

Leading Practice Decisions and Outcomes (D32)

Revision History

Version	Date	Revision Notes
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Introduction

This deliverable was created through collaboration and engagement of the Business Process Standardization (BPS) team, Organizational Change Management (OCM) team, Department of Financial Services (DFS), and agency stakeholders. The purpose of the leading practice workshops was to review thirty-five leading practices within five topic areas, develop a point of view on how such leading practices may be considered for incorporation in the Florida PALM Solution Analysis and Design activities, and provide this guidance to the BPS team. The leading practice workshops also provided an indicator of participant thoughts for future change impacts. The leading practice workshops are a component of the Project Recommended Solution segment within the Solution Analysis and Design activities, and are included there so that results from the workshops may be considered for inclusion into the solution design.

The following topics were used for the leading practice sessions:

- Chart of Accounts (COA) Design,
- Approach for Managing Customer Record,
- Billing and Accounts Receivable Chain of Activities,
- Accounts Payable Chain of Activities, and
- Approach to Reporting and Business Intelligence.

The leading practice sessions were conducted in the order listed above. This order was used so that the configuration related topics were first (i.e., Chart of Accounts Design and Approach for Managing Customer Record), followed by transactional topics (i.e., Billing and Accounts Receivable Chain of Activities and Accounts Payable Chain of Activities), and concluding with the reporting topic (i.e., Approach to Reporting and Business Intelligence).

Each workshop included educational components to create a shared understanding of the topic among participants. Each workshop also included interactive, concurrence-building components so the outcomes documented within this deliverable reflect the collective insights of the group.

This deliverable describes:

- the thirty-five leading practices in the five topic areas,
- the opinions of the workshop participants relative to the leading practices to emphasize in the Florida PALM Solution Analysis and Design, and
- the perceived business value and implementation effort supporting those opinions.

Approach

Accenture has been engaged by the State of Florida as both the technical system implementer of the Florida PALM Solution and as a strategic advisor as it pertains to related business process standardization and organizational change management. A component of the Accenture Enterprise Services for Governments (AESG) system implementation approach is specialized consulting for advising clients on industry leading practices. As part of the AESG implementation approach, through a series of workshop activities, Accenture encourages its clients to review and adopt leading practices early-on in the solution design.

Accenture provided baseline content and materials that had been previously developed by Accenture subject matter experts. Building upon this base, materials were refined to conform to

the specific requirements and context of Florida. State subject matter experts, Accenture project staff, independent validation and verification staff, and Accenture subject matter experts collaborated to tailor workshop materials. This collaborative design leveraged both pre-existing work done by the Florida PALM Project Team and Accenture's experience and professional judgement and enhanced the relevance and impact of each workshop.

To accomplish broad and deep input, the BPS team invited a representative selection of stakeholders to the leading practice workshops. The BPS team invited persons with expertise and experience to all five topics from the Department of Financial Services' Accounting and Auditing and Treasury Divisions, and the Project team. In addition, several state agencies and other stakeholders were invited to specific workshops. Participating organizations were selected based on interest and expertise, and to achieve a cross-representation of organizations across the five leading practice workshops. Pre-read materials were provided so that workshop participants would be familiar with the objectives for the workshop, the brainstorming activity that would be conducted, the leading practices to be discussed, and the break out and group discussion that would take place.

Furthermore, in a post-workshop survey, additional input and feedback was collected. Comments from the participants via this post-workshop survey confirms the effectiveness of the workshop approach. Example comments include:

"This new system has a terrific opportunity for FLAIR and LAS/PBS to be better integrated for seamless use between the two systems."

"[The Florida PALM Project Team] did a good job of gathering the right people for the workshop and with the combined knowledge base and experiences, the products that will be produced will be what Florida needs to succeed."

"Please keep these meetings going, meeting more often and including subject matter experts is appreciated and needed to produce the best product."

While each workshop was unique, they all followed the following similar agenda:

Context updated the participants on the overall Florida PALM Solution and how these leading practice workshops provide valuable input to the Solution Analysis and Design activities. The four goals for the Florida PALM Solution were reviewed and participants were asked to keep these goals in mind when considering the leading practices.

Definitions provided information on key terms and concepts so that participants would have a shared understanding of the terminology relative to the topics to be covered.

Brainstorming Activity: Rose/Bud/Thorn provided an interactive activity where workshop participants provided their opinions on the current state. Roses, buds, and thorns were defined as follows:

- *Rose* – What is currently working well (e.g., functionality, business processes, other items) and you would not want to change?
- *Bud* – What is currently working okay, but could use some improvement or additional work?

- *Thorn* – What are current pain points that make it difficult to do your job and/or reduce productivity and efficiency?

Participants wrote their roses, buds, and thorns on post-its and posted them at the front of the room. This process provided good input from all participants regarding what is currently working well, as well as targeted pain points. Furthermore, this interactive activity increased participant engagement and created a collaborative atmosphere. The BPS team may use these “roses, buds, and thorns” during the Solution Analysis and Design activities input for which business processes or aspects of the given business area are candidates for extensive redesign (i.e., thorns), which could use more improvement (i.e., buds), and which are working well and should not be changed (i.e., roses). The list of identified roses, buds, and thorns are included in the Brainstorming Activity Appendix.

Design Principles discussed foundational guidelines the participants should consider as the future design is created. These design principles are general requirements the business process and system design will need to accomplish regardless of the determination to pursue the various leading practices.

Leading Practices outlined the practices that, in Accenture’s experience and professional judgment, are typically adopted by high performing government clients. The BPS team compiled a candidate list of leading practices determined to be appropriate for implementation along with the Florida PALM Solution. The workshop included an educational component so that participants had a shared understanding of the topics and available alternatives. Workshop participants were engaged to make recommendations on how those items should be addressed, as described in the Results and Recommendations section below, allowing for this guidance to be used to support subsequent Solution Analysis and Design activities.

Breakout and Group Discussion was another interactive activity where workshop participants organized into small groups, given a subset of the leading practices, and were asked to share their opinions on two dimensions:

- Identify which current pain points (e.g., “thorns”) the State could improve upon, or other value the State could realize by adopting this leading practice, and
- Identify obstacles that might keep the State from fully adopting this leading practice.

Each group rotated and followed the same process for another subset of leading practices. Rotations continued until all groups had worked with all the leading practices. As the full group reconvened, one participant from each of the breakout groups did a summary report of the ideas for leading practices they worked with, followed by a full group reaction and discussion. The results of this activity represent the opinion of the group and provides input the BPS team can use during the Solution Analysis and Design activities, as either areas of support or concern, when considering the possibility of adopting the leading practices into the Florida PALM Solution.

Next Steps was the conclusion of the workshop when participants were reminded how their ideas will comprise input to the Solution Analysis and Design activities. As the workshop was concluding, participants were also asked to complete an individual, paper-based survey. This survey asked each person to rank their individual opinion on the degree of value associated with adopting each leading practice on a 1-5 scale with a score of 1 indicating low value and 5 indicating high value. When making their judgement for value, participants were reminded to consider multiple factors such as cost, revenue, efficiency, risk, service delivery, policy, and

satisfaction. Similarly, participants indicated their opinion on the degree of effort that would be needed to adopt each leading practice on a 1-5 scale, with a score of 1 indicating low effort and 5 indicating high effort. When making their judgment participants were reminded to consider multiple factors such as people, process, technology, cost, and policy.

This data from an individual perspective provides the BPS team with another input for the Solution Analysis and Design activities when determining the merits of including each leading practice in the Florida PALM Solution.

Results and Recommendations

This section of the deliverable presents the results and recommendations from each of the five leading practice workshops.

The results from the leading practice workshops are perspectives of the agency and other stakeholder representatives based on their individual opinions in context to their experience with the current process. The validity of the results is supported by the number of participants engaged, the breadth of organizations represented, and the quality of participation achieved during the workshops. The results reflect the participant's point of view, so the results may not reflect the desired direction of all stakeholders, and are consistent with those experienced by Accenture in other states. Composite ratings do not reflect the effort needed to implement the leading practices in the Florida PALM Solution.

The recommendations represent the opinion of the Accenture team after each workshop. The recommendations include which leading practices should be considered for adoption now and which should be considered later. Leading practices were identified to consider now when they are foundational to the design of the Solution and may result in expensive re-work if implemented later. Leading practices were identified to consider later when they are not foundational to the design and implementation of the leading practice and may occur over time without expensive re-work, however the Project team does not need to wait to consider these leading practices for adoption and may consider them now. Twenty four of the leading practices were identified to consider now and the remaining eleven leading practices were identified to consider later.

The results and recommendations should be considered during the Solution Analysis and Design activities, including as the Standardized Business Process Models are created. The results and recommendations should also be considered by the OCM team when identifying change impacts to support an agency's preparation for the Florida PALM Solution. The identified change impacts will be incorporated throughout an agency's implementation journey activities, including Wave Workshops, Workforce Transition Workshops, and Leading Change Workshops, as defined in D27 Organizational Readiness Plan. These change impacts will identify people, process, and technology actions agencies will need to plan for and execute. The Project will support these actions with communication, readiness, and training activities.

Leading Practice Workshop #1: Chart of Accounts Design

The Chart of Accounts Design workshop was conducted on December 5, 2018. The participants and full set of workshop materials are included in the Appendix. Summary results are presented as follows.

Attendees included representatives of the following organizations:

- Auditor General
- Department of Financial Services
 - Accounting & Auditing
 - Bureau of Financial Reporting
 - Bureau of State Payrolls
 - Office of Florida Financial Education
 - Special Projects
 - Treasury
 - Bureau of Funds Management
- Department of Health
- Department of State
- Department of Transportation
- Fish and Wildlife Conservation Commission
- Legislative Appropriations System/Planning and Budgeting Subsystem (LAS/PBS)
- Florida Lottery

Chart of Accounts Design Leading Practices Results

The following leading practices were presented in the leading practice workshop:

- Adopt a Single, Global Chart of Accounts (LP 1.1),
- Maintain a Lean Chart of Accounts (LP 1.2),
- Eliminate “Miscellaneous” ChartField Values (LP 1.3),
- Build Flexibility into the COA Coding Scheme (LP 1.4),
- Use Sub-Systems for Transaction Details (LP 1.5),
- Provide for Optional Agency ChartFields (LP 1.6),
- Centralize Management of the Chart of Accounts and Trees (LP 1.7), and
- Institute a Formal COA Governance Model (LP 1.8).

Workshop participants identified many areas of support or concern with respect to the leading practices. Leading practices and the thoughts of the workshop participants are summarized in Tables 1 through 18.

Table 1: Chart of Accounts Design Leading Practice 1.1 Overview

Leading Practice 1.1
<p><u>Adopt a Single, Global Chart of Accounts</u></p> <ul style="list-style-type: none"> • A single statewide chart standardizes COA coding element usage, provides consistent application across the government, and ensures consistent data definitions and roll-up structures. Global coding elements shared by all agencies help ensure consistency of data capture and simplifies data retrieval processes for reporting and analysis.

Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> Flexibility Transparency and standardization Knowledge Reportability Ease of Training 	<ul style="list-style-type: none"> Tracking grants may become more difficult Big change from having so many agency unique fields Will need to learn how to accurately track federal funding at a different level than just as COA requires A single, global COA may make reporting more difficult in instances requiring more agency specificity

Table 2: Chart of Accounts Design Degree of Value and Effort for Leading Practice 1.1

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	1	4%
3	2	9%	4	18%
4	4	18%	3	14%
5 (High)	16	73%	14	64%
Average	4.6		4.4	

Adopting a single, global chart of accounts was identified as potentially providing a high degree of value, while also entailing a high degree of effort to implement. Participants were nearly unanimous in rating this leading practice as high value, citing the fundamental nature of a standardized chart of accounts in supporting the consistency of financial information and reporting. This corresponds with one of the Florida PALM goals; to improve state and agency specific decision making by capturing a consistent and expandable set of data. Most participants also rated this leading practice as requiring a high degree of effort, noting some of the tradeoffs associated with greater COA standardization and their impact on agency operations.

Table 3: Chart of Accounts Design Leading Practice 1.2 Overview

Leading Practice 1.2	
Maintain a Lean Chart of Accounts	
<ul style="list-style-type: none"> The chart of accounts data hierarchy should go down only to the lowest level of detail needed to make business decisions. Excessive, low-level detail can overwhelm end-users, increase learning time, and lead to coding errors and lack of adherence to the COA structure in the long term. Do not include codes that can be derived from others (e.g., secretarial area can be derived from agency – two separate COA segments are not needed in this scenario). A lean chart creates consistency, ensures compatibility of reported information across agencies, and reduces the need for data reconciliation and reclassification. 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> Common reporting, less reconciliation New functionality with “Attribute” availability for ChartFields “Leaves for trees” will help alleviate changes felt by users Less accounts will make the system more user-friendly 	<ul style="list-style-type: none"> Need to decide who “owns” a ChartField value Big change from having so many agency unique fields Currently, there are many values that use the same name but for different purposes in agency unique fields

Table 4: Chart of Accounts Design Degree of Value and Effort for Leading Practice 1.2

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	2	10%
2	0	0%	1	5%
3	1	4%	7	33%
4	7	32%	4	19%
5 (High)	14	64%	7	33%
Average	4.6		3.6	

Maintaining a lean chart of accounts was identified as potentially providing a high degree of value with a moderate degree of effort to implement. Participants were nearly unanimous in rating this leading practice as high value, citing its importance for user-friendly and simpler reporting, supported by “tree” functionality and more information tracked in attribute fields instead of ChartFields. Participants were less uniform in assessing degree of effort but tended towards moderate to high, again highlighting challenges around establishing clear governance and meeting the needs of a diverse set of agencies.

Table 5: Chart of Accounts Design Leading Practice 1.3 Overview

Leading Practice 1.3	
Eliminate “Miscellaneous” ChartField Values	
<ul style="list-style-type: none"> • ChartField values designated for miscellaneous purposes invite users to record information that is not standard across the State or even within an agency. This encourages inconsistent use of the chart of accounts and the creation of financial information that cannot be viewed and summarized from a statewide perspective. • Elimination of miscellaneous values significantly reduces the opportunity for inconsistent use and promotes a statewide perspective when recording and reporting financial information. 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> • More accurate revenue projections • Fewer corrections needed • More meaningful reporting • Better transparent book keeping 	<ul style="list-style-type: none"> • Must define everything at a level that is not too detailed

Table 6: Chart of Accounts Design Degree of Value and Effort for Leading Practice 1.3

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	2	10%
2	0	0%	3	14%
3	3	14%	4	19%
4	4	18%	4	19%
5 (High)	15	68%	8	38%
Average	4.1		3.6	

Eliminating “miscellaneous” ChartField values was identified as potentially providing a high degree of value with a moderate degree of effort to implement. Participants were nearly unanimous in rating this leading practice as high value, noting that excessive use of “miscellaneous” or “other” values undermines the effectiveness of insights that can be drawn from financial data. Participants were less uniform in assessing degree of effort but tended towards moderate to high, citing challenges in replacing “miscellaneous” values with data definitions striking the right balance between specificity and the goal of maintaining a lean chart of accounts.

Table 7: Chart of Accounts Design Leading Practice 1.4 Overview

Leading Practice 1.4	
Build Flexibility into the COA Coding Scheme	
<ul style="list-style-type: none"> • This practice provides room for growth and flexibility for changes over time without having to alter the COA structure. • Trees can be modified as needed and allow the association of values across COA segments to create reports using different combinations without having to change the underlying data. • Confirm that the field length of each COA segment is long enough to accommodate current and future needs. If frequent restructurings are anticipated, then allow enough positions to avoid having to recycle values. 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> • Less dependence on outside business systems • Flexibility for statutory changes 	<ul style="list-style-type: none"> • COA needs to be able to support changes handed down from the legislature • Flexibility must be tempered with proper governance • Agencies need to be able to use agency-specific codes

Table 8: Chart of Accounts Design Degree of Value and Effort for Leading Practice 1.4

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	2	10%
2	1	5%	1	5%
3	0	0%	7	33%
4	4	18%	5	24%
5 (High)	17	77%	6	28%
Average	4.7		3.6	

Building flexibility into the chart of accounts coding scheme was identified as potentially providing a high degree of value with a moderate degree of effort to implement. Participants were nearly unanimous in rating this leading practice as high value, highlighting the importance of flexibility in allowing for future changes in structure to the financial information that the State must track, such as those necessitated by statutory changes. This corresponds with one of the Florida PALM goals; to improve state and agency specific decision making by capturing a consistent and expandable set of data. Participants were less uniform in assessing degree of effort but tended towards moderate to high, noting the importance of adherence to established governance processes and balancing flexibility with standardization.

Table 9: Chart of Accounts Design Leading Practice 1.5 Overview

Leading Practice 1.5	
Use Sub-Systems for Transaction Details	
<ul style="list-style-type: none"> • PeopleSoft includes sub-systems or sub-ledgers that are integrated to the core accounting application. Examples of such sub-systems include Accounts Payable, Accounts Receivable, Treasury Management, Fixed Assets, and Projects and Grants. Data elements such as vendor number, customer number, warrant number, invoice or voucher number, and invoice transaction details can be maintained easily in the sub-systems. • The data can be easily retrieved or referenced from the General Ledger through the PeopleSoft relational database functionality. 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> • Cleaner master file • Easier to set up security • Less dependency on outside business systems • More consistency and ability to go from one sub-system to another 	<ul style="list-style-type: none"> • Need to document data integration between sub-systems to ensure key functionality is not lost • Reporting may become more difficult

Table 10: Chart of Accounts Design Degree of Value and Effort for Leading Practice 1.5

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	3	17%
2	0	0%	2	11%
3	2	10%	6	33%
4	6	29%	1	6%
5 (High)	13	61%	6	33%
Average	4.5		3.3	

Using sub-systems for transactions was identified as potentially providing a high degree of value with a moderate degree of effort to implement. Participants were nearly unanimous in rating this leading practice as high value, noting the benefits to security and consistency from performing agency-specific functions in relevant agency business systems. Participants had a wider range of views for its degree of effort but tended towards moderate, indicating the need to ensure consistent understanding of data integration between agency sub-systems and enterprise systems, especially as it relates to generating reports. It is likely the differing opinions on effort reflect the current degree to which participants do or do not currently use agency sub-systems.

Table 11: Chart of Accounts Design Leading Practice 1.6 Overview

Leading Practice 1.6	
<u>Provide for Optional Agency Chart Fields</u>	
<ul style="list-style-type: none"> • Within each COA segment, all agencies should be required to use centrally-defined ChartFields down to a specified level of the data hierarchy. • Below this level, agencies should have the option of requesting ChartFields that decompose the sub-segments above them in the data hierarchy. • However, when an optional ChartField is established for one agency, the new ChartField's definition should apply and be used consistently by all agencies. • Once established, no ChartField, whether centrally-defined or optional, should ever have more than one definition or transactional use. 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Allows for agency unique needs in reporting 	<ul style="list-style-type: none"> • Need to ensure there is a limit on agency unique ChartFields

Table 12: Chart of Accounts Design Degree of Value and Effort for Leading Practice 1.6

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	6	30%
3	5	24%	6	30%
4	3	14%	4	20%
5 (High)	13	62%	4	20%
Average	4.4		3.3	

Providing for optional agency ChartFields was identified as potentially providing a high degree of value with a moderate degree of effort to implement. Most participants rated this leading practice as high value, citing the unique needs of many agencies for tracking specific information that may not be relevant across the enterprise. Participants had a range of assessments for degree of effort but tended towards moderate, noting that agency optional fields are a familiar concept in current practice and should remain.

Table 13: Chart of Accounts Design Leading Practice 1.7 Overview

Leading Practice 1.7	
Centralize Management of the Chart of Accounts and Trees	
<ul style="list-style-type: none"> • Maintaining the chart of accounts and trees centrally will support agencies' ability to create and define their own ChartFields, while incentivizing them to comply with statewide COA data definitions. <ul style="list-style-type: none"> ○ An agency should be able to request optional ChartFields if needed, as well as modifications to existing centrally-defined codes if warranted. ○ Whenever a new optional ChartField is established for one agency, its definition should apply statewide. There should be a standard ChartField change request process. ○ Whenever an agency requests an optional ChartField similar in purpose and functionality to one already established for another agency, the agency should be directed to use the established ChartField instead. ○ Centralized COA management also should include periodic reviews of the chart to identify and clean up unused ChartField values. 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> • Standardizes financial reporting statewide • Better maintains codes that do not have standardization, like in FLAIR 	<ul style="list-style-type: none"> • Will need consistent and more frequent training • Will need to provide more direction on intended category usage • Should offer more forms of training (in-person, online, etc.) • Organization codes used for reporting will be impacted – this may affect usability

Table 14: Chart of Accounts Design Degree of Value and Effort for Leading Practice 1.7

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	1	5%	4	20%
3	2	9%	3	15%
4	6	27%	1	5%
5 (High)	13	59%	12	60%
Average	4.1		4.4	

Centralizing management of the chart of accounts and “trees” was identified as potentially providing a high degree of value, while also entailing a higher degree of effort to implement. All but a few participants rated this leading practice as high value, recognizing this practice as key to effecting greater standardization. Participants also tended to rate it as high effort (though less uniformly), citing the need for organizational change management and specific training to ensure that agency end-users are aware of intended uses of ChartField values.

Table 15: Chart of Accounts Design Leading Practice 1.8 Overview

Leading Practice 1.8	
<u>Institute a Formal COA Governance Model</u>	
<ul style="list-style-type: none"> • State spending and revenue requirements will change over time. The State must balance the need to allow appropriate COA evolution as circumstances change with the need to support ongoing data analysis. • Instituting formal rules and processes to maintain the COA will ensure it remains relevant and useful. • Following the leading practice of centralized management and formal governance of the COA, the governance model includes users and managers at different levels of the State. 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> • Standardizes the approval process and reduces duplication of COA • Allows for agencies to have input into changes/updates 	<ul style="list-style-type: none"> • Requires consistent training on approval process • Approval process will need to be timely • Legislature needs to maintain control of legislative codes

Table 16: Chart of Accounts Design Degree of Value and Effort for Leading Practice 1.8

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	2	10%
2	0	0%	3	14%
3	3	14%	4	19%
4	4	18%	4	19%
5 (High)	15	68%	8	38%
Average	4.6		3.6	

Instituting a formal chart of accounts governance model was identified as potentially providing a high degree of value with a moderate degree of effort to implement. Participants were nearly unanimous in rating this leading practice as high value, highlighting the benefit of a formalized governance model in providing consistent expectations and a clear approval process for requested changes. Participants were less uniform in assessing degree of effort but tended towards moderate, again recognizing the importance of end-user awareness and ensuring that processes are well-communicated and timely.

The opinion of the group ranked the Chart of Accounts leading practices as shown in Table 17.

Table 17: Chart of Accounts Design Leading Practice Ranking

Leading Practice	Leading Practice	Degree of Value	Degree of Effort
1.1	Adopt a Single, Global COA	4.6	4.4
1.2	Maintain a Lean COA	4.6	3.6
1.3	Eliminate "Miscellaneous" CF Values	4.1	3.6
1.4	Build Flexibility into the COA	4.7	3.6
1.5	Use Sub-Systems for Transaction Details	4.5	3.3
1.6	Provide for Optional Agency CFs	4.4	3.3
1.7	Centralize Management of the COA & Trees	4.1	4.4
1.8	Institute a Formal COA Governance Model	4.5	3.3

These results, combining value and effort, for the group are summarized in Figure 1.

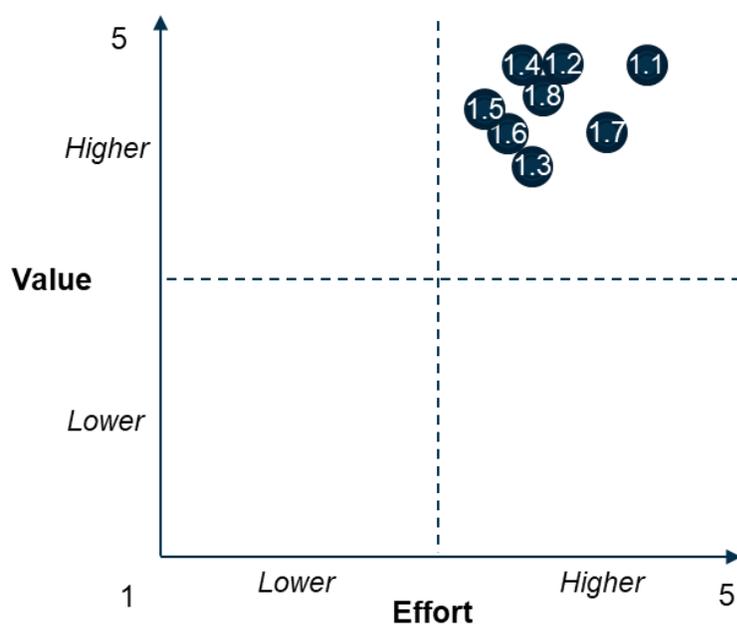


Figure 1: Chart of Accounts Design Leading Practice Composite Ranking

Chart of Accounts Design Recommendations

The data indicates all eight leading practices are attractive to the participants. It is noted that the combination of both value and effort represents the attractiveness of an initiative. However, changes with high value and low effort rarely exist. More often, initiatives with relatively high value also come with relatively high effort. This is true for Chart of Accounts, probably because agencies currently have a lot of discretion for defining agency-unique chart of accounts fields in Departmental FLAIR.

Some leading practices are foundational to the design, and the decision to adopt, or not, should be made during Solution Analysis and Design to avoid the possibility of expensive re-work later. Based on Accenture’s experience, seven leading practices fall into this category and should be considered for adoption now. One leading practice adds value but could be deferred and considered for adoption at a later time. Table 18 shows the recommended timing for consideration of each leading practice.

Table 18: Chart of Accounts Design Leading Practice Adoption Recommendations

Leading Practice	Leading Practice	Consider Now	Consider Later
1.1	Adopt a Single, Global COA	X	
1.2	Maintain a Lean COA	X	
1.3	Eliminate "Miscellaneous" CF Values		X
1.4	Build Flexibility into the COA	X	
1.5	Use Sub-Systems for Transaction Details	X	
1.6	Provide for Optional Agency CFs	X	
1.7	Centralize Management of the COA & Trees	X	
1.8	Institute a Formal COA Governance Model	X	

Leading Practice Workshop #2: Approach for Managing Customer Records

The workshop on the Approach for Managing Customer Records was conducted on December 11, 2018. The participants and full set of workshop materials are included in the Appendix. Summary results are presented as follows.

Attendees included representatives of the following organizations:

- Auditor General
- Department of Agriculture and Consumer Services
- Department of Business and Professional Regulation
- Department of Economic Opportunity
- Department of Financial Services
 - Accounting & Auditing
 - Bureau of Financial Reporting
 - Treasury
 - Bureau of Funds Management
- Department of Legal Affairs
- Department of Revenue

Approach for Managing Customer Records Leading Practices Results

The following leading practices were presented in the leading practice workshop:

- Use a common customer identifier to enable data exchange across various types of customer records (LP 2.1),
- Build a master customer data approach to enable intercept/offset of accounts payable as a mechanism to collect delinquent debt (LP 2.2),
- Extend a master customer data approach to “intercept” at the point of service delivery as a mechanism to assist in the collection of delinquent debt (LP 2.3),
- Allow customer self-service, without diminishing state controls, to enter and update data into the customer record (LP 2.4),
- Address the privacy and security of customer records with strict confidentiality restrictions (LP 2.5), and
- Adopt an enterprise approach to governance for customer data (LP 2.6).

Workshop participants identified many areas of support or concern with respect to the leading practices. Leading practices and the thoughts of the workshop participants are summarized in Tables 19 through 31.

Table 19: Approach for Managing Customer Records Leading Practice 2.1 Overview

Leading Practice 2.1	
<u>Use a common customer identifier to enable data exchange across various types of customer records</u>	
<ul style="list-style-type: none"> An identifier generated by the financial management system can be used to enable data exchange. An identifier generated by agency customer systems may be needed to enable data exchange. There should be an agreement between the business and system owners on how these identifiers would share common data elements. 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> One record leads to more extensive, data-driven insights on customers Enables the ability to offset and intercept delinquent debt A common customer identifier is a pre-requisite to many of the other accounts receivable leading practices 	<ul style="list-style-type: none"> Protecting confidential information Identifying agency-specific information that may not be relevant for other users of the data Bulk record/ability to drill to detail Ensuring that parent/child data relationships are accurately maintained

Table 20: Approach for Managing Customer Records Degree of Value and Effort for Leading Practice 2.1

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	1	6%
3	0	0%	2	11%
4	0	0%	3	17%
5 (High)	18	100%	12	67%
Average	5.0		4.4	

Using a common customer identifier to enable data exchange across various types of customer records was identified as potentially providing a high degree of value with a relatively high degree of effort to implement. Participants unanimously rated this leading practice as high value, noting that this practice enables the State to develop a “single view of the customer,” and also is a pre-requisite to other practices such as intercepting payments to offset delinquent debts. In assessing degree of effort, participants rated this practice as high, highlighting difficulties encountered in properly reflecting organizational relationships between parent and subsidiary companies, as well as recognizing the need to ensure that access to confidential information is properly controlled. Furthermore, current practice does not have standardized customer records with a common customer identifier, therefore increasing degree of effort.

Table 21: Approach for Managing Customer Records Leading Practice 2.2 Overview

Leading Practice 2.2	
<u>Build a master customer data approach to enable intercept/offset of accounts payable as a mechanism to collect delinquent debt</u>	
<ul style="list-style-type: none"> Recognize that payee and customer data is typically not centralized with a single identifier across the entire enterprise. Include in the discussion and design tax and non-tax agency business systems as they tend to keep their systems and data independent. 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> Increased collections of delinquent debt Ability to flag receivables as eligible for offset 	<ul style="list-style-type: none"> Given many receivable systems may not be fully integrated, checking for pending payments to delinquent customers may remain a manual task Establishing the necessary conditions (hierarchy) for which receivables are prioritized versus others Establishing the conditions and parameters for overriding payment Statutory restraints including the statute of limitations Accounting for collection agencies (i.e., debt sent to collections) and ensuring receivables are not “double collected” Timing of posting debts of departments, payments, and cancellations of debt

Table 22: Approach for Managing Customer Records Degree of Value and Effort for Leading Practice 2.2

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	0	0%
3	7	39%	1	6%
4	5	28%	1	6%
5 (High)	6	33%	16	88%
Average	3.9		4.8	

Building a master customer data approach to enable intercept/offset of accounts payable to collect delinquent debt was identified as potentially providing a moderate to high degree of value with a high degree of effort to implement. Participants rating this leading practice were split relatively evenly between medium and high degrees of value, noting its potential to increase State revenues by reducing delinquent receivables. Participants were nearly unanimous in assessing degree of effort as high, citing the need for statutory, policy, and business process changes to resolve current obstacles and create new business processes before the State is able to expand use of intercept/offset.

Table 23: Approach for Managing Customer Records Leading Practice 2.3 Overview

Leading Practice 2.3	
<u>Extend a master customer data approach to “intercept” at the point of service delivery as a mechanism to assist in the collection of delinquent debt</u>	
<ul style="list-style-type: none"> • For example: <ul style="list-style-type: none"> ○ Department of Highway Safety and Motor Vehicles withholds the driver’s license renewal for a person delinquent in child support ○ Department of Environmental Protection withholds an environmental permit application for a business delinquent in corporate tax 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Increased collections on delinquent receivables • Increased customer compliance 	<ul style="list-style-type: none"> • Laws driving the payments that State is allowed to intercept • Establishing priority for the settlement of different types of debt • Ensuring agency sub-systems remain up-to-date with centralized information • Public perception • Linking current customers by a unique identifier • Data points need to be the same across agencies upon collection • Need to determine if the benefits from increased compliance will be material in comparison to the potential loss in revenue from denied services

Table 24: Approach for Managing Customer Records Degree of Value and Effort for Leading Practice 2.3

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	1	6%
2	2	11%	0	0%
3	9	50%	0	0%
4	1	6%	6	33%
5 (High)	6	33%	11	61%
Average	3.6		4.4	

Extending a master customer data approach to “intercept” at the point of service delivery as a mechanism to assist in the collection of delinquent debt was identified as potentially providing a moderate degree of value with a higher degree of effort to implement. Participants were less optimistic about the value of this leading practice in comparison to a similar leading practice focused on financial intercepts, although they did note it would encourage customer compliance and may reduce delinquent receivables. Statutory changes, potential loss of fee revenue from services “intercepted” to delinquent customers, and public perception were all identified as obstacles, contributing to the higher degree of effort that most participants associated with this leading practice. Furthermore, agencies in direct customer service relationships were very

concerned about not being able to provide the service to their customers because of an intercept unrelated to their unique program.

Table 25: Approach for Managing Customer Records Leading Practice 2.4 Overview

Leading Practice 2.4	
<u>Allow customer self-service, without diminishing State controls, to enter and update data into the customer record</u>	
<ul style="list-style-type: none"> • Customers know their data the best, so allow customers to edit data in a self-service concept (e.g., changing address). • However, certain customer record data fields should be managed by a state entity (e.g., changing Tax ID Number, bank account). 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> • Streamlines the process of updating data, requiring fewer state resources to make routine updates • Saves customer's time • Ease-of-use and self-service are increasing expectations for customers when using other online services 	<ul style="list-style-type: none"> • Customer abuse • Linking customer and supplier identifiers • Under current law, some agencies require fees in order to make data updates on behalf of customers • Security controls • Risk of theft • Ensuring data remains up-to-date across the enterprise • Authenticating customers

Table 26: Approach for Managing Customer Records Degree of Value and Effort for Leading Practice 2.4

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	3	17%	0	0%
2	3	17%	1	6%
3	4	22%	6	33%
4	4	22%	3	17%
5 (High)	4	22%	8	44%
Average	3.2		4.0	

Allowing customer self-service to enter and update data on the customer record was identified as potentially providing a moderate degree of value with a higher degree of effort to implement. Participants were almost evenly dispersed throughout the scale when assessing this leading practice's value but saw benefits in potentially streamlining the data update process and saving customer time. Participants tended towards a higher degree of effort, citing potential issues with security and data quality, and indicated that self-service should be limited to non-sensitive information. It should be noted that current customer ability to update their record via self-service is very limited.

Table 27: Approach for Managing Customer Records Leading Practice 2.5 Overview

Leading Practice 2.5	
Address the privacy and security of customer records with strict confidentiality restrictions	
<ul style="list-style-type: none"> Identify the attributes of customer records that require safekeeping and special privacy procedures (e.g., HIPAA, public safety, taxpayer ID). 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> Security around system access Audit trail 	<ul style="list-style-type: none"> Complexity surrounding proper degree of security classification for certain data Need to determine which types of customers fall in a protected class HIPPA and other privacy laws Public records requests and searches Outside restricted customers, such as judges Determining what information can be seen by whom

Table 28: Approach for Managing Customer Records Degree of Value and Effort for Leading Practice 2.5

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	1	6%
3	0	0%	6	33%
4	2	11%	3	17%
5 (High)	16	89%	8	44%
Average	4.9		4.1	

Addressing the privacy and security of customer records with strict confidentiality restrictions was identified as potentially providing a high degree of value with a moderate to high degree of effort to implement. Participants rating this leading practice were nearly unanimous in their assessment of its high degree of value, noting the benefits from delivered system functionality including audit trails and role-based security. Participants were split between medium and high when assessing degree of effort, highlighting the policy decisions required to strike an appropriate balance between the benefits of greater information sharing across the enterprise while respecting the requirements of privacy laws and at-risk individuals.

Table 29: Approach for Managing Customer Records Leading Practice 2.6 Overview

Leading Practice 2.6	
Adopt an enterprise approach to governance for customer data	
<ul style="list-style-type: none"> The governance and ownership of the data should be coordinated with the State's overall enterprise information management strategy (i.e., policies and processes for data definitions, sharing, ownership, and stewardship). The customer master data strategy should help state agencies achieve their unique service delivery missions. 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> Consistency Role-based security System validation Controls by role and field across enterprise 	<ul style="list-style-type: none"> Managing duplicate records Timely maintenance could be costly Determining an approach that meets the needs of all agencies

Table 30: Approach for Managing Customer Records Degree of Value and Effort for Leading Practice 2.6

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	0	0%
3	1	6%	4	22%
4	3	17%	3	17%
5 (High)	14	77%	11	61%
Average	4.7		4.4	

Adopting an enterprise approach to governance for customer data was identified as potentially providing a high degree of value, while also entailing a higher degree of effort to implement. All but a few participants rated this leading practice as high value, recognizing this practice as key to effecting greater consistency and ensuring alignment with the State's overall information strategy. Participants also tended to rate it as high effort (though less uniformly), citing the need to conduct routine maintenance to the master customer file in accordance with a process that meets the needs of a diverse set of agencies. Again, this rating reflects the fact that the State does not currently have an enterprise approach for managing customer records.

The opinion of the group ranked the Managing Customer Records leading practices as shown in Table 31.

Table 31: Approach for Managing Customer Records Leading Practice Ranking

Leading Practice	Leading Practice	Degree of Value	Degree of Effort
2.1	Use a common customer identifier	5.0	4.4
2.2	Build a master customer data approach	3.9	4.8
2.3	Extend a master customer data approach to “intercept”	3.6	4.4
2.4	Allow customer self-service	3.2	4.0
2.5	Address the privacy and security of customer records	4.9	4.1
2.6	Adopt an enterprise approach to governance for customer data	4.7	4.4

Results from the leading practice ranking activity are summarized in Figure 2.

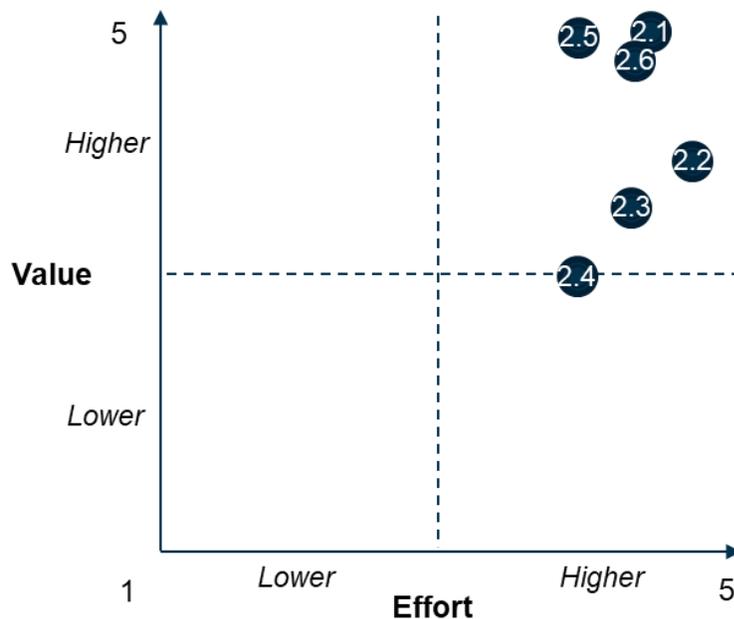


Figure 2: Approach for Managing Customer Records Leading Practice Composite Ranking

Approach for Managing Customer Records Recommendations

The data indicates all six leading practices are attractive to the participants. As described previously, initiatives with relatively high value also come with relatively high effort and this is true for Managing Customer Records, probably because the State currently does not have a centralized and enterprise approach to managing customer records.

Some leading practices are foundational to the design, and the decision to adopt, or not, should be made during Solution Analysis and Design to avoid the possibility of expensive re-work later. Based on Accenture’s experience, three leading practices fall into this category and should be considered for adoption now. Other leading practices add value but could be deferred and considered for adoption at a later time. Table 32 shows the recommended timing for consideration of each leading practice.

Table 32: Approach for Managing Customer Records Leading Practice Adoption Recommendations

Leading Practice	Leading Practice	Consider Now	Consider Later
2.1	Use a common customer identifier	X	
2.2	Build a master customer data approach		X
2.3	Extend a master customer data approach to "intercept"		X
2.4	Allow customer self-service		X
2.5	Address the privacy and security of customer records	X	
2.6	Adopt an enterprise approach to governance for customer data	X	

Leading Practice Workshop #3: Billing and Accounts Receivable Chain of Activities

The workshop on the Billing and Accounts Receivable Chain of Activities was conducted on December 11, 2018. The participants and full set of workshop materials are included in the Appendix. Summary results are presented as follows.

Attendees included representatives of the following organizations:

- Auditor General
- Department of Agriculture and Consumer Services
- Department of Business and Professional Regulation
- Department of Economic Opportunity
- Department of Financial Services
 - Accounting & Auditing
 - Bureau of Financial Reporting
 - Treasury
 - Bureau of Funds Management
- Department of Legal Affairs
- Department of Revenue

Billing and Accounts Receivable Chain of Activities Leading Practices Results

The following leading practices were presented in the leading practice workshop:

- Implement statewide A/R Billing functionality, without disrupting agency service delivery, and enhance the revenue cycle management process (LP 3.1),
- Focus on controls throughout the revenue-to-cash process (LP 3.2),
- Provide standardized functionality and business rules for agencies using the financial management system for billing and receivable management (LP 3.3),
- Use sub-systems for transaction details (LP 3.4),
- Make it easy for customers to remit revenue (LP 3.5),
- Utilize intercepts to offset delinquent receivables (LP 3.6), and
- Create a capability to share best-practices for receivables and collection management (LP 3.7).

Workshop participants identified many areas of support or concern with respect to the leading practices. Leading practices and the thoughts of the workshop participants are summarized in Tables 33 through 47.

Table 33: Billing and Accounts Receivable Chain of Activities Leading Practice 3.1 Overview

Leading Practice 3.1	
<u>Implement statewide A/R Billing functionality, without disrupting agency service delivery, and enhance the revenue cycle management process</u>	
<ul style="list-style-type: none"> Ensure all amounts owed to the State are recorded in the enterprise solution in a timely manner. Offer agencies the capability to retain their current agency business systems and interface. Make the enterprise solution available for agency billing and receivable management. 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> Should be implemented relatively easily because current processes do not use FLAIR Streamline collection processes Increase available functionality 	<ul style="list-style-type: none"> Agencies will need to modify interfaces Standardization across agencies will be difficult for diverse accounts receivable processes Collection rules entail much configuration, and potentially some customization Determine the level of detail required for central purposes versus agency use Provides a challenge for agency intercepts

Table 34: Billing and Accounts Receivable Chain of Activities Degree of Value and Effort for Leading Practice 3.1

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	0	0%
3	2	11%	4	22%
4	4	22%	1	6%
5 (High)	12	67%	12	67%
Average	4.6		4.4	

Implementing statewide A/R Billing functionality and enhancing the revenue cycle management process was identified as potentially providing a high degree of value, while also entailing a higher degree of effort to implement. Most participants rated this leading practice as high value, noting that agencies do not currently use a standardized receivables solution, and additional statewide functionality could help streamline collections. Participants also rated this practice as high effort, recognizing that agencies have differing business requirements for receivables management, oftentimes driven by statute.

Table 35: Billing and Accounts Receivable Chain of Activities Leading Practice 3.2 Overview

Leading Practice 3.2	
<u>Focus on controls throughout the revenue-to-cash process</u>	
<ul style="list-style-type: none"> • Conduct end-to-end risk assessments • Employ preventative controls • Employ detective controls 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Save time and reduce corrections • Prevent or reduce fraud 	<ul style="list-style-type: none"> • Delays and additional staff • Need extra time and expertise for end-to-end risk assessment

Table 36: Billing and Accounts Receivable Chain of Activities Degree of Value and Effort for Leading Practice 3.2

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	2	11%
3	2	0%	5	28%
4	1	6%	5	28%
5 (High)	17	94%	6	33%
Average	4.9		3.8	

Focusing on controls throughout the revenue-to-cash process was identified as potentially providing a high degree of value with a moderate degree of effort to implement. Participants were nearly unanimous in rating this leading practice as high value, noting the opportunity to reduce the risk of fraud, waste, and abuse. Participants had a wider range of views for its degree of effort but tended towards moderate to high, indicating the operational costs associated with additional training, oversight, and the need for expertise related to conducting risk assessments.

Table 37: Billing and Accounts Receivable Chain of Activities Leading Practice 3.3 Overview

Leading Practice 3.3
<u>Provide standardized functionality and business rules for agencies using the financial management system for billing and receivable management</u>
<ul style="list-style-type: none"> • Offer specialized functionality through configuration – not customization. • Standardized rules might include: <ul style="list-style-type: none"> ○ Fees have a 30-60-90-day collection cycle and then referred to debt collection or intercept/offset ○ Fines have a 15-30-45-day collection cycle and then referred to debt collection or intercept/offset ○ Assess a standard set of penalties and interest on overdue debt ○ Support both periodic bills and cumulative statements

Leading Practice 3.3	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> Automated collections Compliance Consistency 	<ul style="list-style-type: none"> Statute is the primary driver of payment requirements and fee/fine rates Approved exceptions from DFS Standard billing for all agencies is complex Potential overrides Staff time and money Reconciliations

Table 38: Billing and Accounts Receivable Chain of Activities Degree of Value and Effort for Leading Practice 3.3

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	0	0%
3	2	11%	3	17%
4	4	22%	5	28%
5 (High)	12	67%	10	56%
Average	4.6		4.4	

Providing standardized functionality and business rules for agencies using the financial management system for billing and receivables management was identified as potentially providing a high degree of value with a high degree of effort to implement. Most participants rated this leading practice as high value, citing its potential to enable greater consistency, improved compliance, and to automate the collections process. Participants likewise tended towards a higher assessment of its degree of effort, again indicating the collections management process's basis in statute, as well as the pros and cons of agency-specific variations and overrides. Furthermore, we note that standardized functionality could be provided by the Florida PALM Solution directly, which would be useful to agencies which currently do not have billing and A/R functionality. As a second option, agencies could be allowed to operate with standardized business processes in agency business systems and interface to the Florida PALM Solution, thereby maintaining the value of current investments.

Table 39: Billing and Accounts Receivable Chain of Activities Leading Practice 3.4 Overview

Leading Practice 3.4
<p><u>Use sub-systems for transaction details</u></p> <ul style="list-style-type: none"> The financial management system includes sub-systems and sub-ledgers such as Accounts Receivable and Cash Management that are integrated to the core accounting application. Data elements such as customer number and transaction details can be maintained easily in the sub-systems. The data can be easily retrieved or referenced from the General Ledger through the financial management system's relational database functionality.

Leading Practice 3.4	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> Agency uniqueness Access to transaction detail through drill-down capabilities 	<ul style="list-style-type: none"> More interfaces Timing differences

Table 40: Billing and Accounts Receivable Chain of Activities Degree of Value and Effort for Leading Practice 3.4

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	2	11%
2	0	0%	1	6%
3	1	6%	3	17%
4	5	28%	5	28%
5 (High)	12	67%	7	39%
Average	4.6		3.8	

Using sub-systems for transaction details was identified as potentially providing a high degree of value with a moderate to high degree of effort to implement. Participants rating this leading practice mostly scored it as high value, noting that sub-systems are better tailored for maintaining detailed data that does not need to be tracked in the General Ledger. Participants were less uniform in their assessment of the degree of effort required of this leading practice, highlighting the importance of ensuring data in agency business systems and the Florida PALM Solution remain synchronized, as well as more complex interfaces.

Table 41: Billing and Accounts Receivable Chain of Activities Leading Practice 3.5 Overview

Leading Practice 3.5
<p><u>Make it easy for customers to remit revenue</u></p> <ul style="list-style-type: none"> In other words, accept all forms and channels of payment, such as: <ul style="list-style-type: none"> ePayments (e.g., through the web) debit card credit card cash check

Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Increase revenue/collections • Consistency • Opportunity to centrally manage contract with a provider of ePayment services 	<ul style="list-style-type: none"> • Security risk associated with newer companies and technologies • Ensuring flexibility for agency requirements • Risk associated with more options (i.e., complexity) • Statutory requirements on service fees • Service fees that must be paid by agencies and customers • For the sake of reconciliation, there is a need to know who is paying • Limited customer information (especially with internet and wire payments) • Agency policy and statute changes

Table 42: Billing and Accounts Receivable Chain of Activities Degree of Value and Effort for Leading Practice 3.5

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	2	11%
3	1	6%	5	28%
4	5	28%	2	11%
5 (High)	12	67%	9	50%
Average	4.6		4.0	

Making it easy for customers to remit revenue was identified as potentially providing a high degree of value with a moderate to high degree of effort to implement. Most participants rated this leading practice as high value, citing the possible increase in revenues through added convenience to the State’s customers. Participants had a wider variation in responses to degree of effort. Some participants are already following this leading practice, in which case, degree of effort is low. However, other participants identified many potential obstacles that would need to be overcome for their agency, including policy and statute changes, data reconciliation, and security considerations when incorporating new payment technologies.

Table 43: Billing and Accounts Receivable Chain of Activities Leading Practice 3.6 Overview

Leading Practice 3.6
<p><u>Utilize intercepts to offset delinquent receivables</u></p> <ul style="list-style-type: none"> • Prioritize receivables • Use intercept/offset across collection types (i.e., tax and non-tax) • Include opportunities to cross jurisdictions (e.g., US Treasury Offset Program) • Use common identifier in customer records (e.g., unique system-generated number) • Extend a master data approach to “intercept” at the point of service delivery

Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> Increase revenues 	<ul style="list-style-type: none"> “Over-the-counter” intercepts turn staff into debt collectors Statute changes Potential public perception issues Determining priority of debt settlement Who handles the collections fee? Additional effort for the intercepting agency Points of sale are not always an agency (e.g., fishing licenses at an outdoors store)

Table 44: Billing and Accounts Receivable Chain of Activities Degree of Value and Effort for Leading Practice 3.6

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	1	6%	0	0%
3	6	33%	1	6%
4	5	28%	5	28%
5 (High)	6	33%	12	67%
Average	3.9		4.6	

Utilizing intercepts to offset delinquent receivables was identified as potentially providing a moderate to high degree of value with a high degree of effort to implement. Participants rating this leading practice were split relatively evenly between medium and high degrees of value, noting its potential to increase state revenues by reducing delinquent receivables. Participants were nearly unanimous in assessing degree of effort as high. Some participants cited obstacles such as public perception and the need to change current statutes. Other participants mentioned business process and policy changes that would be needed, such as determining the “hierarchy” of agency debt priority or how intercepts might impact “outsourced” state service providers such as hunting/fishing license vendors.

Table 45: Billing and Accounts Receivable Chain of Activities Leading Practice 3.7 Overview

Leading Practice 3.7
<p>Create a capability to share best-practices for billing, receivables, and collection management</p> <ul style="list-style-type: none"> A <i>community of practice</i> approach creates a virtual “group” of subject matter experts comprising practitioners from multiple agencies A <i>center of excellence</i> approach creates an organizational unit with dedicated staff and budget A <i>shared services organization</i> approach performs transaction processing on behalf of “client” agencies, pursuant to service level agreements

Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Grants consortium could be a good model • Increase collaboration • Networking • Increase efficiency • Save time • Opportunity for system users, not just management • Promotes consistency 	<ul style="list-style-type: none"> • Determining who will manage and provide logistical support

Table 46: Billing and Accounts Receivable Chain of Activities Degree of Value and Effort for Leading Practice 3.7

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	2	11%
2	0	0%	4	22%
3	2	11%	3	17%
4	4	22%	2	11%
5 (High)	12	67%	7	39%
Average	4.6		3.4	

Creating a capability to share best-practices for billing, receivables, and collections management was identified as potentially providing a high degree of value with a moderate degree of effort to implement. Participants rating this leading practice mostly scored it as high value, highlighting the various benefits from enhanced collaboration across agencies. Participants anticipated that this leading practice would require a lower degree of effort than other Billing & Accounts Receivable leading practices, but recognized the logistical steps required to establish a “community of practice” and ensure its continued relevance to its members. Many participants commented that a new approach could look to other cross-agency working groups as a model.

The opinion of the group ranked the Billing and Accounts Receivable leading practices as shown in Table 47.

Table 47:1 Billing and Accounts Receivable Chain of Activities Leading Practice Ranking

Leading Practice	Leading Practice	Degree of Value	Degree of Effort
3.1	Implement statewide A/R Billing functionality	4.6	4.4
3.2	Focus on controls	4.9	3.8
3.3	Provide standardized functionality and business rules	4.6	4.4
3.4	Use sub-systems for transaction details	4.6	3.8
3.5	Make it easy for customers to remit revenue	4.6	4.0
3.6	Utilize intercepts to offset delinquent receivables	3.9	4.6
3.7	Create a capability to share best-practices for billing, receivables, and collection management	4.6	3.4

Results from the leading practice ranking activity are summarized in Figure 3.

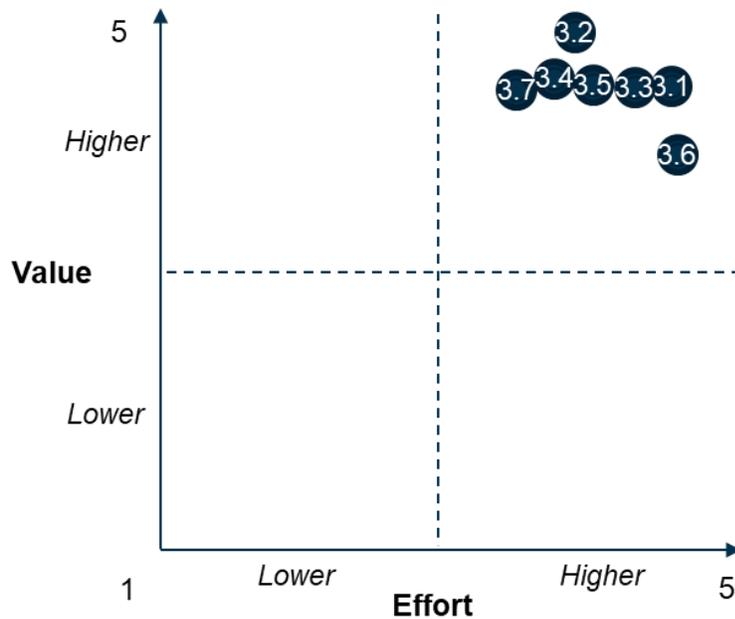


Figure 3: Billing and Accounts Receivable Chain of Activities Leading Practice Ranking

Billing and Accounts Receivable Chain of Activities Recommendations

The data indicates all seven leading practices are attractive to the participants. As mentioned previously, initiatives with relatively high value also come with relatively high effort. This is true for the Billing and Accounts receivable chain of activities, because the State does not currently have a statewide system for billing and accounts receivable.

Some leading practices are foundational to the system design, and the decision to adopt, or not, should be made during Solution Analysis and Design to avoid the possibility of expensive re-work later. Based on Accenture's experience, four leading practices fall into this category and should be considered for adoption now. Other leading practices add value but could be deferred and considered for adoption at a later time. Table 48 shows the recommended timing for consideration of each leading practice.

Table 48:2 Billing and Accounts Receivable Chain of Activities Leading Practice Adoption Recommendations

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

Leading Practice Workshop #4: Accounts Payable Chain of Activities

The workshop on the Accounts Payable Chain of Activities was conducted on December 12, 2018. The participants and full set of workshop materials are included in the Appendix. Summary results are presented as follows.

Attendees included representatives of the following organizations:

- Agency for Health Care Administration
- Department of Corrections
- Department of Financial Services
 - Accounting & Auditing
 - Bureau of Auditing
 - Bureau of Vendor Relations
 - Special Projects
 - Treasury
 - Bureau of Funds Management
- Department of Management Services
- Department of Law Enforcement
- Justice Administrative Commission

Accounts Payable Chain of Activities Leading Practices Results

The following leading practices were presented in the leading practice workshop:

- Maximize working capital to increase interest income (LP 4.1),
- Design internal controls into the system (LP 4.2),
- Minimize manual data entry and optimize automation (LP 4.3),
- Perform risk-based pre-audits (LP 4.4),
- Provide visibility to all participants into all steps in the process (LP 4.5),
- Minimize the cost to disburse payments (LP 4.6),
- To the extent possible, maximize encumbrances before disbursing payments (LP 4.7), and

- Collaborate and coordinate across business owners and stakeholders on end-to-end procure-to-pay policy and procedure coordination (LP 4.8).

Workshop participants identified many ideas with respect to the leading practices. Leading practices and the thoughts of the workshop participants are summarized in Tables 49 through 65.
 Table 49: Accounts Payable Chain of Activities Leading Practice 4.1 Overview

Leading Practice 4.1	
Maximize working capital to increase interest income	
<ul style="list-style-type: none"> • Schedule the timing of payment to take advantage of vendor payment discounts (e.g., 2% discount if invoice is paid in 10 days) • Otherwise, schedule the timing of payment to comply with Prompt Payment requirements • Include discount terms in contracts • Automate the timing of payments • Consider who retains benefits (i.e., who “keeps” the savings) • Balance the use of P-Cards with taking advantage of vendor discounts 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> • Increased State revenues • Incentive for discount for early payment 	<ul style="list-style-type: none"> • Vendors used to quick payment currently (without offering a discount) • Complexity from different payment schedules • Determining who receives the benefit of increased interest income and vendor discounts (i.e., central vs. agency) • Must see pending payments in real-time • Impacts on advance payments • Potentially reduced efficiency • Workflow issues • Determining the key date to base payment calculations on • Timing of budget and cash balances impact

Table 50: Accounts Payable Chain of Activities Degree of Value and Effort for Leading Practice 4.1

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	1	7%	0	11%
2	2	14%	0	22%
3	6	43%	3	21%
4	3	21%	4	29%
5 (High)	2	14%	7	50%
Average	3.2		4.3	

Maximizing working capital to increase interest income was identified as potentially providing a moderate degree of value with a moderate to high degree of effort to implement. Participants had

a wide range of responses for this leading practice's value. This is likely explained by uncertainty over the actual increase in revenue that could be generated through expanded vendor discounts. Participants were more uniform in assessing a higher degree of effort, citing as key factors the likely resistance from vendors who today benefit from early payments without offering a discount, added complexity from different payment schedules with different vendors, and the mechanics needed to operationalize new payment terms. Furthermore, current practice focuses on avoiding late payment penalties by paying vendors as soon as possible, rather than holding payments to the extent allowable to maximize interest income.

Table 51: Accounts Payable Chain of Activities Leading Practice 4.2 Overview

Leading Practice 4.2	
Design internal controls into the system	
<ul style="list-style-type: none"> • Configure system to identify and minimize risk • Role-based security and permissions based on segregation of duties. • Design reports to promote controls <ul style="list-style-type: none"> ○ Descriptive (audit trail) ○ Predictive (alerts on specific transactions that may be flagged for additional review) 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • State standard controls • May eliminate shadow systems • More data-rich reports • Reduction in audit findings • Allows for more transparency and clarity • Reduced fraud potential • Segregation of duties, greater accountability 	<ul style="list-style-type: none"> • Smaller agencies have hard time splitting duties

Table 52: Accounts Payable Chain of Activities Degree of Value and Effort for Leading Practice 4.2

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	1	7%
2	0	0%	2	14%
3	2	14%	5	36%
4	3	21%	2	14%
5 (High)	9	64%	4	29%
Average	4.5		3.4	

Designing internal controls into the system was identified as potentially providing a high degree of value with a moderate degree of effort to implement. Most participants rated this leading practice as high value, noting that increased functionality provided by the enterprise system may obviate the need for some shadow systems, improve segregation of duties, and reduce the risk of fraud. Participants had a wider variation in responses to degree of effort. Some participants assessed low effort with the view that they are doing this leading practice already. Other

participants assessed a higher effort, citing interruptions to operational efficiencies at smaller agencies as one example of a challenge when implementing this leading practice.

Table 53: Accounts Payable Chain of Activities Leading Practice 4.3 Overview

Leading Practice 4.3	
Minimize manual data entry and optimize automation	
<ul style="list-style-type: none"> • Automatically generate an invoice upon receipt of goods or services • Electronic invoice presentment (e.g., electronic data interchange, eInvoicing) • Automate edit/check, matching • Capture and digitize supporting information in the system to eliminate paper supporting documentation (e.g., invoices) • Standardize and simplify the workflow. Adopt one set of business rules across the State (e.g., allowable cycle time, number of approval steps). Minimize handoffs (e.g., separate “approvers” from “watchers”) • Streamline approvals 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Minimize errors • Efficiency • Less staff • Spend time learning other processes rather than time spent on data entry • Data standardization • Fewer manual calculations 	<ul style="list-style-type: none"> • Not all vendors opt in for eInvoicing • Vendors prefer to use their own formats and systems • Vendor data entry can increase errors • Through increased automation, there is a risk that the knowledge base goes away • Account for multiple file formats • Vendor buy-in – if sole source, State has no other option • Reconciliation of data • Less staff

Table 54: Accounts Payable Chain of Activities Degree of Value and Effort for Leading Practice 4.3

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	2	14%	0	0%
3	4	29%	3	21%
4	6	43%	6	43%
5 (High)	2	14%	5	36%
Average	3.6		4.1	

Minimizing manual data entry and optimizing automation was identified as potentially providing a moderate degree of value with a moderate to high degree of effort to implement. Most participants rated this leading practice towards the middle of the value scale. Consistent with one of the Florida PALM goals, many participants noted that decreasing manual data entry can reduce errors, improve data quality, and allow staff to perform more value-added functions. Participants were consistent in anticipating a higher degree of effort, highlighting challenges such as a lack of

standardization in vendor invoices and the loss of institutional knowledge from positions replaced with automation tools.

Table 55: Accounts Payable Chain of Activities Leading Practice 4.4 Overview

Leading Practice 4.4	
<u>Perform risk-based pre-audits</u>	
<ul style="list-style-type: none"> • Establish criteria for risk • Conduct periodic and recurring risk assessments • Target pre-audit activity to higher risk transactions • Conduct periodic post-audits for transactions not pre-audited • Invest in quality assurance to build agency capability 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Auto-pays • Speeds up the payment • Data provided is measurable • Not a huge change for the State • No learning curve 	<ul style="list-style-type: none"> • Training

Table 56: Accounts Payable Chain of Activities Degree of Value and Effort for Leading Practice 4.4

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	2	14%
2	0	0%	3	21%
3	4	29%	4	29%
4	5	36%	4	29%
5 (High)	5	36%	1	7%
Average	4.1		2.9	

Performing risk-based pre-audits was identified as potentially providing a moderate to high degree of value with a moderate degree of effort to implement. Most participants rated this leading practice as higher value, noting that pre-audits of a sub-set of higher risk transactions, as opposed to today's practice of pre-auditing a larger number of transactions, may increase efficiency without sacrificing controls. Participants had a wider variation in responses to degree of effort but tended towards a lower score than other leading practices, highlighting the fact that a change to pre-audit practices will require training in how to conduct risk-based assessments.

Table 57: Accounts Payable Chain of Activities Leading Practice 4.5 Overview

Leading Practice 4.5
<u>Provide visibility to all participants into all steps in the process</u>
<ul style="list-style-type: none"> • Use metrics to monitor • Automate Help Desk for common inquiries (e.g., vendor payment status) • Provide transparency information

Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Live, real-time data available for tracking • Better understanding of the process flow among end-users and how its impact on others • Fewer delays in processing • Increase transparency for external and internal management • Better communication (and fewer questions) 	<ul style="list-style-type: none"> • Training • Planning workflow (identify all participants and roles) • Managing turnover • Data translation • Additional resources • Matching skills to roles • More exposure of data to individuals with lack of accounting knowledge may cause confusion

Table 58: Accounts Payable Chain of Activities Degree of Value and Effort for Leading Practice 4.5

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	2	14%
3	2	14%	4	29%
4	8	57%	5	36%
5 (High)	4	29%	2	14%
Average	4.1		3.5	

Providing visibility to all participants to all steps in the accounts payable process was identified as potentially providing a moderate to high degree of value with a moderate degree of effort to implement. Most participants rated this leading practice as higher value, highlighting the benefits to a wide range of stakeholders from greater transparency, reducing back and forth interactions and thereby reducing error rates. Participants' responses were more diverse when assessing degree of effort, tending towards moderate, primarily citing the need to ensure workflow information is clearly communicated and understood by end users.

Table 59: Accounts Payable Chain of Activities Leading Practice 4.6 Overview

Leading Practice 4.6
<p><u>Minimize the cost to disburse payment</u></p> <ul style="list-style-type: none"> • Move away from paper warrants and paper remittance advice, and replace with EFT and digital remittance advice • Consolidate multiple items to the same payee into a single disbursement • Allow but limit the use of local disbursement accounts

Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Reduce use of paper • Saving State money by reducing theft and costs • Reduce time for vendors to receive payment 	<ul style="list-style-type: none"> • Potential loss of vendors (small businesses) • Difficult to schedule EFT • Staff reductions • Challenge in communication (i.e., letting people know how to sign up) • More difficult to cancel EFT than warrant, and therefore more difficult to recoup EFT payments • Misapplication by vendor possibly from separated remittance and check • Additional verification is required • Consolidated checks make it difficult to apply invoice to correct vendor • More calls from vendors

Table 60: Accounts Payable Chain of Activities Degree of Value and Effort for Leading Practice 4.6

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	1	8%
2	0	0%	2	15%
3	3	21%	3	23%
4	5	36%	5	38%
5 (High)	6	43%	3	23%
Average	4.2		3.5	

Minimizing the cost to disburse payment was identified as potentially providing a moderate to high degree of value with a moderate degree of effort to implement. Most participants rated this leading practice as higher value, citing the dual benefits of lower processing cost and staff time associated with disbursing payment via EFT. Participants were less uniform in assessing degree of effort. Some participants assessed this practice as low effort because they are already doing it. Other participants assessed higher effort, noting the challenges sometimes encountered with registering small businesses to receive EFT and less transparent payment reporting when multiple warrants to the same payee are consolidated.

Table 61: Accounts Payable Chain of Activities Leading Practice 4.7 Overview

Leading Practice 4.7
<p><u>To the extent possible, maximize encumbrances before disbursing payments</u></p> <ul style="list-style-type: none"> • Limit payments without purchase orders to emergencies or other exceptional circumstances • Encumbrances assist in effective budget management • Use both blanket and itemized encumbrances

Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> • New ability to drain encumbrance in FLAIR • Auto-generated encumbrance number • Improved budget management • Standardization • More accurate reporting 	<ul style="list-style-type: none"> • Encumbrance difficulty is built into MFMP • Ability to remember link between encumbrance • Learning to encumber travel and P-Card • Reconciling encumbrances • Learning to encumber where we currently do not • Without materiality, the State could be making a lot • Billed out services (phones/leases are done for every agency / bureau / division / program area, etc.)

Table 62: Accounts Payable Chain of Activities Degree of Value and Effort for Leading Practice 4.7

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	0	0%
3	9	64%	4	29%
4	0	0%	6	43%
5 (High)	5	36%	4	29%
Average	3.7		4.0	

Maximizing encumbrances before disbursing payments was identified as potentially providing a moderate degree of value with a moderate to high degree of effort to implement. Participants rated this leading practice as moderate or high value, noting the improvement to budget control and forecasting. Participants also tended towards a moderate to high degree of effort for non-routine payments. However, participants also recognized that certain types of payments, such as those which are recurring and predictable, may be more easily encumbered than others.

Table 63: Accounts Payable Chain of Activities Leading Practice 4.8 Overview

Leading Practice 4.8
<p><u>Collaborate and coordinate across business owners and stakeholders on end-to-end procure-to-pay policy and procedure coordination, such as:</u></p> <ul style="list-style-type: none"> • Definition of data elements • Process standardization • Sharing best-practices for payables management • A <i>community of practice</i> approach creates a virtual “group” of subject matter experts comprising practitioners from multiple agencies • A <i>center of excellence</i> approach creates an organizational unit with dedicated staff and budget • A <i>shared services organization</i> directly performs the accounts payable process on behalf of “clients,” typically smaller agencies, pursuant to a service level agreement

Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Having one group to answer to • MFMP already uses FLAIR codes • More training and collaboration • Standardization • Reporting 	<ul style="list-style-type: none"> • Uncertainty around error handling • Agencies that do not use MFMP • Need to respect agency uniqueness

Table 64: Accounts Payable Chain of Activities Degree of Value and Effort for Leading Practice 4.8

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	1	7%
3	7	54%	7	50%
4	3	23%	3	21%
5 (High)	4	31%	3	21%
Average	3.8		3.6	

Collaborating and coordinating across business owners and stakeholders on end-to-end procure-to-pay policy and procedure coordination was identified as potentially providing a moderate to high degree of value, while entailing a moderate degree of effort to implement. Participants tended towards moderate and high value when rating this leading practice, citing the benefits afforded by enhanced collaboration between procurement and finance business owners. Participants provided similar ratings for degree of effort, noting that not all agencies use the State’s central procurement system, the need to respect the unique requirements of some agencies and the missions of the different business owners.

The opinion of the group ranked the Accounts Payable leading practices as shown in Table 65.

Table 65:3 Accounts Payable Chain of Activities Leading Practice Ranking

Leading Practice	Leading Practice	Degree of Value	Degree of Effort
4.1	Maximize working capital to increase interest income	3.2	4.3
4.2	Design internal controls into the system	4.5	3.4
4.3	Minimize manual data entry and optimize automation	3.6	4.1
4.4	Perform risk-based pre-audits	4.1	2.9
4.5	Provide visibility to all participants into all steps in the process	4.1	3.5
4.6	Minimize the cost to disburse payment	4.2	3.5
4.7	To the extent possible, maximize encumbrances before disbursing payments	3.7	4.0
4.8	Collaborate and coordinate across business owners and stakeholders on end-to-end procure-to-pay policy and procedure coordination	3.8	3.6

Results from the leading practice ranking activity are summarized in Figure 4.

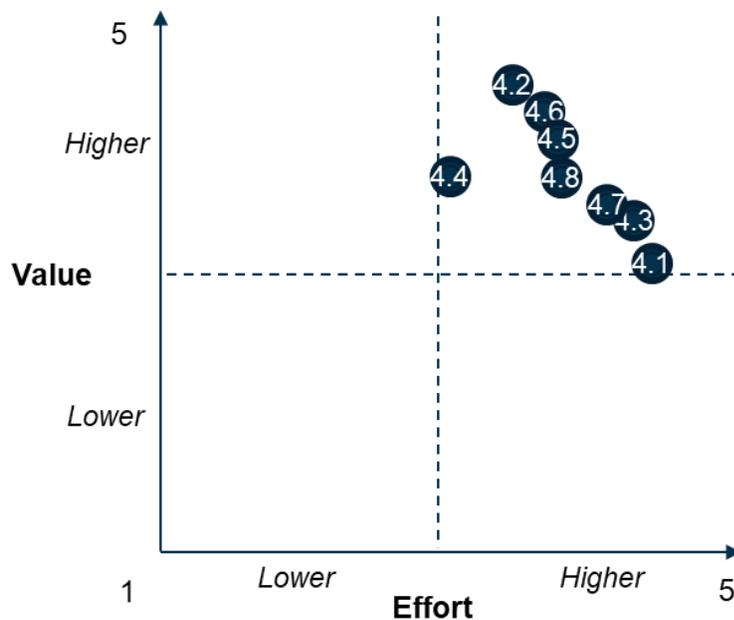


Figure 4: Accounts Payable Chain of Activities Leading Practice Ranking

Accounts Payable Chain of Activities Recommendations

The data indicates all eight leading practices are attractive to the participants. As described previously, initiatives with relatively high value also come with relatively high effort. This is true for the Accounts Payable chain of activities. It is noted that compared to other leading practices, the degree of value and effort is relatively modest, because the State is already performing many aspects of these leading practices. The issue is more a matter of enhancing current practice.

Some leading practices are foundational to the design, the decision to adopt, or not, should be made during Solution Analysis and Design to avoid the possibility of expensive re-work later. Based on Accenture’s experience, four leading practices fall into this category and should be considered for adoption now. Other leading practices add value but could be deferred and considered for adoption at a later time. Table 66 shows the recommended timing for consideration of each leading practice.

Table 66:4 Accounts Payable Chain of Activities Leading Practice Adoption Recommendations

Leading Practice	Leading Practice	Consider Now	Consider Later
4.1	Maximize working capital to increase interest income	X	
4.2	Design internal controls into the system	X	
4.3	Minimize manual data entry and optimize automation	X	
4.4	Perform risk-based pre-audits		X
4.5	Provide visibility to all participants into all steps in the process	X	
4.6	Minimize the cost to disburse payment		X
4.7	To the extent possible, maximize encumbrances before disbursing payments		X
4.8	Collaborate and coordinate across business owners and stakeholders on end-to-end procure-to-pay policy and procedure coordination		X

Leading Practice Workshop #5: Approach for Reporting and Business Intelligence

The workshop on the Approach for Reporting and Business Intelligence was conducted on December 19, 2018. The participants and full set of workshop materials are included in the Appendix. Summary results are presented as follows.

Attendees included representatives of the following organizations:

- Department of Children and Families
- Department of Environmental Protection
- Department of Financial Services
 - Accounting & Auditing
 - Bureau of Auditing
 - Bureau of Financial Reporting
 - Bureau of Vendor Relations
 - Treasury
 - Bureau of Funds Management
 - Office of Information Technology
- Department of Education
- Department of Health
- Department of Transportation
- State Courts

Approach for Reporting and Business Intelligence Leading Practices Results

The following leading practices were presented in the leading practice workshop:

- Establish a well-defined governance and management model (LP 5.1),

- When defining reporting policies, balance access with security (LP 5.2),
- Manage master and transactional data to ensure data quality (LP 5.3),
- Enable self-service (LP 5.4),
- Develop the “high touch” aspects to accompany the “high tech” (LP 5.5), and
- Evaluate emerging technological capabilities and supplement current tools (LP 5.6).

Workshop participants identified many ideas with respect to the leading practices. Leading practices and the thoughts of the workshop participants are summarized in Tables 67 through 80.

Table 67: Approach for Reporting and Business Intelligence Leading Practice 5.1 Overview

Leading Practice 5.1	
<u>Establish a well-defined governance and management model</u>	
<ul style="list-style-type: none"> • Include representatives from agencies and from finance, procurement, budget, HR/payroll, and IT • Define the authoritative data source (i.e., “system of record”) • Define the report and data owners • Manage authoritative reports and standard queries, and periodically review for decommission • Enable ad-hoc reports and queries • Provide clear definitions for consistent understanding (e.g., cash basis vs. accrual basis) 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Less reconciliation, more consistency • Easier training • Save resources • Higher accuracy and fewer errors • Better understanding of data • Maintain flexibility and uniqueness for ad-hoc reporting • Agencies can share reports • Internal controls 	<ul style="list-style-type: none"> • Transition and defining authoritative data • Data integrity • Who will be in charge of data and decision-making? • Managing roles • Time, effort and cost involved • Determining the degree of open access to data • Setting boundaries between enterprise and agency

Table 68: Approach for Reporting and Business Intelligence Degree of Value and Effort for Leading Practice 5.1

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	1	5%
3	1	5%	2	11%
4	3	16%	2	11%
5 (High)	15	79%	14	63%
Average	4.7		4.5	

Establishing a well-defined governance and management model was identified as potentially providing a high degree of value, while also entailing a high degree of effort to implement. Participants were nearly unanimous in rating this leading practice as high value, consistent with one of the Florida PALM goals; to improve state and agency specific decision making by capturing a consistent and expandable set of data. Participants noted that a clear governance model will enable greater consistency and common understanding of reports. Participants also rated this leading practice as high effort, citing factors such as defining roles and processes.

Table 69: Approach for Reporting and Business Intelligence Leading Practice 5.2 Overview

Leading Practice 5.2	
<u>When defining reporting policies, balance access with security</u>	
<ul style="list-style-type: none"> Define security policies and guidelines Define a policy for exporting data Define a policy for non-state employees (i.e., public and media access) Define a policy to address how and what data is protected (e.g., legally protected, personal information) Define a policy for reports that are attested to as authoritative versus reports that are not 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> Help identify sensitive data for each agency FS 119.071 compliance Self-service for public and media can help save time Policies 	<ul style="list-style-type: none"> Lack of access can be bigger problem than limited access Too much access can be an issue Defining consistent access across agencies Diverse needs for internal controls at smaller and larger agencies Enterprise vs. agency access

Table 70: Approach for Reporting and Business Intelligence Degree of Value and Effort for Leading Practice 5.2

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	1	5%
2	0	0%	2	11%
3	0	0%	4	21%
4	5	26%	4	21%
5 (High)	13	74%	7	37%
Average	4.7		3.8	

Balancing access with security when defining reports was identified as potentially providing a high degree of value, while also entailing a moderate to high degree of effort to implement. Participants were mostly unanimous in rating this leading practice as high value, highlighting the State's requirement to comply with Sunshine laws, as well as benefits from increased self-service. Many participants also rated this leading practice as requiring a high degree of effort, noting differences between enterprise and agency perspectives for controls and access. Furthermore, it was agreed

that certain data (e.g., personally identifiable information, public safety) should be restricted and protected.

Table 71: Approach for Reporting and Business Intelligence Leading Practice 5.3 Overview

Leading Practice 5.3	
<u>Enable self-service</u>	
<ul style="list-style-type: none"> • Move from data gathering to data analyzing • Make regular reporting easily accessible through various forms and channels <ul style="list-style-type: none"> ○ Standard reports and queries, ad-hoc reports and queries, dashboards • Enable ad-hoc reporting and queries that do not require a technical skillset • Use intuitive data relationships and parameter-driven business rules 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Standardized reports/data • Standard but unique to the user • Quicker access to unique data • Smarter end-users • Reduced information requests and greater capacity 	<ul style="list-style-type: none"> • Organizational change management • Transfer of knowledge at all levels • How immediate will the data be? Real-time? • Knowledge of exact needs • Could be too much data • Not everyone wants or needs standard data • Risk of misinterpreting data

Table 72: Approach for Reporting and Business Intelligence Degree of Value and Effort for Leading Practice 5.3

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	0	0%
3	0	0%	2	11%
4	1	5%	9	47%
5 (High)	18	95%	8	42%
Average	4.9		4.3	

Enabling self-service was identified as potentially providing a high degree of value, while also entailing a high degree of effort to implement. All but one participant rated this leading practice as high value, indicating benefits from greater standardization to self-sufficient end users able to gather the information they need in a shorter timeframe. Participants also rated this leading practice as requiring a high degree of effort, though less uniformly, noting some of the tradeoffs associated with greater access. Participants also highlighted the corresponding need to train people on how to interpret the data.

Table 73: Approach for Reporting and Business Intelligence Leading Practice 5.4 Overview

Leading Practice 5.4	
Develop the “high touch” aspects to accompany the “high tech”	
<ul style="list-style-type: none"> • Encourage employees to use reporting and business intelligence in their daily activities • Encourage managers and executives to interact with the data to facilitate fact-based decision making (e.g., KPIs and scorecards) • Create a shared learning and continuous improvement program about data and developing skills through training for all categories of users <ul style="list-style-type: none"> ○ Community of Practice ○ Center of Excellence ○ Shared Services Organization 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> • Readily-available data for decision making • Easier to read data • Empower staff through learning • “Curb appeal” of newer tools and software • Easily convert data to information • Easily measure identified performance measures • Quicker decisions 	<ul style="list-style-type: none"> • Organizational change management • Current staffing capability

Table 74: Approach for Reporting and Business Intelligence Degree of Value and Effort for Leading Practice 5.4

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	1	6%
2	0	0%	2	11%
3	1	6%	4	22%
4	4	22%	3	17%
5 (High)	13	72%	8	44%
Average	4.6		3.8	

Developing the “high touch” aspects to accompany the “high tech” was identified as potentially providing a high degree of value, while also entailing a moderate to high degree of effort to implement. Consistent with the Florida PALM goals, participants overwhelmingly rated this leading practice as high value, highlighting the advantages that could be provided by enabling end users to take advantage of new reporting technology. Most participants also rated this leading practice as requiring a moderate to higher degree of effort, noting the corresponding need for organizational change management, especially given current staffing limitations.

Table 75: Approach for Reporting and Business Intelligence Leading Practice 5.5 Overview

Leading Practice 5.5	
Manage master and transactional data to ensure data quality	
<ul style="list-style-type: none"> • Review chart of accounts values (e.g., sub-object codes) for relevance and redundancy • Maintain up-to-date master customer and payee files • Pre-empt inaccuracies related to manual data entry <ul style="list-style-type: none"> ○ Limit free-text fields to where they are truly required ○ Automate data entry where possible and integrate details from the “single source of truth” 	
Benefits from Adopting this Practice As Expressed by Participants	Potential Challenges or Obstacles As Expressed by Participants
<ul style="list-style-type: none"> • Access to historical data • Data consistency • Less supplemental work from data tracked outside the system • Traceability from transaction to Comprehensive Annual Financial Report (CAFR) • It’s a “must do” for reliable data and reports • Encourages the State to be pro-active instead of reactive • Improved security 	<ul style="list-style-type: none"> • Establishing consistent guidelines • Security and access controls • Who will be in charge of standardizing? • Giving up some control by agencies • Standardization needed across agencies, such as expenditure object codes • Integration of sub-systems • Agency-specific requirements (e.g., federal funding)

Table 76: Approach for Reporting and Business Intelligence Degree of Value and Effort for Leading Practice 5.5

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	0	0%	2	11%
3	1	6%	4	22%
4	4	22%	3	17%
5 (High)	13	72%	9	50%
Average	4.6		4.0	

Managing master and transactional data to ensure data quality was identified as potentially providing a high degree of value, while also entailing a high degree of effort to implement. Participants again overwhelmingly rated this leading practice as high value, noting the importance of data quality in avoiding “garbage in, garbage out” reporting. Most participants also tended towards a higher degree of effort, citing challenges from the establishment of consistent guidelines to managing data definitions outside the purview of the financial management system (i.e., information integrated from agency business systems).

Table 77: Approach for Reporting and Business Intelligence Leading Practice 5.6 Overview

Leading Practice 5.6	
<u>Evaluate emerging technological capabilities and supplement current tools</u>	
<ul style="list-style-type: none"> • Monitor the fast-changing market for new reporting technologies • Eliminate redundant reporting solutions • Maintain a “parking lot” of use cases for future consideration when current technology cannot deliver 	
Benefits from Adopting this Practice <i>As Expressed by Participants</i>	Potential Challenges or Obstacles <i>As Expressed by Participants</i>
<ul style="list-style-type: none"> • Standard service architecture • Effectiveness and efficiency • Must keep up with technological changes to meet the expectations of stakeholders • More opportunities for “one-stop shopping” • Free up resources (financial and staff time) 	<ul style="list-style-type: none"> • Technology change is happening at a very fast rate, and the State’s ability to support the new technology must also be considered • In a decentralized environment, it could be difficult to deploy • Losing some agency-unique systems • Plan for the “one-offs” and agency-unique needs • Takes time and costs money • New skills sets are needed in addition to new technology

Table 78: Approach for Reporting and Business Intelligence of Value and Effort for Leading Practice 5.6

Score	Degree of Value		Degree of Effort	
	Count	% of Total	Count	% of Total
1 (Low)	0	0%	0	0%
2	1	6%	0	0%
3	0	0%	2	11%
4	6	33%	7	37%
5 (High)	11	61%	10	53%
Average	4.5		4.4	

Evaluating emerging technological capabilities and supplementing current tools was identified as potentially providing a high degree of value, while also entailing a high degree of effort to implement. Participants tended towards rating this leading practice as high value, stating that keeping pace with the expectations of the State’s diverse group of stakeholders requires constantly evaluating new tools and capabilities. Most participants also rated this leading practice as requiring a high degree of effort, citing the fact that technology is constantly changing and the need to address current staff skill sets as challenges.

The opinion of the group ranked the Reporting and Business Intelligence leading practices as shown in Table 79.

Table 79:5 Approach for Reporting and Business Intelligence Leading Practice Ranking

Leading Practice	Leading Practice	Degree of Value	Degree of Effort
5.1	Establish a well-defined governance and management model	4.7	4.5
5.2	When defining reporting policies, balance access with security	4.7	3.8
5.3	Enable self-service	4.9	4.3
5.4	Develop the “high touch” aspects to accompany the “high tech”	4.6	3.8
5.5	Manage master and transactional data to ensure data quality	4.6	4.0
5.6	Evaluate emerging technological capabilities and supplement current tools	4.5	4.4

Results from the leading practice ranking activity are summarized in Figure 5.

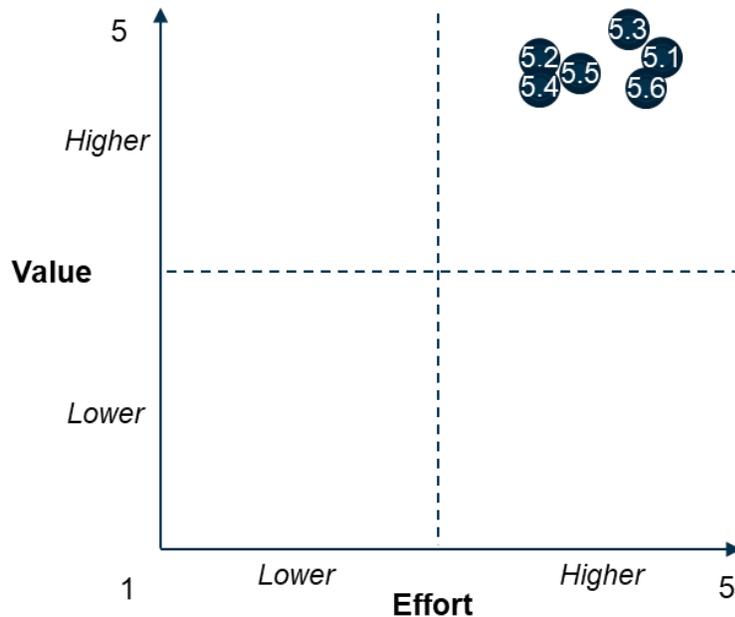


Figure 5: Approach for Reporting and Business Intelligence Leading Practice Ranking

Approach for Reporting and Business Intelligence Recommendations

The data indicates all six leading practices are attractive to the participants. As described earlier, initiatives with relatively high value also come with relatively high effort. This is true for the approach for Reporting and Business Intelligence, as each leading practice ranked with high value, and corresponds with one of the Florida PALM goals; to improve state and agency specific decision making by capturing a consistent and expandable set of data. Given the foundational nature of these leading practices, the decision to adopt, or not, should be made during Solution Analysis and Design and creation of the Data Architecture Strategy (D42). Based on Accenture’s experience, all six leading practices should be considered for adoption now, as shown in Table 80. It is noted the leading practice about monitoring new technologies by its nature is forward looking and would continue to merit attention beyond the Solution Analysis and Design.

Table 80:6 Approach for Reporting and Business Intelligence Leading Practice Adoption Recommendations

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

Appendix

Brainstorming Activity

Results from the Rose, Bud, Thorn brainstorming activity are provided in the D32 Working > Appendix folder. The file names for the document is as follows:

- Rose, Bud, Thorn Brainstorming Activity

Meeting Minutes

Meeting minutes for each of the five leading practice workshops are provided in the D32 Working > Appendix folder. The file names for each document are as follows:

- Accounts Payable Chain of Activities Meeting Minutes
- Approach for Managing Customer Record Meeting Minutes
- Approach to Reporting and Business Intelligence Meeting Minutes
- Billing and Accounts Receivable Chain of Activities Meeting Minutes
- Chart of Accounts Design Meeting Minutes

Participants List

Sign In Sheets showing the participants from each of the five leading practice workshops are provided in the D32 Working > Appendix folder. The file names for each document are as follows:

- Accounts Payable Chain of Activities (LP4) Sign In Sheets
- Approach for Managing Customer Records (LP2) Sign In Sheets
- Approach to Reporting and Business Intelligence (LP5) Sign In Sheets
- Billing and Accounts Receivable Chain of Activities (LP3) Sign In Sheets
- Chart of Accounts Design (LP1) Sign In Sheets

Pre-Read Materials

Pre-Read Materials from each of the five leading practice workshops are provided in the D32 Working > Appendix folder. The materials are also available on the Florida PALM website. The file names for each document are as follows:

- Pre-Read Materials - Accounts Payable Chain of Activities Workshop
- Pre-Read Materials - Approach for Managing Customer Records Leading Practice Workshop
- Pre-Read Materials - Approach for Reporting and Business Intelligence Workshop
- Pre-Read Materials - Billing and Accounts Receivable Chain of Activities Workshop
- Pre-Read Materials - Chart of Accounts Design Leading Practice Workshop

Ranking Activity

Supporting documentation associated with the value and effort rankings, discussed throughout this deliverable, from each of the five leading practice workshops are provided in the D32 Working > Appendix folder. The file names for each document are as follows:

- Accounts Payable Chain of Activities Ranking Activity
- Approach for Managing Customer Records Ranking Activity
- Approach to Reporting and Business Intelligence Ranking Activity
- Billing and Accounts Receivable Chain of Activities Ranking Activity
- Chart of Accounts Design Ranking Activity

Survey Results

Survey results for each of the five leading practice workshops are provided in the D32 Working > Appendix folder. The file names for each document are as follows:

- Accounts Payable Chain of Activities Survey
- Approach for Managing Customer Records Survey
- Approach to Reporting and Business Intelligence Survey
- Billing and Accounts Receivable Chain of Activities Survey
- Chart of Accounts Design Survey

Workshop Materials

Workshop Materials from each of the five leading practice workshops are provided in the D32 Working > Appendix folder. The materials are also available on the Florida PALM website. The file names for each document are as follows:

- Accounts Payable Chain of Activities Leading Practice Workshop
- Approach for Managing Customer Records Leading Practice Workshop
- Approach to Reporting and Business Intelligence Leading Practice Workshop
- Billing and Accounts Receivable Chain of Activities Leading Practice Workshop
- Chart of Accounts Leading Practice Workshop