



The Commonwealth of Virginia's Financial Management Structure

David A. Von Moll, CPA
State Comptroller

DOA Mission Statement

“To provide a uniform system of accounting, financial reporting and internal control adequate to protect and account for Commonwealth financial resources.”

DOA provides a uniform system – not just IT

- Law, Policy, Roles, Accounting, Transactions
- Accounting – GAAP, Budgetary Basis
- Financial Reporting – all financial transactions end up in CAFR
- Commonwealth’s audit opinion, bond rating
- Internal Control – only as strong as its weakest link

Department Of Accounts Major Divisions

David A. Von Moll
State Comptroller

James W. Fisher
Director
Finance and
Administration

- Agency Administrative Services
- Claims
- CMIA
- Fiscal Service Bureau
- Line of Duty
- Public Records
- Publishing
- ReportLine
- Risk Management

Richard L. Salkeld
Director
Systems
Development

- Automated Systems Development
- Automated Systems Maintenance

Richard E. Phillips
Director
Technical
Services

- Database Administration
- Information Security
- VITA Liaison

John A. Spooner
State
Internal
Auditor

- Commonwealth Fraud, Waste, and Abuse Hotline
- Internal Auditor Training Program

Lewis R. McCabe
Director
General
Accounting

- CARS
- Agency Risk Management & Internal Control
- Appropriation Control
- Cost Recovery Audits
- Debt Setoff
- Disbursements Review
- Electronic Data Interchange (EDI)
- NGF Interest Calculations
- Revenue Reporting

Ronald D. Necessary
Director
Financial
Reporting

- CAFR and PAFR
- Single Audit and SEFA
- Cash-Basis GF Reporting
- Financial Statement Directives and GASB Compliance
- Audit Review – CAW
- Accounts Receivable
- SICAP
- DOA web site

Lora L. George
Director
State Payroll
Operations

- CIPPS
- Federal Tax Reporting (Forms 941 and W-2)
- Fringe Benefits Accounting
- Payroll Audit
- Payroll Training
- Quarterly Reporting
- Small Purchase Charge Cards
- Travel Charge Cards

Jean S. Turlington
Director
Payroll Service
Bureau

- Serves 37 Agencies
- Pays 6,300 Employees

DOA/Agency Financial Management Partnership

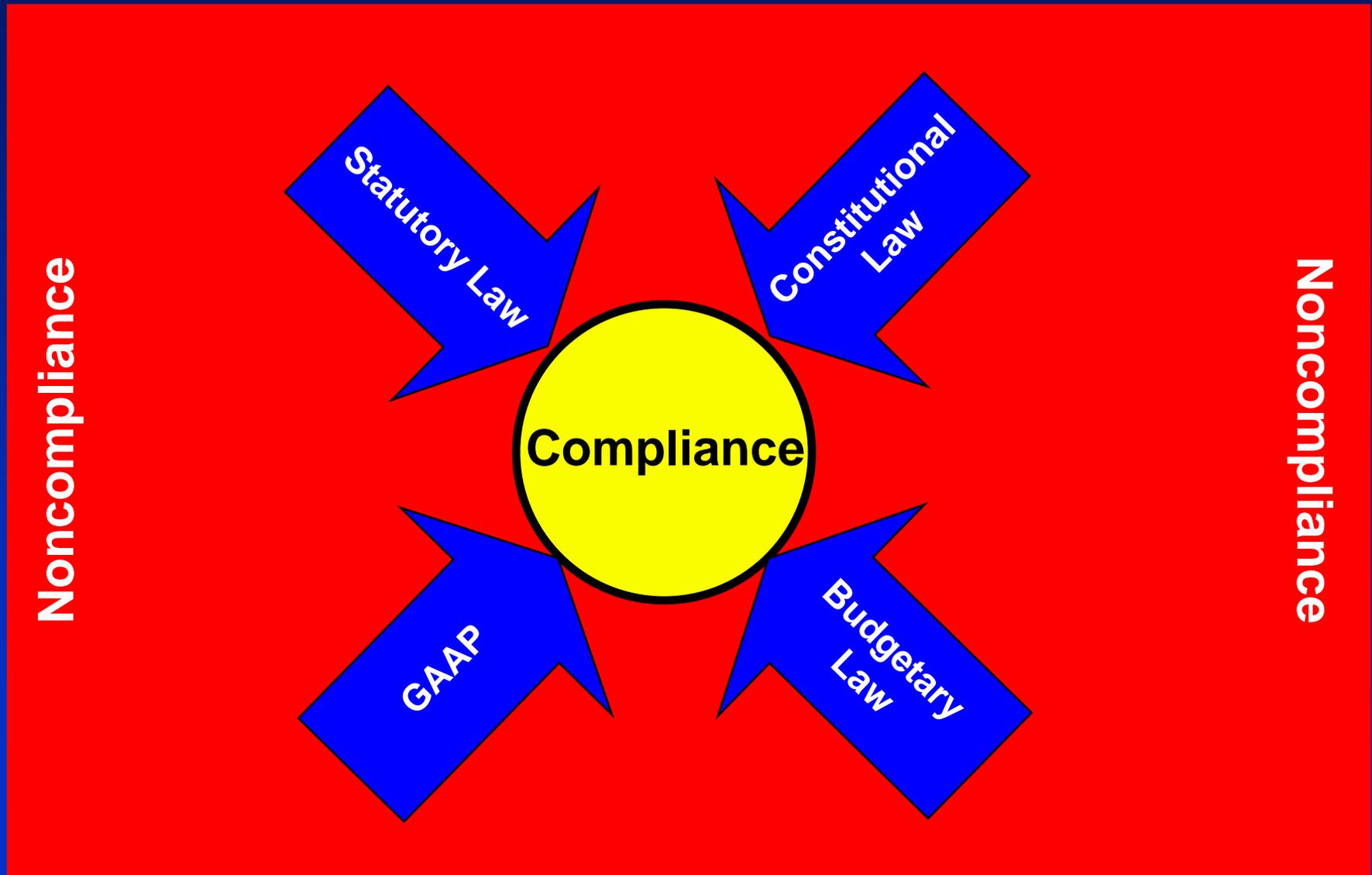
DOA Role

- Set state accounting policy in conformance with:
 - Constitutional Law
 - Budgetary Law
 - Statutory Law
 - GAAP
- Operate central accounting systems
- Control/monitor/report agency/statewide financial activity in conformance with state accounting policy

Agency Role

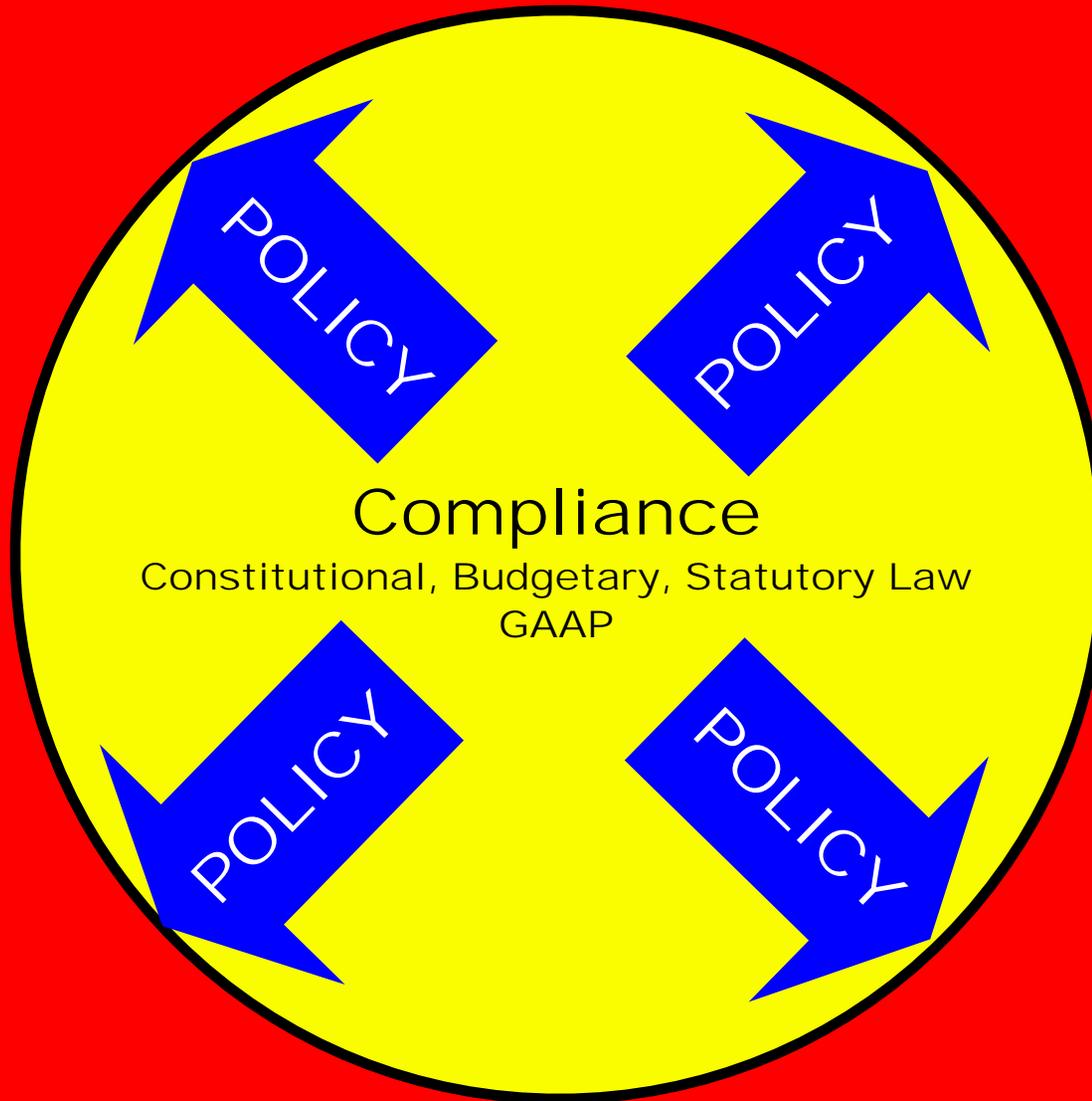
- Execute agency mission as prescribed by law in conformance with state accounting policy
- Operate subsidiary agency-based accounting systems, subject to interface and reconciliation with central systems
- Process/record and control/monitor/report transactions reflecting agency financial management activity

Statutory and GAAP requirements narrow operating flexibility...



Policy seeks to maximize operating flexibility within legal and GAAP constraints

Noncompliance



Noncompliance

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Financial Structure Review

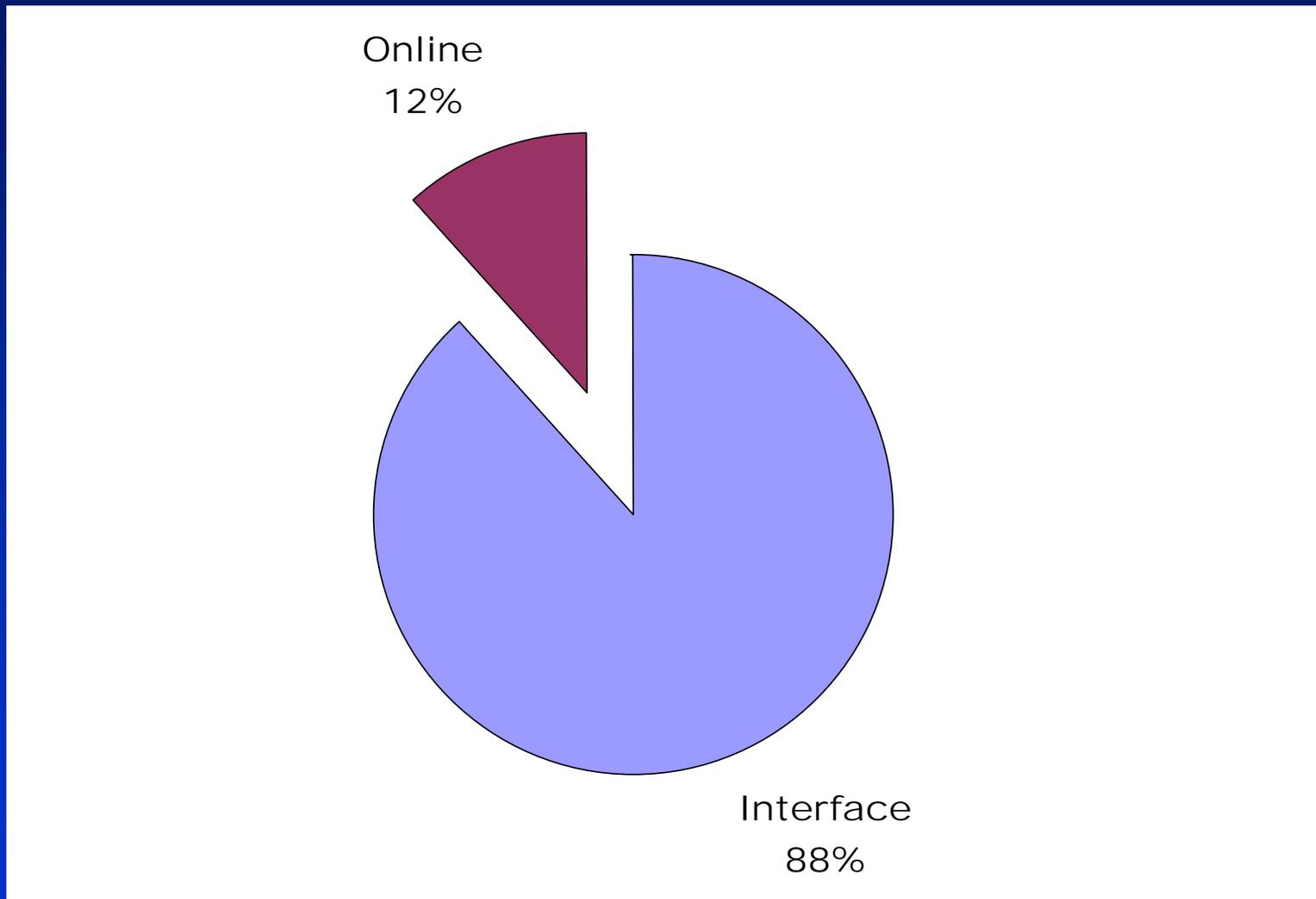
“The Auditor of Public Accounts shall review the operations of the State Comptroller as they relate to the Commonwealth’s financial accounting and control operations.”

- Secretary of Finance, State Comptroller, State Treasurer, Director of Planning and Budget, Chief Information Officer
- Identify factors that led to the current financial structure
- Impact of decentralization on the financial structure and internal controls
- Whether the Commonwealth has a modern financial system and structure
- Whether structural changes and additional resources could enhance oversight capabilities

Statewide Financial Systems

- View Commonwealth agencies as multiple enterprises
- Agency-based systems
 - Fill gaps between functionally limited central administrative systems and agency requirements:
 - Billing, Receipts, Accounts Receivable
 - Central systems lack functional integration.
 - Ex. PMIS/BES, CIPPS, eVA, CARS, FAACS
 - Interface and reconcile with central systems
 - Model emphasizes functional integration between administrative and agency-specific applications
- View Commonwealth as a single enterprise
- ERP
 - Functionally rich central system
 - Functional integration between central system functions:
 - Purchasing, Accounts Payable, Fixed Asset
 - Billing, Receipts, Accounts Receivable
 - Human Resources, Payroll
 - Quality of functional integration between administrative functionality and agency-specific applications?

CARS Input Transactions



Accountability Concepts





Please refer any questions or comments
to armics@doa.virginia.gov.

