



COMMONWEALTH of VIRGINIA

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March 29, 2005

MEMORANDUM

TO: Fiscal Officers of All State Agencies and Institutions

FROM: Lewis R. McCabe, Director
General Accounting

SUBJECT: Internal Control Initiative – Designation of Fiscal Officers

I write to provide additional information pertaining to the Comptroller's February 8, 2005 memorandum entitled "Internal Control Initiative," which was addressed to heads of state agencies and institutions and copied to you. As that memo announced, DOA is undertaking a major initiative to increase the level of awareness, understanding, and appreciation of internal control and to strengthen the quality of agency internal control structures throughout state government. We are now engaged in the initial phase of that initiative, updating our list of Fiscal Officers and developing Fiscal Officer training.

In prior years, a clear distinction was not drawn between the Commonwealth's term "Fiscal Officer" and the less specific and widely used title "Chief Financial Officer." For smaller agencies and institutions, one person often fills both roles. In larger and more complex agencies and institutions, the person holding specific responsibilities of a Fiscal Officer often reports either directly or indirectly to the Chief Financial Officer, and might have a job title such as "Controller" or "Director of Accounting and Reporting." As the individual currently designated as Fiscal Officer for your organization, it is important that you take these steps now:

- Confirm who actually performs the Fiscal Officer's functions in your organization. These functions include direct management of accounting, financial reporting, internal controls, and compliance with policies and procedures embodied in the Commonwealth Accounting Policies and Procedures (CAPP) Manual and Comptroller's Directives. This person also serves as your leading liaison with the directors and staff of the Department of Accounts on a day-to-day basis.

- Ensure that person's name appears in the "Fiscal Officer" space on your *Authorized Signatories* form. If you received this memorandum and you are not the individual performing the foregoing functions, please ensure that the head of your agency or institution signs a new *Authorized Signatories* form to designate the actual current Fiscal Officer (and other authorized officials), the new *Authorized Signatories* form is delivered to the DOA Accounting Operations Section, and your newly designated Fiscal Officer receives a copy of this memorandum.

We will hold our first session of mandatory Fiscal Officer training in late April, and will distribute more information on that training this week. As a reminder, our new Fiscal Officer training program will differ significantly from the voluntary Financial Management Training Program that DOA offered from 1994-2001. This required program is targeted exclusively at those designated as Fiscal Officers on *Authorized Signatories* forms. The agenda encompasses internal control, budget control, disbursements, payroll, and other financial accounting and reporting responsibilities at a conceptual level. Sessions are designed to alert Fiscal Officers to all of their fiduciary responsibilities and to identify resources at their disposal for implementing a sound internal control framework and carrying out their duties in a fully accountable manner.

You can obtain an *Authorized Signatories* form on the Department of Accounts web site (at www.doa.virginia.gov, click on "General Accounting" and then click on "Forms").

LRM/jem

c: The Honorable John M. Bennett, Secretary of Finance
David A. Von Moll, Comptroller
Heads of State Agencies and Institutions