, the agency must adjust the budget request to eliminate the deficit).	N/A	N/A			
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")	N/A	N/A			
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)	N/A	N/A			
8.33	Has a Schedule IB been provided for ALL trust funds having an unreserved fund balance in columns A01, A02 and/or A03, and if so, does each column's total agree with line I of the Schedule I?	N/A	N/A			
8.34	Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	N/A	N/A			

		Program or Service (Budget Entity Codes)				
Action		43900110	43900120			
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 128 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 <i>Base Rate Audit</i> on page 158 of the LBR Instructions.)	N/A	N/A			
10. SCHEDULE III (PSCR, SC3)						
10.1	Is the appropriate lapse amount applied? (See page 93 of the LBR Instructions.)	N/A	N/A			
10.2	Are amounts in <i>Other Salary Amount</i> appropriate and fully justified? (See page 96 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)						
11.1	Are the correct Information Technology (IT) issue codes used?	N/A	N/A			
TIP	If IT issues are not coded (with "C" in 6th position or within a program component of 1603000000), 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 be included in the priority listing.	N/A	N/A			
13. SCHEDULE VIIIB-1 (EADR, S8B1)						
13.1	NOT REQUIRED FOR THIS YEAR	N/A	N/A			
14. SCHEDULE VIIIB-2 (EADR, S8B2) (Required to be posted to the Florida Fiscal Portal)						
14.1	Do the reductions comply with the instructions provided on pages 102 through 104 of the LBR Instructions regarding a 10% reduction in recurring General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used? Verify that excluded appropriation categories and funds were not used (e.g. funds with FSI 3 and 9, etc.)	Y	Y			
15. SCHEDULE VIIIC (EADR, S8C) (This Schedule is optional, but if included it is required to be posted to the Florida Fiscal Portal)						
15.1	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?	N/A	N/A			
15.2	Are the priority narrative explanations adequate and do they follow the guidelines on pages 105-107 of the LBR instructions?	N/A	N/A			
15.3	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?	N/A	N/A			
AUDIT:						
15.6	Do the issues net to zero at the department level? (GENR, LBR5)	N/A	N/A			
16. SCHEDULE XI (USCR, SCXI) (LAS/PBS Web - see pages 108-112 of the LBR Instructions for detailed instructions) (Required to be posted to the Florida Fiscal Portal in Manual Documents)						

Action		Program or Service (Budget Entity Codes)				
		43900110	43900120			
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.)	N/A	N/A			
16.2	Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP and LBR match?	N/A	N/A			
AUDITS INCLUDED IN THE SCHEDULE XI REPORT:						
16.3	Does the FY 2016-17 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? (GENR, ACT1)	N/A	N/A			
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")	N/A	N/A			
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")	N/A	N/A			
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	N/A	N/A			
16.7	Does Section I (Final Budget for Agency) and Section III (Total Budget for Agency) equal? (Audit #4 should print "No Discrepancies Found")	N/A	N/A			
TIP	If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					
17. MANUALLY PREPARED EXHIBITS & SCHEDULES (Required to be posted to the Florida Fiscal Portal)						
17.1	Do exhibits and schedules comply with LBR Instructions (pages 113 through 155 of the LBR Instructions), and are they accurate and complete?	N/A	N/A			
17.2	Does manual exhibits tie to LAS/PBS where applicable?	N/A	N/A			
17.3	Are agency organization charts (Schedule X) provided and at the appropriate level of	N/A	N/A			
17.4	Does the LBR include a separate Schedule IV-B for each IT project over \$1 million (see page 131 of the LBR instructions for exceptions to this rule)? Have all IV-Bs been emailed to: IT@LASPBS.STATE.FL.US ?	N/A	N/A			
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 <i>Section 6: Audits</i> of the LBR Instructions (pages 157-159) 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) (Required to be posted to the Florida Fiscal Portal)						
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			

		Program or Service (Budget Entity Codes)			
Action		43900110	43900120		
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		

Fiscal Year 2018-19 LBR Technical Review Checklist

Department/Budget Entity (Service): Office of Financial Regulation

Agency Budget Officer/OPB Analyst Name: Mark Hammett

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)				
	43900530	43900540	43900550	43900560	43900570

I. GENERAL

1.1 Are Columns A01, 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 (no trust fund files for narrative columns)? Is Column A02 set to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status for the Trust Fund Files (the Budget Files should already be on TRANSFER CONTROL for DISPLAY and MANAGEMENT CONTROL for UPDATE)? Are Columns A06, A07, A08 and A09 for Fixed Capital Outlay (FCO) set to TRANSFER CONTROL for DISPLAY status only (UPDATE status remains on OWNER)? (CSDI)	N/A	N/A	N/A	N/A	N/A
1.2 Is Column A03 set to TRANSFER CONTROL for DISPLAY and UPDATE status for both the Budget and Trust Fund columns? (CSDI)	N/A	N/A	N/A	N/A	N/A

AUDITS:

1.3 Has Column A03 been copied to Column A12? Run the Exhibit B Audit Comparison Report to verify. (EXBR, EXBA)	N/A	N/A	N/A	N/A	N/A
1.4 Has Column A12 security been set correctly to TRANSFER CONTROL for DISPLAY status and MANAGEMENT CONTROL for UPDATE status? (CSDR, CSA)	N/A	N/A	N/A	N/A	N/A

TIP The agency should prepare the budget request for submission in this order: 1) Lock columns as described above after all audits have been corrected, reports are complete, and data verified for final submission; 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 <i>Section 3</i> of the LBR Instructions (pages 15 through 29)? Do they clearly describe the issue?	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
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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
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

Action		Program or Service (Budget Entity Codes)				
		43900530	43900540	43900550	43900560	43900570
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 subtitle "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, a 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 62 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 [with a \$5,000 allowance] 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 [with a \$5,000 allowance at the department level] 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 2016-17 approved budget. Amounts should be positive. The \$5,000 allowance is necessary for rounding.					
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.					
6. EXHIBIT D-3 (ED3R, ED3) (Not required in the LBR - for analytical purposes only.)						
6.1	Are issues appropriately aligned with appropriation categories?	N/A	N/A	N/A	N/A	N/A
TIP	Exhibit D-3 is not 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) (Required to be posted to the Florida Fiscal Portal)						
7.1	Are the issue titles correct and do they clearly identify the issue? (See pages 15 through 29 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
7.2	Does the issue narrative adequately explain the agency's request and is the explanation consistent with the LRPP? (See pages 67 through 69 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A

Action		Program or Service (Budget Entity Codes)				
		43900530	43900540	43900550	43900560	43900570
7.3	Does the narrative for Information Technology (IT) issue follow the additional narrative requirements described on pages 69 through 72 of the LBR Instructions?	N/A	N/A	N/A	N/A	N/A
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?	N/A	N/A	N/A	N/A	N/A
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.)	N/A	N/A	N/A	N/A	N/A
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.	N/A	N/A	N/A	N/A	N/A
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. (See pages 95 and 96 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
7.8	Does the issue narrative include the Consensus Estimating Conference forecast, where appropriate?	N/A	N/A	N/A	N/A	N/A
7.9	Does the issue narrative reference the specific county(ies) where applicable?	N/A	N/A	N/A	N/A	N/A
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 #18-005?	N/A	N/A	N/A	N/A	N/A
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)	N/A	N/A	N/A	N/A	N/A
7.12	Does the issue narrative include plans to satisfy additional space requirements when requesting additional positions?	N/A	N/A	N/A	N/A	N/A
7.13	Has the agency included a 160XXX0 issue and 210XXXX and 260XXX0 issues as required for lump sum distributions?	N/A	N/A	N/A	N/A	N/A
7.14	Do the amounts reflect appropriate FSI assignments?	N/A	N/A	N/A	N/A	N/A
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.	N/A	N/A	N/A	N/A	N/A
7.16	Do the issue codes relating to special <i>salary and benefits</i> issues (e.g., position reclassification, pay grade adjustment, overtime/on-call pay, etc.) have an "A" in the fifth position of the issue code (XXXXAXX) and are they self-contained (not combined with other issues)? (See pages 28 and 90 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
7.17	Do the issues relating to <i>Information Technology (IT)</i> have a "C" in the sixth position of the issue code (36XXXXCX) and are the correct issue codes used (361XXC0, 362XXC0, 363XXC0, 17C01C0, 17C02C0, 17C03C0, 24010C0, 33001C0, 30010C0, 33011C0, 160E470, 160E480 or 55C01C0)?	N/A	N/A	N/A	N/A	N/A
7.18	Are the issues relating to <i>major audit findings and recommendations</i> properly coded (4A0XXX0, 4B0XXX0)?	N/A	N/A	N/A	N/A	N/A
7.19	Does the issue narrative identify the strategy or strategies in the Five Year Statewide Strategic Plan for Economic Development?	N/A	N/A	N/A	N/A	N/A
AUDIT:						
7.20	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
7.21	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
7.22	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

Action		Program or Service (Budget Entity Codes)				
		43900530	43900540	43900550	43900560	43900570
7.23	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	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 67 through 72 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).					
TIP	If an appropriation made in the FY 2017-18 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) (Required to be posted to the Florida Fiscal Portal)						
8.1	Has a separate department level Schedule I and supporting documents package been submitted by the agency?	N/A	N/A	N/A	N/A	N/A
8.2	Has a Schedule I and Schedule IB been completed in LAS/PBS for each operating trust fund?	N/A	N/A	N/A	N/A	N/A
8.3	Have the appropriate Schedule I supporting documents been included for the trust funds (Schedule IA, Schedule IC, and Reconciliation to Trial Balance)?	N/A	N/A	N/A	N/A	N/A
8.4	Have the Examination of Regulatory Fees Part I and Part II forms been included for the applicable regulatory programs?	N/A	N/A	N/A	N/A	N/A
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)?	N/A	N/A	N/A	N/A	N/A
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?	N/A	N/A	N/A	N/A	N/A
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?	N/A	N/A	N/A	N/A	N/A
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?	N/A	N/A	N/A	N/A	N/A
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)?	N/A	N/A	N/A	N/A	N/A
8.10	Are the statutory authority references correct?	N/A	N/A	N/A	N/A	N/A
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.)	N/A	N/A	N/A	N/A	N/A

Action		Program or Service (Budget Entity Codes)				
		43900530	43900540	43900550	43900560	43900570
8.12	Is this an accurate representation of revenues based on the most recent Consensus Estimating Conference forecasts?	N/A	N/A	N/A	N/A	N/A
8.13	If there is no Consensus Estimating Conference forecast available, do the revenue estimates appear to be reasonable?	N/A	N/A	N/A	N/A	N/A
8.14	Are the federal funds revenues reported in Section I broken out by individual grant? Are the correct CFDA codes used?	N/A	N/A	N/A	N/A	N/A
8.15	Are anticipated grants included and based on the state fiscal year (rather than federal fiscal year)?	N/A	N/A	N/A	N/A	N/A
8.16	Are the Schedule I revenues consistent with the FSI's reported in the Exhibit D-3A?	N/A	N/A	N/A	N/A	N/A
8.17	If applicable, are nonrecurring revenues entered into Column A04?	N/A	N/A	N/A	N/A	N/A
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?	N/A	N/A	N/A	N/A	N/A
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?	N/A	N/A	N/A	N/A	N/A
8.20	Are appropriate General Revenue Service Charge nonoperating amounts included in Section II?	N/A	N/A	N/A	N/A	N/A
8.21	Are nonoperating expenditures to other budget entities/departments cross-referenced accurately?	N/A	N/A	N/A	N/A	N/A
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.)	N/A	N/A	N/A	N/A	N/A
8.23	Are nonoperating expenditures recorded in Section II and adjustments recorded in Section III?	N/A	N/A	N/A	N/A	N/A
8.24	Are prior year September operating reversions appropriately shown in column A01, Section III?	N/A	N/A	N/A	N/A	N/A
8.25	Are current year September operating reversions (if available) appropriately shown in column A02, Section III?	N/A	N/A	N/A	N/A	N/A
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?	N/A	N/A	N/A	N/A	N/A
8.27	Has the agency properly accounted for continuing appropriations (category 13XXXX) in column A01, Section III?	N/A	N/A	N/A	N/A	N/A
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?	N/A	N/A	N/A	N/A	N/A
8.29	Does Line I of Column A01 (Schedule I) equal Line K of the Schedule IC?	N/A	N/A	N/A	N/A	N/A
AUDITS:						
8.30	Is Line I a positive number? (If not, the agency must adjust the budget request to eliminate the deficit).	N/A	N/A	N/A	N/A	N/A
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")	N/A	N/A	N/A	N/A	N/A
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)	N/A	N/A	N/A	N/A	N/A
8.33	Has a Schedule IB been provided for ALL trust funds having an unreserved fund balance in columns A01, A02 and/or A03, and if so, does each column's total agree with line I of the Schedule I?	N/A	N/A	N/A	N/A	N/A

Action		Program or Service (Budget Entity Codes)				
		43900530	43900540	43900550	43900560	43900570
8.34	Have A/R been properly analyzed and any allowances for doubtful accounts been properly recorded on the Schedule IC?	N/A	N/A	N/A	N/A	N/A
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 128 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 <i>Base Rate Audit</i> on page 158 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
10. SCHEDULE III (PSCR, SC3)						
10.1	Is the appropriate lapse amount applied? (See page 93 of the LBR Instructions.)	N/A	N/A	N/A	N/A	N/A
10.2	Are amounts in <i>Other Salary Amount</i> appropriate and fully justified? (See page 96 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?	N/A	N/A	N/A	N/A	N/A
TIP	If IT issues are not coded (with "C" in 6th position or within a program component of 1603000000), 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 be included in the priority listing.	N/A	N/A	N/A	N/A	N/A
13. SCHEDULE VIIIB-1 (EADR, S8B1)						
13.1	NOT REQUIRED FOR THIS YEAR	N/A	N/A	N/A	N/A	N/A
14. SCHEDULE VIIIB-2 (EADR, S8B2) (Required to be posted to the Florida Fiscal Portal)						
14.1	Do the reductions comply with the instructions provided on pages 102 through 104 of the LBR Instructions regarding a 10% reduction in recurring General Revenue and Trust Funds, including the verification that the 33BXXX0 issue has NOT been used? Verify that excluded appropriation categories and funds were not used (e.g. funds with FSI 3 and 9, etc.)	Y	Y	Y	Y	Y
15. SCHEDULE VIIIC (EADR, S8C) (This Schedule is optional, but if included it is required to be posted to the Florida Fiscal Portal)						
15.1	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?	N/A	N/A	N/A	N/A	N/A
15.2	Are the priority narrative explanations adequate and do they follow the guidelines on pages 105-107 of the LBR instructions?	N/A	N/A	N/A	N/A	N/A
15.3	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?	N/A	N/A	N/A	N/A	N/A
AUDIT:						
15.6	Do the issues net to zero at the department level? (GENR, LBR5)	N/A	N/A	N/A	N/A	N/A

Action		Program or Service (Budget Entity Codes)				
		43900530	43900540	43900550	43900560	43900570
16. SCHEDULE XI (USCR,SCXI) (LAS/PBS Web - see pages 108-112 of the LBR Instructions for detailed instructions) (Required to be posted to the Florida Fiscal Portal in Manual Documents)						
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.)	N/A	N/A	N/A	N/A	N/A
16.2	Do the PDF files uploaded to the Florida Fiscal Portal for the LRPP and LBR match?	N/A	N/A	N/A	N/A	N/A
AUDITS INCLUDED IN THE SCHEDULE XI REPORT:						
16.3	Does the FY 2016-17 Actual (prior year) Expenditures in Column A36 reconcile to Column A01? (GENR, ACT1)	N/A	N/A	N/A	N/A	N/A
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")	N/A	N/A	N/A	N/A	N/A
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")	N/A	N/A	N/A	N/A	N/A
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.)	N/A	N/A	N/A	N/A	N/A
16.7	Does Section I (Final Budget for Agency) and Section III (Total Budget for Agency) equal? (Audit #4 should print "No Discrepancies Found")	N/A	N/A	N/A	N/A	N/A
TIP	If Section I and Section III have a small difference, it may be due to rounding and therefore will be acceptable.					
17. MANUALLY PREPARED EXHIBITS & SCHEDULES (Required to be posted to the Florida Fiscal Portal)						
17.1	Do exhibits and schedules comply with LBR Instructions (pages 113 through 155 of the LBR Instructions), and are they accurate and complete?	N/A	N/A	N/A	N/A	N/A
17.2	Does manual exhibits tie to LAS/PBS where applicable?	N/A	N/A	N/A	N/A	N/A
17.3	Are agency organization charts (Schedule X) provided and at the appropriate level of	N/A	N/A	N/A	N/A	N/A
17.4	Does the LBR include a separate Schedule IV-B for each IT project over \$1 million (see page 131 of the LBR instructions for exceptions to this rule)? Have all IV-Bs been emailed to: IT@LASPBS.STATE.FL.US?	N/A	N/A	N/A	N/A	N/A
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	N/A	N/A
AUDITS - GENERAL INFORMATION						
TIP	Review <i>Section 6: Audits</i> of the LBR Instructions (pages 157-159) 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) (Required to be posted to the Florida Fiscal Portal)						
18.1	Are the CIP-2, CIP-3, CIP-A and CIP-B forms included?	N/A	N/A	N/A	N/A	N/A
18.2	Are the CIP-4 and CIP-5 forms submitted when applicable (see CIP Instructions)?	N/A	N/A	N/A	N/A	N/A
18.3	Do all CIP forms comply with CIP Instructions where applicable (see CIP Instructions)?	N/A	N/A	N/A	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	N/A	N/A	N/A
18.5	Are the appropriate counties identified in the narrative?	N/A	N/A	N/A	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	N/A	N/A	N/A

		Program or Service (Budget Entity Codes)				
Action		43900530	43900540	43900550	43900560	43900570
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	Y	Y	Y