

Biennium: 2010-12 ▾

Mission and Vision**Mission Statement**

Provide a uniform system of accounting, financial reporting, and internal control adequate to protect and account for the Commonwealth's financial resources while supporting and enhancing the recognition of Virginia as the best managed state in the nation.

Vision Statement

To be nationally recognized for accounting and financial reporting excellence to enhance the reputation of Virginia as the best managed state in the union; to showcase DOA employees as statewide and national leaders in the financial accounting and reporting arena; maintain financial accounting, payroll, and fixed asset systems that support the needs of the Commonwealth; and to treat employees and customers with fairness and respect.

Agency Values

- Performance
Strive to provide performance and counsel of the highest quality.
- Stewardship
Dedicate our efforts toward earning the respect, trust, and confidence of elected and appointed officials, those with whom we work, and the public.
- Standards of Conduct
Abide by Virginia's Standards of Conduct for Employees and related regulations.
- Public Resources
Avoid using public resources for personal gain.
- Illegal Activities
Do not knowingly conduct or condone any illegal or improper activity.
- Conformance
Provide all reports and information in conformance with applicable laws, regulations and professional standards.
- Innovation and Creativity
Meeting and legal requirements imposed by state and federal laws while maintaining our innovative and creative abilities leading towards better work products or processes.

Executive Progress Report**Service Performance and Productivity**

- *Summary of current service performance*
DOA is committed to excellence in all service areas. The major service areas within DOA include:

General Accounting
Compliance Assurance
Payroll Operations
Financial Reporting
Finance & Administration
Systems Development, Maintenance, and Computer Operations
Payroll Service Bureau

A description of the services provided by each of these service area follow.

GENERAL ACCOUNTING

The Department of Accounts (DOA) maintains the official accounts for the Commonwealth in the Commonwealth Accounting and Reporting System (CARS). Deposit and disbursement transactions are entered by agencies on-line during the workday and computer edited against authorized spending levels in nightly batch runs. A daily reconciliation of the state's cash position in the books of the Comptroller to the books of the State Treasurer is performed. Various accounting reports are generated for use by agency and DOA staff to reconcile the accounts each day and identify and resolve any discrepancies that are identified. All disbursements of public funds must be processed through CARS. This service area also includes management of the state-aid-intercept program as well as the responsibilities that follow:

Appropriation Control

This service area involves the internal control procedures used by state government to enforce compliance with appropriation law. Following enactment of the Appropriation Act, two agencies become responsible for ensuring that appropriation law is followed. DPB authorizes the expenditure of appropriated funds through the allotment process, while DOA enforces this authorization through the automated edits and manual procedures that support the general ledger. This service area includes the preparation of year-end reconciliations that account for all expenditures as authorized in the Appropriation Act.

Support Locality Revenue Deposits

DOA has general oversight for deposit reconciliation for all sources of state revenue. However, a separate service involves the processing of deposits from local governments and the court system. Given the many different administrative environments found among local governments and the various state courts, DOA has assumed a higher level of processing responsibility for these deposits. Each month DOA handles an average of 4,500 local deposit certificates that account for between \$80 million and \$190 million in state receipts. Following a decentralization initiative begun in early 2003, entry of these deposit transactions into the central accounting system is largely executed by localities. A related responsibility is the monthly summarization and certification of recordation taxes, a portion of which are ultimately due to localities. This service also includes procedures for refunding forfeited bail bonds as ordered by a court.

Interest Calculation

Virginia statutory and appropriation law frequently allocates interest income earned by the Treasurer to specific non-general funds. This requires detailed calculations and record keeping necessary to allocate interest and demonstrate compliance with the related legal provisions.

Debt Setoff Program

Section 2.2-4806 of the Code authorizes the recovery of overdue debts owed the Commonwealth from suppliers for amounts to be paid for procured goods and services. This is a debt setoff program similar to that used by Tax to recover debts from state tax refunds. Since its inception in 1991 through FY 2007 this program has recovered in excess of \$89.9 million in overdue debts owed the Commonwealth. The \$89.9 million includes funds initially setoff but ultimately returned to the vendors because the debt was recovered by other means.

Loan, Line of Credit and Grant Coordination

The Appropriation Act provides for intra-governmental loans and lines of credit from the Treasury to support state programs that are anticipating non-general funds from federal grants and contracts, bond sales, and similar situations. The Comptroller's office is responsible for development of procedures for agencies to follow in applying and justifying such requests. DOA must administer these financial transactions including interest calculation, timing of repayment, and proper accounting and reporting. This service includes the processing of state grants to non-state agencies as authorized by the Appropriation Act and regulated by DPB.

Financial Electronic Data Interchange (FEDI)

FEDI increases administrative efficiency and reduces costs through the replacement of check payments with automated transactions. The program was implemented in 1994. The Commonwealth has over 44,500 trading partners accepting electronic payments including vendors, localities, state agencies/employees and grant recipients.

Distributions to Local Governments

The State Comptroller is mandated by law to distribute certain funds to local governments. Such distributions include funds allocated to localities pursuant to the sales and use tax based upon school age population, a percentage of ABC profits based on total population, and recordation tax for which the total distribution is fixed but each locality's share is based upon their collections compared to total collections.

Personal Property Tax Relief Act (PPTRA)

DOA disburses funds to local governments pursuant to the Personal Property Tax Relief Act.

Small Purchase Charge Card Program

The Small Purchase Charge Card Program (SPCC) was initiated in order to reduce the volume and cost of accounts payable transactions. The program was implemented in January 1, 1995 and offers state agencies and institutions an alternative payment method when making small purchases under \$5,000. A "gold card" program also enables certain types of purchases to be charged up to \$50,000. In 2009, over \$344 million was purchased under this program and the Commonwealth received over \$5 million in rebates from the charge card vendor.

Travel Card Program

The travel charge card program is used by individuals who travel overnight more than two times a year to pay for official state travel expenses. Employees request and receive reimbursement for travel expenses as they complete travel, but must pay their travel charge card bills monthly. In 2009, over 5,000 travel charge cards were in use.

Internal Control Compliance Quality Assurance

This activity involves reviewing state agencies implementation of Agency Risk Management and Internal Control Standards (ARMICS). These Standards provide guidance for establishing and assessing agency internal controls in order to more effectively manage risk and maintain accountability. These Standards are an extension and clarification of existing requirements contained in the annual Comptroller's Financial Reporting Directives and the Commonwealth Accounting Policies and Procedures Topic 10305, Internal Control. This activity includes the review and testing of agency internal controls and development of reports and recommendations for improvement in the agency's implementation of ARMICS. Additionally, the results of the review are used to determine the extent of training needed by agency management and staff charged with ARMICS implementation.

COMPLIANCE ASSURANCE

This service area's organizational objective is to compile, review and produce the Comptroller's Report on Statewide Financial Management and Compliance, to review, evaluate and report on current statewide decentralized agency compliance with expenditure and disbursement policies defined in the Commonwealth Accounting Policies and Procedures (CAPP) manual. This area also provides professional and technical training programs and timely assistance for improving agency compliance with CAPP procedures. This area also ensures compliance with the Cash Management Improvement Act (CMIA), 1099 reporting, and provides a pre-audit function for non-decentralized agencies as well as follows up on agency corrective action workplans for deficiencies noted in APA audit reports.

Decentralized Pre-audit

Since 1992, DOA has been in the process of decentralizing the pre-audit function to individual agencies under a delegation of authority from the State Comptroller. This activity includes the identification of qualified agencies, negotiation of delegation agreements, and quality control reviews that monitor delegated pre-audit performance for compliance with published policies and procedures and advice to agencies of corrective measures that may be needed.

Division of the State Internal Auditor

The Division of the State Internal Auditor provides an effective and efficient method for state employees to report fraud, waste, and abuse through the administration of the State Employee Fraud, Waste, and Abuse Hotline. DOA also assists in the establishment, development, and maintenance of agency Internal Audit Programs through training and technical assistance.

Cash Management Improvement Act

The Compliance Assurance area administers the requirements of the federal Cash Management Improvement Act (CMIA) of 1990. CMIA governs the timely transfer and expenditure of funds between the federal government and the states for major federal assistance programs. It provides an interest calculation and exchange incentive for the time the state and/or federal government hold each other's money to compensate each other for the time value of the funds. As part of this process, states negotiate an annual agreement with the United States Department of the Treasury that specifies the funds transfer procedures for the major federal assistance programs in the agreement. An interest calculation and exchange occurs annually.

PAYROLL OPERATIONS

The State Payroll Operations service area administers the central payroll system (CIPPS) and ensures and facilitates the calculation of payroll and benefits for state employees by agency payroll personnel. Most state employees are served by CIPPS, although the largest state-supported colleges and universities operate independent payroll systems.

Agencies may calculate several payrolls on a weekly, biweekly, semimonthly or monthly basis or "as needed" to cover special situations and demands. About 1,200 payroll staff at over 218 agencies and institutions are granted secure access to the central payroll system. The distribution of pay is either by direct deposit (about 98% of all salaried employees) or by payroll check.

Employers are subject to severe financial penalties for inaccurate reporting of federal tax withholding. DOA deposits about \$225 million each quarter on behalf of over 218 state agency employers. This activity includes the administration of the Federal Automated Deposit program (FAD), preparation and electronic filing of quarterly withholding reports (IRS Form 941), preparation of year end filings for over 120,000 W-2 forms, electronic reporting to the IRS and the Social Security Administration, and preparation and filing of adjusted forms as needed (Forms 941C, W-2C, and W-3C).

Accounting and disbursements processing for benefits covers the deduction, reconciliation, disbursement and accounting for all amounts deducted from employee pay for both state benefit and supplemental deduction programs. The major benefit deductions include health care, Section 125 flexible spending accounts, and the Section 457 deferred compensation program. This service also includes the transmission of data to the VRS for retirement service credit recording, as well as the accounting of funds for employees who are eligible and have elected to participate in one of the three optional retirement programs offered in place of VRS. All deducted amounts are reconciled before the funds are disbursed to the appropriate receiving party. Deductions for other purposes are also supported including, CVC (charitable foundation contributions), U.S. Savings Bond purchases, child support orders, garnishment fees, dues for employee associations and premiums for supplemental insurance coverage and tax-deferred annuities.

FINANCIAL REPORTING

The Virginia Constitution requires that accounts be maintained and reported based on when cash is received and paid out. This service area involves ongoing reporting of cash activity in the state accounts throughout the year. DOA reports cash activity in state accounts throughout the year for the Governor, Secretary of Finance and General Assembly include the monthly report on the cash position of the Commonwealth. A general fund preliminary annual report is prepared by August 15 as required by law. Financial reporting also has the following responsibilities:

Producing the Comprehensive Annual Financial Report (CAFR) of the Commonwealth, which is audited by the Auditor of Public Accounts. Generally accepted accounting principals (GAAP) are promulgated by the Governmental Accounting Standards Board (GASB) and include the recognition of accrued assets and liabilities along with other non-cash accounting requirements. Planning, information gathering, and preparation of this report take approximately 6 1/2 months. In order to obtain all of the financial information necessary to prepare the CAFR, DOA issues the State Agency, Higher Education, and Component Unit Financial Statement Directives. These Directives provide guidance and assistance to State Agencies, Institutions of Higher Education, and Component units on the GAAP presentation of financial statement information.

Summarizing and simplifying the presentation of information contained in the Commonwealth's Comprehensive Annual Financial Report in a report often referred to as the "popular report." This report is intended to better inform the public about the Commonwealth's financial condition without excessive detail or the use of technical accounting terms. This service area also produces the Schedule of Expenditures of Federal Awards for inclusion in the Statewide Single Audit Report. The schedule is prepared in accordance with the requirements of OMB Federal Circular A-133.

The Code of Virginia (§2.2-4801 et seq., the Virginia Debt Collection Act) assigns DOA the responsibility to provide oversight reporting, and monitoring for the procedures used by state agencies to collect accounts receivable. Data on accounts receivable balances are compiled quarterly. These data are also used for the Comprehensive Annual Financial Report of the Commonwealth (CAFR) and the Report to the Citizens of the Commonwealth (PAFR).

A revenue report is prepared monthly to report General Fund and Lottery revenue collections tracked against the latest official revenue forecast. Comparative data on the various revenue sources are provided reflecting actual revenues collected for the month and year-to-date compared to collections for the same period in the previous fiscal year. The percentage change in revenues for the month and year-to-date are also compared to the percentage change required by the revenue estimate.

Preparing two indirect cost allocation plans. The first is prepared in accordance with 2 CFR, Part 225 and is used by agencies entitled to recover indirect costs from federal grants and contracts. The plan is audited and approved by the federal government on behalf of the Commonwealth and recovered over \$244 million from federal sources in FY 2009. In addition, a second "full costing" plan is developed for DPB that supports the recovery of indirect costs borne by the General Fund on behalf of non-general funded agencies and programs. The Appropriation Act is used to recover these costs for the General Fund. In FY 2009, \$7.0 million was recovered for the General Fund through this program.

Accounting for all major land, building and equipment assets of the Commonwealth. Also included is the accounting for certain capital leases, which are reflected as assets in the Commonwealth financial statements. Typically about 45,000 fixed asset transactions are processed annually.

The Audited December 15 Comprehensive Annual Financial Report (CAFR) is prepared on the basis of generally accepted accounting principles (GAAP) and is used extensively by rating agencies, investment banks and others involved in the issuance and marketing of Commonwealth bonds. Virginia has produced a GAAP basis report that has received an unqualified audit opinion every year since 1986. This activity involves selecting state agencies for quality assurance reviews based on risk analysis. A review of the agency prepared financial reporting attachments is conducted and documented. A report is prepared detailing findings and recommendations for improvement in the process and is discussed with agency management. This activity improves the reliability of accounting data submitted for inclusion in the Comprehensive Annual Financial Report and helps to define agency training needs as it relates to financial reporting.

The American Recovery and Reinvestment Act (ARRA) carries stringent federal reporting requirements to ensure accountability and to allow accurate and transparent reporting. This activity involves reviewing and evaluating internal controls and processes in place at the agencies receiving ARRA funding. Review efforts are focused towards ensuring appropriate use of the funds received and verifying reporting accuracy/transparency.

FINANCE & ADMINISTRATION

DOA's Finance & Administration section provides payroll, invoice processing/accounts payable and accounting reconciliation services in support of the Departments of Accounts, Treasury, and Planning and Budget. DOA staff provides accounts payable services to the State Council of Higher Education in Virginia, and the Commonwealth Health Research Board. DOA staff provide accounts payable, accounting reconciliation and other fiscal services to the Virginia Racing Commission and the Board of Accountancy.

DOA was among the first agencies to adopt an administrative service bureau that supports the routine technical aspects of administrative operations for more than one agency. To accomplish this, the DOA administrative services staff adopted a customer oriented approach to their work which emphasized quality attention to service needs regardless of whether the service was for DOA or another supported agency.

In order to provide uniform accounting procedures for state government, DOA publishes the Commonwealth Accounting Policies and Procedures Manual (CAPP). The CAPP is a four volume set of prescribed accounting practices which is used by all agencies of state government. A publications unit manages the frequent revisions to the CAPP which are required by changes in state or federal law, generally accepted accounting principals, or administrative policy. Starting in FY 2003, DOA discontinued printing the CAPP manual, but is still updated regularly and posted on the internet.

DOA also publishes other documents, such as the Quarterly Report and the popular annual report. The publishing unit utilizes the DOA Web Page as a means of making DOA publications electronically accessible in lieu of printing. This technique significantly reduces the production and distribution costs for DOA, particularly for very lengthy publications such as the Comprehensive Annual Financial Report (CAFR).

Administrative Services also processes Line of Duty claims for the Commonwealth. DOA is responsible for making lump sum payments to the beneficiaries of certain public safety personnel (e.g., police, fire, rescue) who die from work-related causes and an increasing number of monthly payments for health insurance for disabled public safety personnel injured in the line of duty and their spouses and dependents.

Code § 2.2-814 requires the Comptroller be served for claims against the Commonwealth whenever the specific responsible state official cannot be determined.

DOA's public records unit is the official repository for all documents pertaining to cash deposit and disbursement transactions, unless that responsibility has been delegated by the Comptroller pursuant to the decentralization initiative described earlier. The public records unit has been steadily reduced in size as decentralization moved forward. However, a residual responsibility will remain for the storage of records pertaining to non-decentralized agencies, including those of elected officials, and for the records generated by DOA's own central processing activity.

PAYROLL SERVICE BUREAU

DOA operates a payroll service bureau that supports agency level payroll, leave, and certain human resource and benefit data entry activities for over 15,000 employees in 50 agencies. In addition to performing the processing responsibilities for payroll, leave accounting and benefit administration, the Payroll Service Bureau also prepares payroll related reconciliations such as the monthly Healthcare reconciliation, the VRS reconciliation of retirement benefits, the administration of reciprocal taxing for non-Virginia state employees, the Quarterly and Annual Certifications of Taxable Wages and the Leave Liability Attachment to satisfy the financial reporting directive issued by DOA.

To support certain Human Resource policies relevant to payroll, the Bureau prepares and enters the monthly Employee Position Report (EPR) information and maintains the 1,500 Hour Wage Reporting for the participating agencies' wage employee rolls. It also prepares responses for any CIPPS/PMIS Exceptions that occur as a result of differences detected between PMIS and CIPPS.

SYSTEMS DEVELOPMENT, MAINTENANCE, AND COMPUTER OPERATIONS

DOA management recognizes the increasing value of information generation as a service. Integration between systems continues to increase, particularly between mainframe and desktop processing environments. This functional activity supports the operation of the statewide general ledger system (CARS), the statewide payroll system (CIPPS), and the statewide fixed asset system (FAACS), as well as other related statewide financial information systems.

This area includes the ongoing planning needed to promote the coordinated development and integration of hardware, database systems, application programs, and communications within DOA and between DOA and its customers. All planning is done in conformance with the guidelines of the Virginia Information Technology Agency (VITA). Weekly management status meetings and the annual update to the agency information technology plan are used to support this activity.

DOA transitioned to VITA in July, 2004. At that time the staff associated with the computer operations functions became employees of VITA. DOA continues to monitor the performance of these functions, in conjunction with VITA because they are vital to the operations of our major systems.

- *Summary of current productivity*

The Department of Accounts (DOA) and the Office of the State Comptroller have been in existence since 1928. At its peak in the early 1990's, DOA employed just fewer than 200 staff and had an operating budget of \$13.3 million. DOA currently has 120 filled positions and an operating budget of \$11 million for FY2009.

CARS - The Commonwealth Accounting and Reporting System (general ledger system) processes in excess of nine million transactions annually.

FAACS - The Fixed Asset Accounting Control System processes approximately 45,000 transactions annually.

CIPPS - The Central Payroll System supports payments to an average of 90,000 employees each month and 120,000 employees throughout the year. Payline was implemented in July of 2001 - this is a web based system allows employees to access pay information online. As of June, 2009, 77.4% of state employees participated in Payline. 97.2% of Direct Deposit participants have elected to eliminate the printed earnings notice.

In 1995, DOA implemented the use of a purchase card program providing statewide enhanced efficiencies through the consolidation of vendor payments and the reduction in associated costs. The program has grown from \$31 million in FY97 (158,000 checks avoided) to over \$344 million in FY09 (over 647,000 checks were avoided).

The payroll service bureau serves 50 agencies and produced over 15,000 W-2's for calendar year 2008.

The fiscal service bureau processed over 5,000 vouchers in FY 2009.

Despite the loss of positions from the early 1990's to the present (200 staff to 120 in FY 2010), which includes 25 Payroll Service Bureau and Division of State Internal Audit staff in new functions, DOA continues to satisfy mandated State & federal mandates. These include:

Cash Management Improvement Act (CMIA) of 1990

This federal law was imposed to bring equity to intergovernmental cash flows by establishing federal/state agreements regulating interest payment responsibilities. The movement of federal aid payments to the states results in "interest float" benefit to a state. Virginia must conduct detailed analyses to minimize the interest liability owed to the federal government each year.

Indirect Cost

The Appropriation Act, §4-2.03, requires that DOA develop procedures for a federal Statewide Indirect Cost Allocation Plan (SICAP) which is used to recover allowable indirect and overhead costs for agencies receiving federal grants and contracts. This plan must be developed and audited by the federal government before indirect costs can be recovered. Approval of the plan also allows the purchase of goods and services with federal grant funds from activities accounted for in the Commonwealth's Internal Service Funds. The process of developing the federal SICAP, along with the companion "full costing" SICAP for general fund recoveries from non-general funded agencies and programs, requires a considerable commitment of resources.

Statewide Single Audit Report

OMB Circular A-133, "Audits of States, Local governments and Non-Profit Organizations" was revised in June 1997. This revision requires that the auditee prepare the "Schedule of Resolution of Prior Year Audit Findings" and the "Schedule of Expenditures of Federal Awards" sections of the Statewide Single Audit Report. The Department of Accounts prepares these statements for the Commonwealth as a whole, in the role of auditee.

State Payroll Operations

Internal Revenue Service regulations dictate tax withholding requirements associated with wage payments and benefits. Compliance with these regulations is required by central and agency users in order to avoid payroll and tax errors that could result in significant IRS penalties. DOA administers the deposit and reporting of payroll taxes on behalf of over 218 state agencies.

Financial Reporting

This mandate is unusual in that a nonprofit corporation, the Governmental Accounting Standards Board (GASB) promulgates it, rather than a government. GASB is the public sector counterpart to the Financial Accounting Standards Board (FASB) which establishes generally accepted accounting principals for private sector entities. Virginia must comply with GASB standards in order to obtain an unqualified opinion on its audited financial statements. There are presently 56 GASB statements in effect. Complying with GASB standards is complex and resource intensive. However, the benefit of unqualified audit opinions and the Certificate of Excellence in Financial Reporting to the Commonwealth's bond ratings and general standing in the national financial community is worth the investment.

Finally, DOA is responsible under the Appropriation Act for distributing approximately \$950 million to local governments each year as part of the administration of various shared-tax programs provided for in law. This program, referred to in the Appropriation Act as financial assistance to localities, is considered by DOA to be a functional activity.

Initiatives, Rankings and Customer Trends

- *Summary of Major Initiatives and Related Progress*

American Recovery and Reinvestment Act (ARRA) Oversight

The ARRA carries stringent reporting requirements to ensure accountability and to allow accurate and transparent reporting. This activity involves reviewing and evaluating internal controls and processes in place at the agencies receiving ARRA funding. Review efforts are focused towards ensuring appropriate use of the funds received and verifying reporting accuracy/transparency.

Strengthen Oversight and Improve Internal Controls

This initiative began in the 2006-2008 biennium and continues into the 2010-2012 biennium. This initiative is intended to strengthen oversight, monitoring and training of agency accounting activities in response to Statement on Auditing Standard (SAS) 112, OMB Circular 123 and other financial reporting pronouncements. The new SAS standard effective fiscal year 2007 and beyond requires the auditor to communicate control deficiencies that are significant deficiencies or material weaknesses in internal control. The new standard is significant in that events previously regarded as minor and not reportable could, under SAS 112, be regarded as significant control deficiencies or material weaknesses.

Failure to proactively implement new agency financial reporting oversight, quality assurance and training functions could jeopardize the Commonwealth's unqualified audit opinion. Virginia has earned and enjoyed twenty-three consecutive unqualified audit opinions. Such a qualification could jeopardize the Commonwealth's AAA bond rating would undoubtedly have a significant impact on the Commonwealth's current ranking as the best financially managed state in the country.

Other governmental accounting challenges include federal legislation (Sarbanes/Oxley) and OMB policies (OMB Circ. A-123). These rules essentially require publicly traded corporations and federal agencies (and states through grant programs) to comply with the internal control standards established by the Committee of Sponsoring Organizations (COSO). COSO is comprised of professional organizations such as the AICPA and the Institute of Internal Auditors. COSO standards are fundamentally regarded as best practices for internal control. The successful implementation of these standards will greatly assist in mitigating the risks of reported control deficiencies dictated by SAS 112. These standards also provide reasonable assurance that the Commonwealth's assets are protected, its laws and policies are complied with and its financial reporting data is fairly presently in a manner consistent with Generally Accepted Accounting Principles (GAAP). DOA has issued a directive titled "Agency Risk Management and Internal Control Standards (ARMICS)" as an important first step in bringing the Commonwealth into compliance with such internal control standards.

PPEA ERP

DOA has invested significant resources on the core project team and steering committee of the Commonwealth's PPEA Enterprise Resource Planning project. The Commonwealth completed an ambitious comprehensive study of the Commonwealth's business processes at the enterprise level, which will lead toward the replacement of all central administrative systems with commercial off-the-shelf software. Accounting and Reporting staff are working with VEAD (VITA's Enterprise Applications Division) and VDOT in efforts ongoing on several fronts including business process reengineering and change management, chart of accounts, and software requirements and RFP. This will require significant staff effort.

VITA Transition

Significant effort and resources continue to be devoted to ensure a smooth transition/transformation with VITA. Issues include clear delineation and efficient operation of VITA IT "infrastructure" responsibilities and establishing a functional working relationship with the new IT Investment Board in context of DOA's statewide disbursement control and financial management system responsibilities.

IT Initiatives

DOA plans to strengthen its project management expertise and to move toward the development of a Project

Management Office to improve non-routine, non-operational project planning and execution.

DOA is researching possible archival solutions to manage document storage. This initiative is intended to improve security over documents and improve the efficiency with which these documents and related information are accessed. Types of documents to be considered includes permanently retained EDI security forms, HR files, line of duty records, Payroll Service Bureau records and accounts payable documentation.

Improving COOP

DOA plans to continue spending considerable effort in the next year to improve the Continuity of Business Operations Plan (COOP). Currently, the plan lacks some required documentation to be in compliance with VDEM's template and there is a lack of necessary detail to ensure the success of the plan.

- *Summary of Virginia's Ranking*

The Government Financial Officers Association has granted the Statewide CAFR the Certification for Excellence in Financial Reporting for the past 23 years. Virginia's PAFR (Popular Annual Financial Report) also won the award for the 14th consecutive year.

The Commonwealth has achieved an unqualified audit opinion for 23 of the last 23 years.

The Commonwealth purchase card programs are among the largest in the country.

- *Summary of Customer Trends and Coverage*

DOA's customers are primarily those served by our major systems (i.e. state agencies or localities). In addition to our primary customers, DOA serves the citizens of the Commonwealth by preparing both the Comprehensive Annual Financial Report (CAFR) and the Virginia Financial Perspective, a report to the citizens of the Commonwealth otherwise known as the "popular report".

Aging Population

The impact of an aging Virginia population is not significant for the Department of Accounts. DOA provides no direct services to the aging population in Virginia. DOA does have an aging staff and have plans in place to ensure that transition plans and staff are in place to carry on the business of the state.

Future Direction, Expectations, and Priorities

- *Summary of Future Direction and Expectations*

Tax Increase and Prevention Act of 2005

The IRS Code section 3402 (t) requires states to withhold 3 % of every payment of \$10,000 or more for payments for property or services effective January 1, 2012. Funds withheld must be deposited and reported in accordance with IRS regulations, which is similar to requirements associated with payroll taxes. This project requires additional staff and consultants to develop and implement the project plan required to modify CARS to comply with this federal mandate. This development project may entail implementation and maintenance of a statewide vendor table. Following development, implementation and testing of the system capacity, the additional staff will train agencies on the processing requirements, monitor the process, reconcile system accounts, ensure payments are processed to the IRS properly and timely to avoid penalties, and field questions from agencies and the vendor community.

Enterprise Risk Management

DOA continues strengthening and improving the Enterprise Risk Management (ARMICS) guidance providing state agencies with tools and information regarding overall risk management and reviewing efforts to ensure adequate internal controls exist in agencies.

American Recovery and Reinvestment Act (ARRA) Oversight

The ARRA carries stringent federal reporting requirements to ensure accountability and to allow accurate and transparent reporting. This activity involves reviewing and evaluating internal controls and processes in place at the agencies receiving ARRA funding. Review efforts are focused towards ensuring appropriate use of the funds received and verifying reporting accuracy/transparency. This will continue to be very challenging given the available staffing resources.

- *Summary of Potential Impediments to Achievement*

Budget Reductions

Continuing budget reductions have weakened DOA's organizational depth, staffing back-up and succession planning capabilities. As a result, DOA has little capacity for new initiatives or requirements.

Aging Workforce

DOA has over 24% of staff who are currently eligible for retirement and over 30% of staff eligible or over the age of 60. Transition and succession planning is critical to ensure that critical skills are transferred and proper cross-training is ongoing.

Adequate Supply of Accounting Personnel

Currently there is a high demand for qualified accounting personnel in both the non-governmental and governmental community. This increases the difficulty of being able to find qualified staff for open positions. This impediment affects not only DOA as an agency but DOA as the responsible organization for establishing and ensuring compliance with accounting policy in the Commonwealth. If DOA as an agency or other state agencies have difficulty securing qualified staff, the reliability of state financial information is at risk. In the long run, this may impact the CAFR and/or the bond rating of Virginia.

New Accounting Policies

The Governmental Accounting Standards Board (GASB) continues to issue new pronouncements, and there is a continuous challenge to appropriately evaluate and implement the new reporting requirements. As the statements continue to be technically challenging, additional stresses are being placed on the accounting professionals in the Department of Accounts as well as in the Commonwealth as a whole to continue to produce more with fewer resources.

Information Technology

Compliance with new and evolving security policies, procedures, and monitoring is a challenge. DOA is challenged to address security within the on-going transformation changes. DOA plans to spend considerable resources to comply with all VITA security standards and guidelines and to implement a comprehensive IT security program. DOA also continues to expand and improve the IT disaster recovery plan in order to reflect the transformation and in order to address the new challenges resulting from the transformation in order to reduce downtime in the event of a disaster.

Service Area List

Service Number	Title
----------------	-------

151 724 01	Financial Systems Development
151 724 02	Financial Systems Maintenance
151 724 04	Computer Services
151 737 01	General Accounting
151 737 02	Disbursements Review
151 737 03	Payroll Operations
151 737 04	Financial Reporting
151 737 05	Accounting and Internal Control Compliance
151 799 00	Administrative and Support Services
151 826 01	Payroll Service Bureau

Agency Background Information

Statutory Authority

DOA's primary statutory authority resides in § 2.2-800 - § 2.2-816. Other statutory authority is included in § 2.2-1512, § 2.2-2825, and § 2.2-1819-1825. The areas listed below are other federally mandated tasks required of the Department of Accounts.

Cash Management Improvement Act (CMIA) of 1990

This federal law was ostensibly imposed to bring equity to intergovernmental cash flows by establishing federal/state agreements regulating interest payment responsibilities whenever the movement of federal aid payments to the states resulted in "interest float" benefits either to the federal government or to a state. In practice the federal government has unilateral rule-making authority over the CMIA which it has used to its advantage in structuring the program. Virginia must conduct detailed analyses to minimize the interest liability owed to the federal government each year.

Indirect Cost

The Appropriation Act, §4-2.03, requires that DOA develop procedures for a federal Statewide Indirect Cost Allocation Plan (SICAP) which is used to recover allowable indirect and overhead costs for agencies receiving federal grants and contracts. This plan must be developed and audited by the federal government before indirect costs can be recovered. Approval of the plan also allows the purchase of goods and services with federal grant funds from activities accounted for in the Commonwealth's Internal Service Funds. The process of developing the federal SICAP, along with the companion "full costing" SICAP for general fund recoveries from non-general funded agencies and programs, requires a considerable commitment of resources on the part of DOA.

Statewide Single Audit Report

OMB Circular A-133, "Audits of States, Local governments and Non-Profit Organizations" was revised in June 1997. This revision requires that the auditee prepare the "Schedule of Resolution of Prior Year Audit Findings" and the "Schedule of Expenditures of Federal Awards" sections of the Statewide Single Audit Report. The Department of Accounts prepares these statements for the Commonwealth as a whole, in the role of auditee.

State Payroll Operations

Internal Revenue Service regulations dictate tax withholding requirements associated with wage payments and benefits. Compliance with these regulations is required by central and agency users of the central payroll system in order to avoid payroll and tax errors that could result in significant potential IRS penalties and disruption of employee personal tax elections.

Financial Reporting

This mandate is unusual in that a nonprofit corporation, the Governmental Accounting Standards Board (GASB) promulgates it, rather than a government. GASB is the public sector counterpart to the Financial Accounting Standards Board (FASB) which establishes generally accepted accounting principals for private sector entities. Virginia must comply with GASB standards in order to obtain an unqualified opinion on its audited financial statements. There are presently 56 GASB statements in effect. Complying with GASB standards is complex and resource intensive. However, the benefit of unqualified audit opinions to the Commonwealth's bond ratings and general standing in the national financial community is worth the investment.

Customers

Customer Group	Customers served annually	Potential customers annually
Bond Ratings Agencies	3	3
Citizens of the Commonwealth	7,500,000	7,500,000
Commonwealth Agencies and Institutions	235	235
Commonwealth Employees	120,000	120,000
Commonwealth goods and service providers	0	0
Legislative Branch Members and Employees	200	200
Local Political Subdivisions	325	325

Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
[None entered]	

Products and Services

• *Description of the Agency's Products and/or Services:*

DOA maintains the primary central accounting, payroll and fixed asset systems for the Commonwealth. Through these systems DOA processes disbursements, payroll, and financial reports in accordance with State law. DOA promulgates accounting policy in the Commonwealth by issuing the Commonwealth Accounting Policies and Procedures manual (CAPP). DOA produces the Comprehensive Annual Financial Report (CAFR), a Preliminary Annual Financial Report, and a popular annual report which report on the financial condition of the Commonwealth.

- **Factors Impacting Agency Products and/or Services:**
[Nothing entered]
- **Anticipated Changes in Products or Services:**
[Nothing entered]

Finance

- **Financial Overview:**
[Nothing entered]
- **Financial Breakdown:**

	FY 2011		FY 2012	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$11,832,638	\$419,643	\$11,832,638	\$419,443
Change To Base	\$0	\$0	\$0	\$0
Agency Total	\$11,832,638	\$419,643	\$11,832,638	\$419,443

This financial summary is computed from information entered in the service area plans.

Human Resources

- **Overview**
DOA has a maximum employment level of 127. As of July, 2009, there were 120 filled positions and 7 vacant positions. DOA occasionally utilizes P-14 to supplement existing staff. As of July, 2009 there are 5 P-14's working at DOA. DOA utilizes approximately 15 role codes. DOA has 26 CPA's on staff and 16 information technology staff. All staff are located in Richmond in the Monroe Building.

- **Human Resource Levels**

Effective Date	9/1/2009	
Total Authorized Position level	127	
Vacant Positions	-7	
Current Employment Level	120.0	
Non-Classified (Filled)	0	<i>breakout of Current Employment Level</i>
Full-Time Classified (Filled)	120	
Part-Time Classified (Filled)	0	
Faculty (Filled)	0	
Wage	5	
Contract Employees	0	
Total Human Resource Level	125.0	<i>= Current Employment Level + Wage and Contract Employees</i>

- **Factors Impacting HR**
DOA's workforce is aging. 18 employees have more than 30 years of service and are over 50 and therefore eligible to retire. Another 5 are within 5 years of joining the 30 year and over 50 group. In addition, there are 6 employees who are over 60 but do not have 30 years of service but may be leaving the workforce in the near future. This group near retirement makes up over 24% of our workforce. Each area of the agency will have to monitor the plans for their staff and do succession planning well in advance of their departure.

DOA is made up of many staff who are in professional accounting roles. Because of the increased emphasis on internal controls due to Sarbanes/Oxley in the private sector, it has become increasingly difficult to recruit experienced, professional accountants. In addition it continues to be challenging to retain staff because salaries in the non-governmental sector have increased and state salaries have not.

- **Anticipated HR Changes**
[Nothing entered]

Information Technology

- **Current Operational IT Investments:**
DOA IT staff provide DOA with the necessary information to meet the many diverse business functions of the agency. This staff maintains mainframe systems such as CARS, CIPPS, & FAACS as well as many other data base and other IT applications.

DOA IT plans to devote more time in researching and exploring emerging technology in order to be able to adopt this technology as appropriate for delivering more efficient/effective services.

DOA has focused on providing agencies and employees a variety of secure, web-based systems to help agencies provide DOA required financial information and for employees to view/print personnel payroll information.

DOA has emphasized improvement to the agency COOP plan to meet VDEM standards. In addition, additional resources will be necessary to ensure that all VITA security enhancements can be met.

- **Factors Impacting the Current IT:**
Legislation is always a concern for information technology resources due to the potential system enhancements and timeframes required to meet the new requirements.

Currently VITA/NG have control of data access for the LAN environment but DOA, as owner of the data, must control and manage its data. Control of data and databases by a third-party increases the risk of illegal data access, data loss, and data breaches which could damage, harm, and discredit the agency. DOA must spend considerable resources mitigating this risk.

DOA's 20+ year-old mainframe applications and systems will, over time, be modernized and moved to a client/server environment. Some of DOA's IT staff, while proficient in COBOL and other mainframe technologies need to be trained in client/server technologies. Once COBOL, mainframe-oriented IT staff are trained in client/server technologies, there

will be a risk of losing staff because they will have more marketable and in-demand skills. In addition, as staff leave or retire, there is an agency loss of business knowledge and technical expertise.

The transformation to VITA and the associated changes in personnel, platform requirements, architecture requirements, project management requirement, and various transformation activities place a demand on agency IT personnel to ensure adherence to VITA standards and alignment with VITA requirements. The VITA transformation phase will continue to consume resources to participate in assessments and project planning to move VITA forward. The consolidation efforts of this phase will cause an increased number of projects requiring agency resources which will adversely impact other agency related projects.

The 3-5 day system downtime (i.e., switch-over timeframe to back-up VITA site) currently embedded in the VITA disaster recovery and business continuity plan is inadequate and DOA is investigating better solutions to mitigate that delay.

Simultaneous VITA transformation activities (Messaging, Active Directory, Network, Security, etc.) continue to impact the DOA IT staff's ability to serve internal and external customers due to the multiple requests for information and tasks these efforts require.

Succession Planning/Staff Back-up

The lack of adequate staffing levels engender two critical threats to the continuity of IT service provided for DOA systems. First, due to low staffing levels, there is limited capacity for cross training to build staff-resource backup capacity in the event of an emergency. Second, due to inadequate staffing levels, there is little or no succession planning to ensure continuity of service due to normal attrition.

• **Proposed IT Solutions:**

DOA expects IT (VITA) costs to continue to rise and these increased costs force DOA to reduce expenditures for its programs and services that benefit the Commonwealth's citizens. It is also anticipated that as agencies move their applications from the mainframe, those agencies remaining on the mainframe will incur higher charges per transaction. DOA anticipates the transition of systems from the mainframe environment to a client/server environment in order to offer more progressive and efficient self-service delivery services, in order to have more flexibility in system design and development, in order to mitigate the risk of mainframe rates rising significantly as more users go from the mainframe to client/server, and in order to have more opportunities for taking advantage of proven and emerging technology.

• **Current IT Services:**

Estimated Ongoing Operations and Maintenance Costs for Existing IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Projected Service Fees	\$1,352,783	\$3,068	\$1,373,075	\$3,114
Changes (+/-) to VITA Infrastructure	\$0	\$0	\$0	\$0
Estimated VITA Infrastructure	\$1,352,783	\$3,068	\$1,373,075	\$3,114
Specialized Infrastructure	\$0	\$0	\$0	\$0
Agency IT Staff	\$1,737,000	\$0	\$1,737,000	\$0
Non-agency IT Staff	\$0	\$0	\$0	\$0
Other Application Costs	\$0	\$0	\$0	\$0
Agency IT Current Services	\$3,089,783	\$3,068	\$3,110,075	\$3,114

Comments:

[Nothing entered]

• **Proposed IT Investments**

Estimated Costs for Projects and New IT Investments

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Major IT Projects	\$0	\$0	\$0	\$0
Non-major IT Projects	\$0	\$0	\$0	\$0
Agency-level IT Projects	\$0	\$0	\$0	\$0
Major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Non-major Stand Alone IT Procurements	\$0	\$0	\$0	\$0
Total Proposed IT Investments	\$0	\$0	\$0	\$0

• **Projected Total IT Budget**

	Cost - Year 1		Cost - Year 2	
	General Fund	Non-general Fund	General Fund	Non-general Fund
Current IT Services	\$3,089,783	\$3,068	\$3,110,075	\$3,114
Proposed IT Investments	\$0	\$0	\$0	\$0
Total	\$3,089,783	\$3,068	\$3,110,075	\$3,114

Capital

- **Current State of Capital Investments:**
[Nothing entered]
- **Factors Impacting Capital Investments:**
[Nothing entered]
- **Capital Investments Alignment:**
[Nothing entered]

Agency Goals**Goal 1**

Maintain the integrity of the accounting and payroll systems of the Commonwealth to provide for accurate financial and accounting information.

Goal Summary and Alignment

DOA provides a uniform system of accounting, financial reporting and internal controls and provides sound financial information on which financial and budgeting decisions can be made. DOA management recognizes the increasing value of information generation as a service. Supporting our customers by operating the statewide general ledger system (CARS), the statewide payroll system (CIPPS), and the statewide fixed asset system (FAACS) is a key part of DOA's mission. Consistently maintaining a 95% up time is crucial to meeting the need of our agency customers. This goal aligns well with the agency mission statement because by maintaining the integrity of the accounting and payroll systems, the financial data is reliable and protected.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal 2

Strengthen oversight and improve agency internal controls.

Goal Summary and Alignment

Federal legislation called Sarbanes/Oxley was enacted for publically traded private companies in response to frauds that were committed by such firms as Enron. Sarbanes/Oxley requires a overall strengthening of internal controls to prevent such frauds. Although it does not directly apply to the governmental sector, it is considered to contain best practices. Management has always been responsible for implementing a strong set of internal controls and this goal intends to strengthen internal controls in the Commonwealth. DOA is enhancing vigilance over internal controls by: - Providing training to enhance knowledge of fiscal officers in Virginia. - Publishing and training agencies on an internal control directive that highlights the Virginia policy, risk assessment requirements and tools with which to assist agencies in carrying out internal control requirements. - Implementing a recovery audit program by hiring a firm that identifies duplicate or erroneous payments made by state agencies.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal 3

Produce a comprehensive annual financial report (CAFR) that receives an unqualified audit opinion and receives the Certificate of Excellence in Financial Reporting from the Government Finance Officers Association (GFOA).

Goal Summary and Alignment

The achievement of an unqualified opinion on the financial statements and the receipt of the GFOA Certificate of Excellence in Financial Reporting demonstrates excellence in financial reporting and enhances the integrity of the financial information of the Commonwealth. This supports the mission of the agency directly and is the outcome and culmination of all financial management activities the agency performs.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal 4

Coordinate and develop enterprise systems.

Goal Summary and Alignment

Manage planned increases in agency IT operating costs, control the delineation of VITA IT infrastructure responsibilities, establishing a functional governance and operating relationship with the IT Investment Board in context of DOA's statewide disbursement control and financial management system responsibilities.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal 5

Retain and develop staff.

Goal Summary and Alignment

Enhance DOA's internal training, compensation, and recognition programs. This is intended to encourage retention of top performers and to provide the means to improve their performance further. Recognition of significant accomplishments is intended to reward and encourage employees. The ability to pay in accordance with market trends and with recognition of the skills required to accomplish the work will enhance the ability to retain staff.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Agency Comment: This goal is intended to retain top talent by enhancing DOA's internal training, compensation, and recognition programs.

Goal 6

Efficiently and effectively operate service bureaus to serve the payroll and accounting needs of agencies participating.

Goal Summary and Alignment

DOA operates a payroll service bureau serving 50 agencies and an accounting/accounts payable service bureau serving 5 agencies in addition to DOA. The purpose of the service bureaus is to provide more reliable and efficient processes with a high degree of professionalism while complying with state accounting and payroll policies and procedures. This goal aligns with the mission of the agency by enhancing the quality of accounting and payroll processing for participating agencies.

Goal Alignment to Statewide Goals

- Be recognized as the best-managed state in the nation.

Goal 7

Strengthen the culture of preparedness across state agencies, their employees and customers.

Goal Summary and Alignment

This goal ensures compliance with federal and state regulations, policies and procedures for Commonwealth preparedness, as well as guidelines promulgated by the Assistant to the Governor of Commonwealth Preparedness, in collaboration with the Governor's Cabinet, the Commonwealth Preparedness Working Group, the Department of Planning and Budget and the Council on Virginia's Future. The goal supports achievement of the Commonwealth's statewide goal of protecting the public's safety and security, ensuring a fair and effective system of justice and providing a prepared response to emergencies and disasters of all kinds.

Goal Objectives

- We will be prepared to act in the interest of the citizens of the Commonwealth and its infrastructure during emergency situations by actively planning and training both as an agency and as individuals.

Objective Strategies

- The agency Emergency Coordination Officer will stay in continuous communication with the Office of Commonwealth Preparedness and the Virginia Department of Emergency Management.

Link to State Strategy

- nothing linked

Objective Measures

- Agency Preparedness Assessment Score

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 2008 Agency Preparedness Assessment Results (% out of 100)

Measure Target Value: Date:

Measure Target Description: 2009 Agency Preparedness Assessment Result (% out of 100)

Service Area Strategic Plan

Department of Accounts (151)

3/11/2014 10:11 am

Biennium: 2010-12

Service Area 1 of 10

Financial Systems Development (151 724 01)

Description

DOA management recognizes the increasing value of information generation as a service. Integration between systems continues to increase, particularly between mainframe and desktop processing environments. This functional activity supports the operation of the statewide general ledger system (CARS), the statewide payroll system (CIPPS), and the statewide fixed asset system (FAACS), as well as other related statewide financial information systems.

This area includes the ongoing planning needed to promote the coordinated development and integration of hardware, database systems, application programs, and communications within DOA and between DOA and its customers. All planning is done in conformance with the guidelines of the Virginia Information Technology Agency (VITA). Weekly management status meetings and the annual update to the agency information technology plan are used to support this activity.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission

This service area develops new applications that support the activities of the agency in CARS, CIPPS, and FAACS, which aligns perfectly with the mission of maintaining a uniform accounting system. This service area also implements new web applications that DOA requires. Examples of web applications developed over the last several years include Redi Virginia (EDI information system), Payline (employee pay and leave information), and Reportline (DOA electronic reports system). Development is distinguished from maintenance in that development involves creating new functionality, whereas maintenance supports the continued use of existing functionality.

- Describe the Statutory Authority of this Service

§ 2.2-802 General accounting and clearance through Comptroller.

In the Department the Comptroller shall maintain a complete system of general accounting to comprehend the financial transactions of every state department, division, officer, board, commission, institution or other agency owned or controlled by the Commonwealth, whether at the seat of government or not. All transactions in public funds shall clear through the Comptroller's office.

(Code 1950, § 2-162; 1958, c. 124; 1966, c. 677, § 2.1-195; 2001, c. 844.)

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Commonwealth Agencies and Institutions	CARS, CIPPS, and FAACS serve most agencies in the Commonwealth	235	235

Anticipated Changes To Agency Customer Base

[Nothing entered]

Partners

Partner	Description
---------	-------------

[None entered]

Products and Services

- Factors Impacting the Products and/or Services:

Currently VITA/NG have control of data access for the LAN environment but DOA, as owner of the data, must control and manage its data. Control of data and databases by a third-party increases the risk of illegal data access, data loss, and data breaches which could damage, harm, and discredit the agency. DOA must expend considerable resources mitigating this risk.

DOA's 20+ year-old mainframe applications and systems will, over time, be modernized and moved to a client/server environment. Some of DOA's IT staff, while proficient in COBOL and other mainframe technologies need to be trained in client/server technologies. Once COBOL, mainframe-oriented IT staff are trained in client/server technologies, there will be a risk of losing staff because they will have more marketable and in-demand skills. In addition, as staff leave or retire, there is an agency loss of business knowledge and technical expertise.

The transformation to VITA and the associated changes in personnel, platform requirements, architecture requirements, project management requirement, and various transformation activities place a demand on agency IT personnel to ensure adherence to VITA standards and alignment with VITA requirements. The VITA transformation phase will continue to consume resources to participate in assessments and project planning to move VITA forward. The consolidation efforts of this phase will cause an increased number of projects requiring agency resources which will adversely impact other agency related projects.

The 3-5 day system downtime (i.e., switch-over timeframe to back-up VITA site) currently embedded in the VITA disaster recovery and business continuity plan is inadequate and DOA is investigating better solutions to mitigate that delay.

Simultaneous VITA transformation activities (Messaging, Active Directory, Network, Security, etc.) continue to impact the DOA IT staff's ability to serve internal and external customers due to the multiple requests for information and tasks these efforts require.

Succession Planning/Staff Back-up

The lack of adequate staffing levels engender two critical threats to the continuity of IT service provided for DOA systems. First, due to low staffing levels, there is limited capacity for cross training to build staff-resource backup capacity in the event of an emergency. Second, due to inadequate staffing levels, there is little or no succession planning to ensure continuity of service due to normal attrition.

Total				
Base Budget	\$730,694	\$0	\$730,694	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$730,694	\$0	\$730,694	\$0
Base Budget	\$730,694	\$0	\$730,694	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$730,694	\$0	\$730,694	\$0
Base Budget	\$730,694	\$0	\$730,694	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$730,694	\$0	\$730,694	\$0
Base Budget	\$730,694	\$0	\$730,694	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$730,694	\$0	\$730,694	\$0
--------------------	-----------	-----	-----------	-----

Human Resources

- *Human Resources Overview*

[Nothing entered]

- *Human Resource Levels*

Effective Date		
Total Authorized Position level	10	
Vacant Positions	0	
Current Employment Level	10.0	
Non-Classified (Filled)		} breakout of Current Employment Level
Full-Time Classified (Filled)	10	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage		
Contract Employees		
Total Human Resource Level	10.0	= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*

[Nothing entered]

- *Anticipated HR Changes*

[Nothing entered]

Service Area Objectives

- Comply with established deadlines to upgrade software and implement systems enhancements to meet legislative mandates.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of time legislated deadlines for system upgrades are met.

Measure Class: Other Measure Type: Outcome Measure Frequency: Annual Preferred Trend: Maintain

Measure Baseline Value: 100 Date: 6/30/2005

Measure Baseline Description: 100%, FY2005

□ □

Measure Target Value: 100 Date: 6/30/2010 Measure Target Description: 100%, 2010-2012 biennium..

Data Source and Calculation: Systems and programming monitor legislated deadlines on an annual basis.

Base Budget	\$1,171,040	\$0	\$1,171,040	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,171,040	\$0	\$1,171,040	\$0
Base Budget	\$1,171,040	\$0	\$1,171,040	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,171,040	\$0	\$1,171,040	\$0
Base Budget	\$1,171,040	\$0	\$1,171,040	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,171,040	\$0	\$1,171,040	\$0
Base Budget	\$1,171,040	\$0	\$1,171,040	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,171,040	\$0	\$1,171,040	\$0
Base Budget	\$1,171,040	\$0	\$1,171,040	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,171,040	\$0	\$1,171,040	\$0
Base Budget	\$1,171,040	\$0	\$1,171,040	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,171,040	\$0	\$1,171,040	\$0
Base Budget	\$1,171,040	\$0	\$1,171,040	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,171,040	\$0	\$1,171,040	\$0
--------------------	-------------	-----	-------------	-----

Human Resources

- *Human Resources Overview*
[Nothing entered]

- *Human Resource Levels*

Effective Date		
Total Authorized Position level	6	
Vacant Positions	0	
Current Employment Level	6.0	
Non-Classified (Filled)		
Full-Time Classified (Filled)	6	<i>breakout of Current Employment Level</i>
Part-Time Classified (Filled)		
Faculty (Filled)		

Wage	
Contract Employees	
Total Human Resource Level	6.0 = <i>Current Employment Level + Wage and Contract Employees</i>

- **Factors Impacting HR**
Budget reduction and the impact of the VITA/NG transformation will impact the workforce.
- **Anticipated HR Changes**
[Nothing entered]

Service Area Objectives

- Comply with legislated deadlines for system upgrades.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of time legislated deadlines for system upgrades are met.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 100%, 2005.

Measure Target Value: Date:

Measure Target Description: 100%, 2010-2012 biennium.

Data Source and Calculation: The source of the measure is whether the programming changes were made by the deadline.

Service Area Total	\$1,756,837	\$0	\$1,756,837	\$0
Base Budget	\$1,756,837	\$0	\$1,756,837	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,756,837	\$0	\$1,756,837	\$0
Base Budget	\$1,756,837	\$0	\$1,756,837	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,756,837	\$0	\$1,756,837	\$0
Base Budget	\$1,756,837	\$0	\$1,756,837	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,756,837	\$0	\$1,756,837	\$0
Base Budget	\$1,756,837	\$0	\$1,756,837	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,756,837	\$0	\$1,756,837	\$0
Base Budget	\$1,756,837	\$0	\$1,756,837	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,756,837	\$0	\$1,756,837	\$0
Base Budget	\$1,756,837	\$0	\$1,756,837	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,756,837	\$0	\$1,756,837	\$0
Base Budget	\$1,756,837	\$0	\$1,756,837	\$0
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,756,837	\$0	\$1,756,837	\$0
--------------------	-------------	-----	-------------	-----

Human Resources

- *Human Resources Overview*

[Nothing entered]

- *Human Resource Levels*

Effective Date	
Total Authorized Position level	0
Vacant Positions	0
Current Employment Level	0.0
Non-Classified (Filled)	
Full-Time Classified (Filled)	0

breakout of Current Employment Level

Part-Time Classified (Filled)	
Faculty (Filled)	
Wage	
Contract Employees	
Total Human Resource Level	0.0 = Current Employment Level + Wage and Contract Employees

- **Factors Impacting HR**
[Nothing entered]
- **Anticipated HR Changes**
[Nothing entered]

Service Area Objectives

- Ensure that agency systems are available for use by DOA customers.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of time that major systems are available.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 100% for the month of June, 2005

Measure Target Value: Date:

Measure Target Description:

Data Source and Calculation: VITA/NG provides this service and provides the data for this measure.

- Direct Cost Per Transaction of providing Core System Administration

(CARS & CIPPS)

Measure Class: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: \$ amount per Financial Accounting & Payroll System Transaction.

Measure Target Value: Date:

Measure Target Description: \$ amount per Financial Accounting & Payroll System Transaction.

Data Source and Calculation: The input will be the salaries & fringes of all DOA departments involved in the support of these systems plus the VITA Computer Operating Service charges divided by the output of the number of transactions.

Service Area Strategic Plan

Department of Accounts (151)

3/11/2014 10:11 am

Biennium: 2010-12 ▾

Service Area 4 of 10

General Accounting (151 737 01)**Description**

The Department of Accounts (DOA) maintains the official accounts for the Commonwealth in the Commonwealth Accounting and Reporting System (CARS). Deposit and disbursement transactions are entered by agencies on-line during the workday and computer edited against authorized spending levels in nightly batch runs. A daily reconciliation of the state's cash position in the books of the Comptroller to the books of the State Treasurer is performed. Various accounting reports are generated for use by agency and DOA staff to reconcile the accounts each day and identify and resolve any discrepancies that are identified.

All disbursements of public funds must be processed through CARS. This service area also includes management of the state-aid-intercept program.

Appropriation Control

This service area involves the internal control procedures used by state government to enforce compliance with appropriation law. Following enactment of the Appropriation Act, two agencies become responsible for ensuring that appropriation law is followed. DPB authorizes the expenditure of appropriated funds through the allotment process, while DOA enforces this authorization through the automated edits and manual procedures that support the general ledger. This service area includes the preparation of year-end reconciliations that account for all expenditures as authorized in the Appropriation Act.

Support Locality Revenue Deposits

DOA has general oversight for deposit reconciliation for all sources of state revenue. However, a separate service involves the processing of deposits from local governments and the court system. Given the many different administrative environments found among local governments and the various state courts, DOA has assumed a higher level of processing responsibility for these deposits. Each month DOA handles an average of 4,500 local deposit certificates that account for between \$80 million and \$190 million in state receipts. Following a decentralization initiative begun in early 2003, entry of these deposit transactions into the central accounting system is largely executed by localities. A related responsibility is the monthly summarization and certification of recordation taxes, a portion of which are ultimately due to localities. This service also includes procedures for refunding forfeited bail bonds as ordered by a court.

Interest Calculation

Virginia statutory and appropriation law frequently allocates interest income earned by the Treasurer to specific non-general funds. This requires detailed calculations and record keeping necessary to allocate interest and demonstrate compliance with the related legal provisions.

Debt Setoff Program

Section 2.2-4806 of the Code authorizes the recovery of overdue debts owed the Commonwealth from suppliers for amounts to be paid for procured goods and services. This is a debt setoff program similar to that used by Tax to recover debts from state tax refunds. Since its inception in 1991 through FY 2007 this program has recovered in excess of \$89.9 million in overdue debts owed the Commonwealth. The \$89.9 million includes funds initially setoff but ultimately returned to the vendors because the debt was recovered by other means.

Loan, Line of Credit and Grant Coordination

The Appropriation Act provides for intra-governmental loans and lines of credit from the Treasury to support state programs that are anticipating non-general funds from federal grants and contracts, bond sales, and similar situations. The Comptroller's office is responsible for development of procedures for agencies to follow in applying and justifying such requests. DOA must administer these financial transactions including interest calculation, timing of repayment, and proper accounting and reporting. This service includes the processing of state grants to non-state agencies as authorized by the Appropriation Act and regulated by DPB.

Financial Electronic Data Interchange (FEDI)

FEDI increases administrative efficiency and reduces costs through the replacement of check payments with automated transactions. The program was implemented in 1994. The Commonwealth has over 44,500 trading partners accepting electronic payments including vendors, localities, state agencies/employees and grant recipients.

Distributions to Local Governments

The State Comptroller is mandated by law to distribute certain funds to local governments. Such distributions include funds allocated to localities pursuant to the sales and use tax based upon school age population, a percentage of ABC profits based on total population, and recordation tax for which the total distribution is fixed but each locality's share is based upon their collections compared to total collections.

Personal Property Tax Relief Act (PPTRA)

DOA disburses funds to local governments pursuant to the Personal Property Tax Relief Act.

Small Purchase Charge Card

The Small Purchase Charge Card Program (SPCC) was initiated in order to reduce the volume and cost of accounts payable transactions. The program was implemented in January 1, 1995 and offers state agencies and institutions an alternative payment method when making small purchases under \$5,000. A "gold card" program also enables certain types of purchases to be charged up to \$50,000. In 2007, over \$321 million was purchased under this program and the Commonwealth received over \$4.7 million in rebates from the charge card vendor.

The travel charge card program is used by individuals who travel overnight more than two times a year to pay for official state travel expenses. Employees request and receive reimbursement for travel expenses as they complete travel, but must pay their travel charge card bills monthly. In 2007, 5,563 travel charge cards are in use.

Background Information**Mission Alignment and Authority**

- *Describe how this service supports the agency mission*

The General Accounting service area directly supports the mission of the agency by ensuring the integrity of the general ledger system and providing a uniform system of accounting.

- *Describe the Statutory Authority of this Service*

The Code of Virginia establishes the basis for statewide general accounting. The following are the main code sections that apply:

Budget	\$1,475,021	\$360,778	\$1,475,021	\$360,778
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,475,021	\$360,778	\$1,475,021	\$360,778
Base Budget	\$1,475,021	\$360,778	\$1,475,021	\$360,778
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,475,021	\$360,778	\$1,475,021	\$360,778
Base Budget	\$1,475,021	\$360,778	\$1,475,021	\$360,778
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,475,021	\$360,778	\$1,475,021	\$360,778
Base Budget	\$1,475,021	\$360,778	\$1,475,021	\$360,778
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,475,021	\$360,778	\$1,475,021	\$360,778
Base Budget	\$1,475,021	\$360,778	\$1,475,021	\$360,778
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,475,021	\$360,778	\$1,475,021	\$360,778
Base Budget	\$1,475,021	\$360,778	\$1,475,021	\$360,778
Change To Base	\$0	\$0	\$0	\$0

Service Area Total	\$1,475,021	\$360,778	\$1,475,021	\$360,778
--------------------	-------------	-----------	-------------	-----------

Human Resources

- *Human Resources Overview*

[Nothing entered]

- *Human Resource Levels*

Effective Date		
Total Authorized Position level	22	
Vacant Positions	3	
Current Employment Level	19.0	
Non-Classified (Filled)		} breakout of Current Employment Level
Full-Time Classified (Filled)	19	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage		
Contract Employees		
Total Human Resource Level	19.0	= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*

[Nothing entered]

- *Anticipated HR Changes*

[Nothing entered]

Service Area Objectives

- Process legislatively mandated distributions to localities.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of distributions to local governments processed by legislated time frames.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 100%, FY2005.

Measure Target Value: Date:

Measure Target Description: 100%, 2010-2012 biennium.

Data Source and Calculation: General Accounting maintains the data for this measure.

- Ensure compliance with original legislative appropriations.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of time original legislative appropriations are recorded and reconciled within 7 days of receipt from DPB.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 100%, 2005.

Measure Target Value: Date:

Measure Target Description: 100%, 2010-2012 biennium.

Data Source and Calculation: General accounting maintains this data.

- We will enhance Commonwealth of Virginia internal controls by reconciling cash in CARS and cash in the Treasurer's system, and identifying and resolving general ledger anomalies and agency identified reconciliation discrepancies within one month.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of all general ledger anomalies and reconciliation discrepancies resolved within one month.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 100%, FY2005

Measure Target Value: Date:

Measure Target Description: 100%, 2010-2012 biennium..

Long-range Measure Target Value: Date:

Long-range Measure Target Description:

Data Source and Calculation: Agency exception registers.

- Maximize efficiency and minimize processing costs related to the Commonwealth purchasing card.

Link to State Strategy

- nothing linked
-

Service Area Strategic Plan

Department of Accounts (151)

3/11/2014 10:11 am

Biennium: 2010-12

Service Area 5 of 10

Disbursements Review (151 737 02)

Description

Compliance Assurance

This service area's organizational objective is to compile, review and produce the Comptroller's Report on Statewide Financial Management and Compliance, to review, evaluate and report on current statewide decentralized agency compliance with expenditure and disbursement policies defined in the Commonwealth Accounting Policies and Procedures (CAPP) manual. This area also provides professional and technical training programs and timely assistance for improving agency compliance with CAPP procedures. This area also ensures compliance with the Cash Management Improvement Act (CMIA), 1099 reporting, and provides a pre-audit function for non-decentralized agencies as well as follows up on agency corrective action workplans for deficiencies noted in APA audit reports.

Decentralized Pre-audit

Since 1992, DOA has been in the process of decentralizing the pre-audit function to individual agencies under a delegation of authority from the State Comptroller. This activity includes the identification of qualified agencies, negotiation of delegation agreements, and quality control reviews that monitor delegated pre-audit performance for compliance with published policies and procedures and advice to agencies of corrective measures that may be needed.

Division of the State Internal Auditor

The Division of the State Internal Auditor provides an effective and efficient method for state employees to report fraud, waste, and abuse through the administration of the State Employee Fraud, Waste, and Abuse Hotline. DOA also assists in the establishment, development, and maintenance of agency Internal Audit Programs through training and technical assistance.

Cash Management Improvement Act

The Compliance Assurance area administers the requirements of the federal Cash Management Improvement Act (CMIA) of 1990. CMIA governs the timely transfer and expenditure of funds between the federal government and the states for major federal assistance programs. It provides an interest calculation and exchange incentive for the time the state and/or federal government hold each other's money to compensate each other for the time value of the funds. As part of this process, states negotiate an annual agreement with the United States Department of the Treasury that specifies the funds transfer procedures for the major federal assistance programs in the agreement. An interest calculation and exchange occurs annually.

Quarterly Financial Report

This service area is responsible for the Report On Statewide Financial Management and Compliance. Each quarter DOA provides the Governor, Cabinet and Agency Heads with a comprehensive report on various measures used to monitor the degree to which agencies have complied with various accounting and financial management policies, procedures and standards of performance.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission

Compliance Assurance aligns very well with DOA's mission statement as its purpose is to evaluate and report on agency financial accountability & compliance with the goal of assisting agencies in meeting their responsibilities for providing reliable and accurate financial information, for protecting Commonwealth resources and for supporting and enhancing the recognition of Virginia as the best managed state in the union.

- Describe the Statutory Authority of this Service

This service area is covered by § 2.2-1822 which reads as follows:
The Comptroller shall not issue a disbursement warrant unless he shall have audited, through the use of statistical auditing or other acceptable means, the bill, invoice, account, payroll or other evidence of the claim, demand or charge and satisfied himself as to the regularity, legality and correctness of the expenditure or disbursement, and that the claim has not been previously paid.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Commonwealth Agencies and Institutions	Fiscal staff of agencies in the Commonwealth	235	235

Anticipated Changes To Agency Customer Base

[Nothing entered]

Partners

Partner	Description
---------	-------------

[None entered]

Products and Services

- Factors Impacting the Products and/or Services:

[Nothing entered]

- Anticipated Changes to the Products and/or Services

[Nothing entered]

- Listing of Products and/or Services

- This service area produces audit reports when they review decentralized agencies disbursement records. These audit reports serve to inform agencies on where they deviated from state accounting policies & procedures and how to improve their future performance.

Finance

- Financial Overview

The budget for this area is funded with all general funds.

• **Financial Breakdown**

	FY 2011		FY 2012		FY 2011	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund								
Base Budget	\$2,669,855	\$0	\$2,669,855	\$0								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$2,669,855	\$0	\$2,669,855	\$0								
Base Budget	\$2,669,855	\$0	\$2,669,855	\$0								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$2,669,855	\$0	\$2,669,855	\$0								
Base Budget	\$2,669,855	\$0	\$2,669,855	\$0								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$2,669,855	\$0	\$2,669,855	\$0								
Base Budget	\$2,669,855	\$0	\$2,669,855	\$0								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$2,669,855	\$0	\$2,669,855	\$0								
Base Budget	\$2,669,855	\$0	\$2,669,855	\$0								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$2,669,855	\$0	\$2,669,855	\$0								
Base Budget	\$2,669,855	\$0	\$2,669,855	\$0								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$2,669,855	\$0	\$2,669,855	\$0								
Base Budget	\$2,669,855	\$0	\$2,669,855	\$0								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$2,669,855	\$0	\$2,669,855	\$0								

Human Resources

- **Human Resources Overview**
[Nothing entered]

- **Human Resource Levels**

Effective Date		
Total Authorized Position level	14	
Vacant Positions	0	
Current Employment Level	14.0	
Non-Classified (Filled)		} breakout of Current Employment Level
Full-Time Classified (Filled)	14	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage		
Contract Employees		

Total Human Resource Level = *Current Employment Level + Wage and Contract Employees*

- **Factors Impacting HR**
[Nothing entered]
- **Anticipated HR Changes**
[Nothing entered]

Service Area Objectives

- Conduct risk-based compliance reviews to ensure compliance with state disbursement policies.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of agencies reviewed that are brought into compliance with state disbursement policies.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 100% of agencies are considered in compliance.

Measure Target Value: Date:

Measure Target Description: Ensure that all agencies reviewed are found to be or brought into compliance with state disbursement policies.

Data Source and Calculation: Statistics related to the audits of decentralized agencies are gathered by the disbursements review unit.

- Administer the Fraud, Waste, and Abuse Hotline in accordance with Executive Order 24.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of the hotline cases assigned within two business days.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 85% of cases were assigned for the period ending 6/30/2006.

Measure Target Value: Date:

Measure Target Description: 95%, 2010-2012 biennium.

Data Source and Calculation: The Division of State Internal Audit maintains this data.

- Meet requirements of the Code of Virginia's Debt Collection Act.

Link to State Strategy

- nothing linked

- We will monitor agencies and institutions responses to APA audit reports.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of corrective action workplans (CAWS) that are submitted in accordance with policy.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 100% of CAWS submitted/resolved in accordance with policy.

Measure Target Value: Date:

Measure Target Description: 100% of CAWS submitted/resolved in accordance with policy.

Long-range Measure Target Value: Date:

Long-range Measure Target Description: 100% of CAWS submitted/resolved in accordance with policy.

Data Source and Calculation: A review of responses is published quarterly in the Comptroller's report on Statewide Financial Management and Compliance.

- Ensure that the number of recurring APA internal control findings are 35 or below.

Measure Class: Agency Key Measure Type: Outcome Measure Frequency: Annual Preferred Trend: Down

Measure Baseline Value: 25 Date: 7/1/2006

Measure Baseline Description: 25 recurring findings were reported on 2005 audit reports.

Measure Target Value: 35 Date: 6/30/2010

Measure Target Description: The target value exceeds the baseline due to the manner in which APA has changed the identification of findings.

Long-range Measure Target Value: 35 Date:

Long-range Measure Target Description:

Data Source and Calculation: This measure is calculated by identifying the number of APA internal control findings published in APA audit reports for the previous fiscal year. This measure may be adjusted for certain complex findings whose corrective action may involve multiple agencies and institutions and entail multi-year efforts.

Service Area Strategic Plan

Department of Accounts (151)

3/11/2014 10:11 am

Biennium: 2010-12

Service Area 6 of 10

Payroll Operations (151 737 03)

Description

The State Payroll Operations service area administers the central payroll system (CIPPS) and ensures and facilitates the calculation of payroll and benefits for state employees by agency payroll personnel. Most state employees are served by CIPPS, although the largest state-supported colleges and universities operate independent payroll systems. In addition to payroll related services, this unit is responsible for the state's charge card services (both purchasing and travel), compliance monitoring and reporting.

Agencies may calculate several payrolls on a weekly, biweekly, semimonthly or monthly basis or "as needed" to cover special situations and demands. About 1,200 payroll staff at over 218 agencies and institutions are granted secure access to the central payroll system. The distribution of pay is either by direct deposit (about 98% of all salaried employees) or by payroll check.

Employers are subject to severe financial penalties for inaccurate reporting of federal tax withholding. DOA deposits about \$225 million each quarter on behalf of over 218 state agency employers. This activity includes the administration of the Federal Automated Deposit program (FAD), preparation and electronic filing of quarterly withholding reports (IRS Form 941), preparation of year end filings for over 120,000 W-2 forms, electronic reporting to the IRS and the Social Security Administration, and preparation and filing of adjusted forms as needed (Forms 941C, W-2C, and W-3C).

Accounting and disbursements processing for benefits covers the deduction, reconciliation, disbursement and accounting for all amounts deducted from employee pay for both state benefit and supplemental deduction programs. The major benefit deductions include health care, Section 125 flexible spending accounts, and the Section 457 deferred compensation program. This service also includes the transmission of data to the VRS for retirement service credit recording, as well as the accounting of funds for employees who are eligible and have elected to participate in one of the three optional retirement programs offered in place of VRS. All deducted amounts are reconciled before the funds are disbursed to the appropriate receiving party. Deductions for other purposes are also supported including, CVC (charitable foundation contributions), U.S. Savings Bond purchases, child support orders, garnishment fees, dues for employee associations and premiums for supplemental insurance coverage and tax-deferred annuities.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission

This area supports the mission of the agency by processing payrolls efficiently, effectively and accurately. The charge card programs improve the efficiency and productivity of agencies in the Commonwealth.

- Describe the Statutory Authority of this Service

§ 2.2-2814. How salaries, expenses and other allowances paid; time of payment.

The salaries, expenses and other allowances, including mileage, mentioned in this chapter, Chapter 1 (§ 2.2-100 et seq.) of this title and Chapter 1.1 (§ 30-19.11 et seq.) of Title 30 shall, except where otherwise specifically provided, be paid out of the state treasury after being duly audited, and the Comptroller shall draw his warrants on the State Treasurer for the payment thereof. Salaries shall be paid every two weeks, semimonthly or monthly, at the discretion of the Comptroller, upon such dates as the Comptroller may prescribe. Expenses shall be paid when they have been incurred, and the other allowances shall be paid when the services have been rendered or the travel has been performed however, members of the General Assembly and others traveling to the seat of government who would be entitled to mileage for traveling home may receive such mileage before going home.

(Code 1950, §§ 14-1, 14-27; 1962, c. 547; 1964, c. 386, § 14.1-1; 1998, c. 872, § 2.1-20.5; 2001, c. 844.)

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Commonwealth Agencies and Institutions	Employees of the Commonwealth	89,000	89,000
Commonwealth Agencies and Institutions	Fiscal staffs in agencies	235	235

Anticipated Changes To Agency Customer Base

[Nothing entered]

Partners

Partner	Description
---------	-------------

[None entered]

Products and Services

- Factors Impacting the Products and/or Services:

[Nothing entered]

- Anticipated Changes to the Products and/or Services

[Nothing entered]

- Listing of Products and/or Services

- This area processes payrolls daily which results in the distribution of funds to state employees.
- This area prepares the Report on Statewide Financial Management and Compliance.

Finance

- Financial Overview

This area is almost entirely funded by general funds. A small reimbursement is received annually from the Health Insurance Fund to cover for services rendered to the fund.

• *Financial Breakdown*

	FY 2011		FY 2012		FY 2011	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund								
Base Budget	\$1,115,741	\$58,865	\$1,115,741	\$58,665								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$1,115,741	\$58,865	\$1,115,741	\$58,665								
Base Budget	\$1,115,741	\$58,865	\$1,115,741	\$58,665								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$1,115,741	\$58,865	\$1,115,741	\$58,665								
Base Budget	\$1,115,741	\$58,865	\$1,115,741	\$58,665								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$1,115,741	\$58,865	\$1,115,741	\$58,665								
Base Budget	\$1,115,741	\$58,865	\$1,115,741	\$58,665								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$1,115,741	\$58,865	\$1,115,741	\$58,665								
Base Budget	\$1,115,741	\$58,865	\$1,115,741	\$58,665								
Change To Base	\$0	\$0	\$0	\$0								
Service Area Total	\$1,115,741	\$58,865	\$1,115,741	\$58,665								

Human Resources

• *Human Resources Overview*
[Nothing entered]

• *Human Resource Levels*

Effective Date		
Total Authorized Position level	12	
Vacant Positions	1	
Current Employment Level	11.0	
Non-Classified (Filled)		breakout of Current Employment Level
Full-Time Classified (Filled)	11	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage	1	
Contract Employees		
Total Human Resource Level	12.0	= Current Employment Level + Wage and Contract Employees

• *Factors Impacting HR*
[Nothing entered]

• *Anticipated HR Changes*
[Nothing entered]

Service Area Objectives

- We will process payroll requests timely.

Link to State Strategy

- nothing linked

Objective Measures

- Review and process all payrolls by the final certification date.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 100%, FY 2005.

Measure Target Value: Date:

Measure Target Description: 100%, 2010-2012 biennium..

Data Source and Calculation: Payroll Operations maintains a log of certification information each pay period which is compiled and stored by semi-monthly pay period.

- Meet quarterly IRS reporting requirements and payment deadlines.

Link to State Strategy

- nothing linked

- Process employee W-2's timely.

Link to State Strategy

- nothing linked

Objective Measures

- Percent of W-2's processed by the employee deadline of January 31.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: 100%, FY 2005.

Measure Target Value: Date:

Measure Target Description: 100%, each year of the 2010-2012 biennium.

Data Source and Calculation: Payroll operations maintains data.

Service Area Strategic Plan

Department of Accounts (151)

3/11/2014 10:11 am

Biennium: 2010-12

Service Area 7 of 10

Financial Reporting (151 737 04)

Description

The Virginia Constitution requires that accounts be maintained and reported based on when cash is received and paid out. This service area involves ongoing reporting of cash activity in the state accounts throughout the year. DOA reports cash activity in state accounts throughout the year for the Governor, Secretary of Finance and General Assembly include the monthly report on the cash position of the Commonwealth. A general fund preliminary annual report is prepared by August 15 as required by law.

This service area produces the Comprehensive Annual Financial Report (CAFR) of the Commonwealth, which is audited by the Auditor of Public Accounts. Generally accepted accounting principals (GAAP) are promulgated by the Governmental Accounting Standards Board (GASB) and include the recognition of accrued assets and liabilities along with other non-cash accounting requirements. Planning, information gathering, and preparation of this report take approximately 6 1/2 months. In order to obtain all of the financial information necessary to prepare the CAFR, DOA issues the State Agency, Higher Education, and Component Unit Financial Statement Directives. These Directives provide guidance and assistance to State Agencies, Institutions of Higher Education, and Component units on the GAAP presentation of financial statement information.

This service area summarizes and simplifies the presentation of information contained in the Commonwealth's Comprehensive Annual Financial Report in a report often referred to as the "popular report." This report is intended to better inform the public about the Commonwealth's financial condition without excessive detail or the use of technical accounting terms. This service area also produces the Schedule of Expenditures of Federal Awards for inclusion in the Statewide Single Audit Report. The schedule is prepared in accordance with the requirements of OMB Federal Circular A-133.

The Code of Virginia (§2.2-4801 et seq., the Virginia Debt Collection Act) assigns DOA the responsibility to provide oversight reporting, and monitoring for the procedures used by state agencies to collect accounts receivable. Data on accounts receivable balances are compiled quarterly. These data are also used for the Comprehensive Annual Financial Report of the Commonwealth (CAFR) and the Report to the Citizens of the Commonwealth (PAFR).

This service area prepares two indirect cost allocation plans. The first is prepared in accordance with OMB Circular A-87 and is used by agencies entitled to recover indirect costs from federal grants and contracts. The plan is audited and approved by the federal government on behalf of the Commonwealth and recovered over \$216 million from federal sources in FY 2007. In addition, a second "full costing" plan is developed for DPB that supports the recovery of indirect costs borne by the General Fund on behalf of non-general funded agencies and programs. The Appropriation Act is used to recover these costs for the General Fund. In FY 2007, \$7.1 million was recovered for the General Fund through this program.

This service area accounts for all major land, building and equipment assets of the Commonwealth. Also included is the accounting for certain capital leases, which are reflected as assets in the Commonwealth financial statements. Typically about 45,000 fixed asset transactions are processed annually.

Financial Reporting Quality Assurance

The Audited December 15 Comprehensive Annual Financial Report (CAFR) is prepared on the basis of generally accepted accounting principles (GAAP) and is used extensively by rating agencies, investment banks and others involved in the issuance and marketing of Commonwealth bonds. Virginia has produced a GAAP basis report that has received an unqualified audit opinion every year since 1986. This activity involves selecting state agencies for quality assurance reviews based on risk analysis. A review of the agency prepared financial reporting attachments is conducted and documented. A report is prepared detailing findings and recommendations for improvement in the process and is discussed with agency management. This activity improves the reliability of accounting data submitted for inclusion in the Comprehensive Annual Financial Report and helps to define agency training needs as it relates to financial reporting.

American Recovery and Reinvestment Act (ARRA) Oversight

The ARRA carries stringent federal reporting requirements to ensure accountability and to allow accurate and transparent reporting. This activity involves reviewing and evaluating internal controls and processes in place at the agencies receiving ARRA funding. Review efforts are focused towards ensuring appropriate use of the funds received and verifying reporting accuracy/transparency.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission

This area supports the mission of the agency by enhancing the integrity of the Commonwealth's financial reporting. The unqualified audit opinion and the receipt of the Certificate of Excellence in Financial Reporting are evidence of the value of this area.

- Describe the Statutory Authority of this Service

§ 2.2-813 establishes the basis for this service area. This section is as follows:

The Comptroller shall...make a preliminary annual report to the Governor on or before August 15...(and)...a final report on or before December 15...the final report shall be prepared, insofar as practical, in conformance with generally accepted accounting principles.

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Commonwealth Agencies and Institutions	Fiscal areas in state agencies	235	235
Local Political Subdivisions	Some non-state agencies are required to comply with financial reporting directives	25	25
Bond Ratings Agencies	Standard and Poor's, Moody's, Fitch	3	3

Anticipated Changes To Agency Customer Base

[Nothing entered]

Partners

Partner Description

[None entered]

Products and Services

• *Factors Impacting the Products and/or Services:*

American Recovery and Reinvestment Act (ARRA) Oversight
 The ARRA carries stringent federal reporting requirements to ensure accountability and to allow accurate and transparent reporting. This activity involves reviewing and evaluating internal controls and processes in place at the agencies receiving ARRA funding. Review efforts are focused towards ensuring appropriate use of the funds received and verifying reporting accuracy/transparency. This will likely prove very challenging given the available staffing resources.

Adequate Supply of Accounting Personnel
 Currently there is a high demand for qualified accounting personnel in both the non-governmental and governmental community. This increases the difficulty of being able to find qualified staff for open positions. This impediment affects not only DOA as an agency but DOA as the responsible organization for establishing and ensuring compliance with accounting policy in the Commonwealth. If DOA as an agency or other state agencies have difficulty securing qualified staff, the reliability of state financial information is at risk. In the long run, this may impact the CAFR and/or the bond rating of Virginia.

• *Anticipated Changes to the Products and/or Services*

New Accounting Policies
 The Governmental Accounting Standards Board (GASB) continues to issue new pronouncements, and there is a continuous challenge to appropriately evaluate and implement the new reporting requirements. As the statements continue to be technically challenging, additional stresses are being placed on the accounting professionals in the Department of Accounts as well as in the Commonwealth as a whole to continue to produce more with fewer resources.

• *Listing of Products and/or Services*

- This area produces the Comprehensive Annual Financial Report (CAFR) for the Commonwealth of Virginia.
- This area produces the Preliminary Annual Report of the Commonwealth.
- This area also produces the Popular Annual Financial Report (PAFR).

Finance

• *Financial Overview*

This area is entirely funded by general funds.

• *Financial Breakdown*

	FY 2011		FY 2012		FY 2011	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund						
Base Budget	\$1,588,364	\$0	\$1,588,364	\$0						
Change To Base	\$0	\$0	\$0	\$0						
Service Area Total	\$1,588,364	\$0	\$1,588,364	\$0						
Base Budget	\$1,588,364	\$0	\$1,588,364	\$0						
Change To Base	\$0	\$0	\$0	\$0						
Service Area Total	\$1,588,364	\$0	\$1,588,364	\$0						
Base Budget	\$1,588,364	\$0	\$1,588,364	\$0						
Change To Base	\$0	\$0	\$0	\$0						
Service Area Total	\$1,588,364	\$0	\$1,588,364	\$0						
Base Budget	\$1,588,364	\$0	\$1,588,364	\$0						
Change To Base	\$0	\$0	\$0	\$0						
Service Area Total	\$1,588,364	\$0	\$1,588,364	\$0						

Human Resources

• *Human Resources Overview*

[Nothing entered]

• *Human Resource Levels*

Effective Date	

Total Authorized Position level	24	
Vacant Positions	0	
Current Employment Level	24.0	
Non-Classified (Filled)		breakout of Current Employment Level
Full-Time Classified (Filled)	24	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage		
Contract Employees		
Total Human Resource Level	24.0	= Current Employment Level + Wage and Contract Employees

- **Factors Impacting HR**
[Nothing entered]
- **Anticipated HR Changes**
[Nothing entered]

Service Area Objectives

- We will produce a quality Comprehensive Annual Financial Report (CAFR).

Link to State Strategy

- nothing linked

Objective Measures

- Receive the Certificate of Excellence in Financial Reporting for the 24th consecutive year.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: Annually, the Virginia CAFR is submitted to GFOA to be considered for the Certificate of Excellence.

Measure Target Value: Date:

Measure Target Description: FY 2010- 25; FY 2009 - 24.

Data Source and Calculation: The unqualified opinion is rendered by APA upon audit of the CAFR and the Certificate of Excellence in Financial Reporting is provided by the Government Finance Officers of America (GFOA).

- Ensure statewide compliance with the Prompt Payment Act.

Link to State Strategy

- nothing linked

Objective Measures

- Percentage of statewide vendor payments paid by the due date.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: Percent of payments made by the due date in FY 2005.

Measure Target Value: Date:

Measure Target Description: 98.5% of payments made by the due date on average over the last 5 years.

Data Source and Calculation: Financial Reporting maintains this data.

- Develop statewide Indirect Cost Allocation Plans.

Link to State Strategy

- nothing linked

Objective Measures

- Develop a Full-Costing Statewide Indirect Cost Allocation Plan and a Federal Indirect Cost Allocation plan in accordance with federal circular A-87.

Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Measure Baseline Value: Date:

Measure Baseline Description: Annual, FY 2004.

Measure Target Value: Date:

Measure Target Description: Annual, 2010 - 2012 biennium.

Data Source and Calculation: Financial reporting maintains this data.

- Analyze and report general fund revenues.
 - [Link to State Strategy](#)
 - nothing linked
-

Service Area Strategic Plan

Department of Accounts (151)

3/11/2014 10:11 am

Biennium: 2010-12

Service Area 8 of 10

Accounting and Internal Control Compliance (151 737 05)

Description

[Nothing entered]

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission
[Nothing entered]
- Describe the Statutory Authority of this Service
[Nothing entered]

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
-----------------------	----------	---------------------------	----------------------------

Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
[None entered]	

Products and Services

- Factors Impacting the Products and/or Services:
[Nothing entered]
- Anticipated Changes to the Products and/or Services
[Nothing entered]
- Listing of Products and/or Services
[None entered for this Service Area]

Finance

- Financial Overview
[Nothing entered]
- Financial Breakdown

	FY 2011		FY 2012		FY 2011	FY 2012	FY 2011	FY 2012
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund				
Base Budget	\$0	\$0	\$0	\$0				
Change To Base	\$0	\$0	\$0	\$0				
Service Area Total	\$0	\$0	\$0	\$0				
Base Budget	\$0	\$0	\$0	\$0				
Change To Base	\$0	\$0	\$0	\$0				
Service Area Total	\$0	\$0	\$0	\$0				
Base Budget	\$0	\$0	\$0	\$0				
Change To Base	\$0	\$0	\$0	\$0				
Service Area Total	\$0	\$0	\$0	\$0				

Human Resources

- Human Resources Overview
[Nothing entered]
- Human Resource Levels

Effective Date	
Total Authorized Position level	0
Vacant Positions	0
Current Employment Level	0.0
Non-Classified (Filled)	

Full-Time Classified (Filled)	breakout of Current Employment Level
Part-Time Classified (Filled)	
Faculty (Filled)	
Wage	
Contract Employees	
Total Human Resource Level	0.0 = Current Employment Level + Wage and Contract Employees

- **Factors Impacting HR**
[Nothing entered]
- **Anticipated HR Changes**
[Nothing entered]

Service Area Objectives

[None entered]

Service Area Strategic Plan

Department of Accounts (151)

3/11/2014 10:11 am

Biennium: 2010-12

Service Area 9 of 10

Administrative and Support Services (151 799 00)

Description

DOA's administrative services section provide payroll, invoice processing/accounts payable and accounting reconciliation services in support of the Departments of Accounts, Treasury, and Planning and Budget. DOA staff provides accounts payable services to the State Council of Higher Education in Virginia, & the Commonwealth Health Research Board. DOA staff provides invoice processing/accounts payable and account reconciliation services to the Virginia Racing Commission, & the Enterprise Applications Public-Private Partnership Project Office.

DOA was among the first agencies to adopt an administrative service bureau that supports the routine technical aspects of administrative operations for more than one agency. To accomplish this, the DOA administrative services staff adopted a customer oriented approach to their work which emphasized quality attention to service needs regardless of whether the service was for DOA or another supported agency.

In order to provide uniform accounting procedures for state government, DOA publishes the Commonwealth Accounting Policies and Procedures Manual (CAPP). The CAPP is a four volume set of prescribed accounting practices which is used by all agencies of state government. A publications unit manages the frequent revisions to the CAPP which are required by changes in state or federal law, generally accepted accounting principals, or administrative policy. Starting in FY 2003, the CAPP manual is no longer printed, but is still updated regularly and posted on the internet.

This service area also publishes other documents, such as the Quarterly Report, that require high quality finishing and numerous copies to be distributed. In addition to printed items, the publishing unit utilizes the DOA Web Page as a means of making DOA publications electronically accessible. This technique significantly reduces the production and distribution costs for DOA, particularly for very lengthy publications such as the Comprehensive Annual Financial Report (CAFR).

This service area also manages the process of Line of Duty claims for the Commonwealth. DOA is responsible for making lump sum payments to the beneficiaries of certain public safety personnel (e.g., police, fire, rescue) who die from work-related causes and an increasing number of monthly payments for health insurance for disabled public safety personnel injured in the line of duty and their spouses and dependents.

Code § 2.2-814 requires the Comptroller be served for claims against the Commonwealth whenever the specific responsible state official cannot be determined.

DOA's public records unit is the official repository for all documents pertaining to cash deposit and disbursement transactions, unless that responsibility has been delegated by the Comptroller pursuant to the decentralization initiative described earlier. The public records unit has been steadily reducing in size as decentralization moved forward. However, a residual responsibility will remain for the storage of records pertaining to non-decentralized agencies, including those of elected officials, and for the records generated by DOA's own central processing activity.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission
This area handles the accounting, budgeting, payroll, and human resources activities for DOA and supports the other service areas.
- Describe the Statutory Authority of this Service
Code of Virginia Title 2.2 Chapter 8

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Commonwealth Agencies and Institutions	All COV agencies and institutions	235	235
Legislative Branch Members and Employees	Money Committee Staffs and Members	200	200

Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
[None entered]	

Products and Services

- Factors Impacting the Products and/or Services:
[Nothing entered]
- Anticipated Changes to the Products and/or Services
[Nothing entered]
- Listing of Products and/or Services
 - Administrative Service Bureau
 - This area produces the Commonwealth Accounting Policies and Procedures (CAPP) manual that provides policy guidance to agencies of the Commonwealth.
 - This area process Line of Duty claim and insurance payments.

Finance

- Financial Overview
This area is entirely funded by general funds.
- Financial Breakdown

	FY 2011		FY 2012		FY 2011	FY 2012
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund		
Base Budget	\$1,325,086	\$0	\$1,325,086	\$0		
Change To Base	\$0	\$0	\$0	\$0		
Service Area Total	\$1,325,086	\$0	\$1,325,086	\$0		
Base Budget	\$1,325,086	\$0	\$1,325,086	\$0		
Change To Base	\$0	\$0	\$0	\$0		
Service Area Total	\$1,325,086	\$0	\$1,325,086	\$0		

Human Resources

- *Human Resources Overview*
[Nothing entered]

- *Human Resource Levels*

Effective Date		
Total Authorized Position level	14	
Vacant Positions	0	
Current Employment Level	14.0	
Non-Classified (Filled)		breakout of Current Employment Level
Full-Time Classified (Filled)	14	
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage	3	
Contract Employees		
Total Human Resource Level	17.0	= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*
[Nothing entered]
- *Anticipated HR Changes*
[Nothing entered]

Service Area Objectives

- Manage service bureau agencies in accordance with state policies.
Link to State Strategy
○ nothing linked
- To ensure that resources are used efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.
Link to State Strategy
○ nothing linked
Objective Measures
○ Percent of Governor's Management Scorecard categories marked as meets expectations for agency.
Measure Class: Other Measure Type: Output Measure Frequency: Annual Preferred Trend: Maintain
Measure Baseline Value: 100 Date: 6/30/2005
Measure Baseline Description: 100%, FY 2005.
Measure Target Value: 100 Date: 6/30/2010
Measure Target Description: 100%, 2010-2012 biennium.
Data Source and Calculation: Governor's Management Scorecard
- To ensure that resources are use efficiently and programs are managed effectively, and in a manner consistent with applicable state and federal requirements.
Link to State Strategy
○ nothing linked
Objective Measures
○ Percent of administrative measures marked as "meets expectations" (green indicator) for the agency.
Measure Class: Other Measure Type: Outcome Measure Frequency: Annual Preferred Trend: Up
Measure Baseline Value: 92 Date: 6/30/2009

Measure Baseline Description: 92% of DOA's administrative measures were green for FY2009.

Measure Target Value: Date:

Measure Target Description: 100%, 2010-2012 biennium.

Data Source and Calculation: This measure presents the results of DOA's effectiveness in meeting the requirements of their administrative measures. There are 13 different categories of measures recorded.

Service Area Strategic Plan

Department of Accounts (151)

3/11/2014 10:11 am

Biennium: 2010-12

Service Area 10 of 10

Payroll Service Bureau (151 826 01)

Description

DOA operates a payroll service bureau that supports agency level payroll, leave, and certain human resource and benefit data entry activities for over 15,000 employees in 50 agencies. In addition to performing the processing responsibilities for payroll, leave accounting and benefit administration, the Payroll Service Bureau also prepares payroll related reconciliations such the monthly Healthcare reconciliation, the VRS reconciliation of retirement benefits, the administration of reciprocal taxing for non-Virginia state employees, the Quarterly and Annual Certifications of Taxable Wages and the Leave Liability Attachment to satisfy the financial reporting directive issued by DOA.

To support certain Human Resource policies relevant to payroll, the Bureau prepares and enters the monthly Employee Position Report (EPR) information and maintains the 1,500 Hour Wage Reporting for the participating agencies' wage employee rolls. It also prepares responses for any CIPPS/PMIS Exceptions that occur as a result of differences detected between PMIS and CIPPS.

Background Information

Mission Alignment and Authority

- Describe how this service supports the agency mission
This area improves the effectiveness of processing pay for over 50 agencies in the Commonwealth.

- Describe the Statutory Authority of this Service
Chapter 951 (2005 Virginia Acts of Assembly) Item 275 A. 1.

§ 2.2-803. Financial accounting and control.

A. Unified financial accounting and control shall be established through the departments and agencies of the Commonwealth, in the manner prescribed in this chapter.

The Comptroller shall prescribe what accounts shall be kept by each state agency in addition to the system of general accounting maintained in the Comptroller's office. In prescribing what accounts shall be kept by each state agency, the Comptroller shall take care that there shall be no unnecessary duplication.

B. The Comptroller shall direct the development of a modern, effective and uniform system of bookkeeping and accounting, to include (i) an efficient system of checks and balances between the officers at the seat of the government entrusted with the collection and receipt, custody and disbursement of the revenues of the Commonwealth; and (ii) a system of accounting, applicable to all state officers, departments, boards, commissions, agencies, and penal, educational and eleemosynary institutions maintained in whole or in part by the Commonwealth, which shall be suitable to their respective needs, considering their relation to each other and their relation to subordinate officers and officials. All systems so developed shall require the approval and certification of the Auditor of Public Accounts that they are adequate for purposes of audit and financial control.

As to the operation of merchandising activities, or other centralized support services provided by one state agency to other state agencies for which charges are made, the system of accounting shall be designed to reflect all charges properly allocable so that the net profit or loss therefrom shall be reflected. In the furtherance of this objective the Joint Legislative Audit and Review Commission may direct the Comptroller to establish under such terms and conditions as they may determine internal service fund accounts on his books and record therein the receipts and expenditures of these several functions. The Comptroller shall provide the agencies responsible for the operations of these functions with working capital advances with which to finance the operations pursuant to appropriations made by law. The Joint Legislative Audit and Review Commission may direct the Comptroller to transfer excess fund balances to the general fund or to remove from his books internal service fund accounts that are no longer considered appropriate and record the necessary transfer of funds.

Unit prices of services rendered by internal service funds shall be fixed so that all costs properly allocable to providing the service shall be fully recoverable.

C. The Comptroller shall maintain a full explanation of all systems of accounting devised and adopted in furtherance of this section, but no copyright system shall be adopted that shall entail additional cost upon the Commonwealth by reason of such copyright. The systems of accounting shall be communicated by the Comptroller to the officials affected thereby, and he shall as soon as possible instruct the officials as to the systems of accounting.

D. Should any of the state offices, departments, boards, commissions, agencies, or institutions refuse or neglect to adopt the systems of accounting developed by the Comptroller, then upon suit of the Attorney General a writ of mandamus will lie to the Supreme Court to compel the adoption. It shall be the duty of the Attorney General to promptly institute such suit in any such case.

(1975, c. 323, § 2.1-196.1; 1976, c. 533; 1984, c. 612; 2001, c. 844.)

Customers

Agency Customer Group	Customer	Customers served annually	Potential annual customers
Commonwealth Agencies and Institutions	Agency employees paid.	13,400	13,400

Anticipated Changes To Agency Customer Base
[Nothing entered]

Partners

Partner	Description
[None entered]	

Products and Services

- Factors Impacting the Products and/or Services:
[Nothing entered]
- Anticipated Changes to the Products and/or Services
[Nothing entered]

- *Listing of Products and/or Services*
 - The product for this area is the timely payment of more than 15,000 employees each pay.

Finance

- *Financial Overview*
This area is an internal service fund and is entirely funded by fees collected for services.
- *Financial Breakdown*

	FY 2011		FY 2012	
	General Fund	Nongeneral Fund	General Fund	Nongeneral Fund
Base Budget	\$0	\$0	\$0	\$0
Change To Base	\$0	\$0	\$0	\$0
Service Area Total	\$0	\$0	\$0	\$0

Human Resources

- *Human Resources Overview*
[Nothing entered]
- *Human Resource Levels*

Effective Date		
Total Authorized Position level	24	
Vacant Positions	2	
Current Employment Level	22.0	
Non-Classified (Filled)		breakout of Current Employment Level
Full-Time Classified (Filled)		
Part-Time Classified (Filled)		
Faculty (Filled)		
Wage		
Contract Employees		
Total Human Resource Level	22.0	= Current Employment Level + Wage and Contract Employees

- *Factors Impacting HR*
[Nothing entered]
- *Anticipated HR Changes*
[Nothing entered]

Service Area Objectives

- Provide high quality payroll, fringe benefit and leave administration services for agencies participating in the payroll service bureau.

Link to State Strategy

- nothing linked

Objective Measures

- Achieve a satisfactory ranking on the overall customer service survey for each agency served.
Measure Class: Measure Type: Measure Frequency: Preferred Trend:

Frequency Comment: Measure is calculated in September of each year.

Measure Baseline Value: Date:

Measure Baseline Description: Achieve a satisfactory customer service ranking from all participating agencies.

Measure Target Value: Date:

Measure Target Description: Continue to receive a satisfactory service rating from all participating agencies.

Data Source and Calculation: Survey is distributed to all participating agencies to determine the level of service being provided. The survey is done annually.