Volume No. 3—Automated System Applications	TOPIC NO.	70105 - Cardinal
Function No. 70100—Agency-Based Automated Accounting Systems	TOPIC	AGENCY-BASED AUTOMATED ACCOUNTING SYSTEMS
CARDINAL	DATE	March 2017

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Overview

Introduction

This topic establishes policies and procedures for the

- design,
- development,
- implementation and
- operation of agency-based automated accounting systems.

It establishes the **Cardinal** accounting system as the official accounting records of the Commonwealth and requires all agency-based accounting systems be capable of reconciling to and, as directed by the Comptroller, interfacing electronically with Cardinal.

This topic also establishes the **Commonwealth Integrated Payroll/Personnel System (CIPPS)** and the **Fixed Asset Accounting and Control System (FAACS)** as official accounting records of the Commonwealth for those agencies which use these systems as they are centrally operated and maintained by the Department of Accounts (DOA).

Agencies authorized by the Comptroller to use alternative systems for payroll and fixed asset accounting (i.e., "summary user" fixed asset accounting systems) must ensure these alternative systems are capable of reconciling to and, as directed by the Comptroller, interfacing electronically with Cardinal, CIPPS and FAACS.

Policy

Introduction

The central automated accounting systems operated by DOA are the official accounting records for the Commonwealth. It is the responsibility of all agencies to ensure that any automated accounting systems operated by the agency are fully reconciled to the DOA records and that timely corrections and adjustments are made to agency or DOA records as a result of these reconciliations.

Reconciling Central & Agency-Based Systems

Agencies seeking to design, develop, implement, operate or modify agency-based accounting systems, as herein defined, must ensure that these systems are capable of being reconciled in a timely manner to

- Cardinal,
- the Commonwealth Integrated Personnel and Payroll System (CIPPS), and
- the Fixed Asset Accounting and Control System (FAACS),

as may be applicable, and, where appropriate, that all transmissions of accounting data in electronic form must be fully compatible with the data transmission and transmission security requirements of DOA.

DOA publishes and maintains a current set of data transmission standards for Cardinal which must be used by agencies in designing, developing, implementing, operating or modifying agency-based accounting systems. These data transmission standards are contained in CAPP – Cardinal Topic No. 70210, *Cardinal Agency Interfaces*. DOA provides data transmission standards for CIPPS and FAACS on a case-by-case basis.

VITA Data Transmission

The central automated accounting systems operated by DOA primarily use the computer facilities and telecommunications networks of the Virginia Information Technologies Agency (VITA). Agencies seeking to use agency-based accounting systems which interface electronically with central automated accounting systems at VITA must also comply with data transmission security requirements promulgated by that agency.

Policy, Continued

Cost/Benefit

In all applications of this *CAPP* topic, agencies must consider the relative costs and benefits of agency-based automated accounting systems and ensure that investments in such systems are prudent and economical. Further, the agency should consider the life-cycle cost of such systems.

DOA reserves the authority under Section 2.2-803 of the *Code of Virginia* to prohibit the operation of an agency-based automated accounting system that fails to support the statutory requirement for

- Statewide, unified financial accounting and control and
- the maintenance of a modern, effective and uniform system of accounting for the Commonwealth.

Definitions

Agency-Based Automated Accounting Systems	Any form of computerized applications operating under the control of an agency which produce accounting data which are required to

(1) interface electronically with DOA automated accounting systems,

(2) are reconciled to data residing in DOA automated accounting systems,

(3) generate accounting information which is used in the financial statements of the Commonwealth as provided for in Section 2.2-813 of the *Code of Virginia*, or

(4) generate accounting information which provides internal control over, or audit trails for, data which are ultimately recorded in DOA automated accounting systems.

As used herein, *summary user* fixed asset accounting system is considered an agency-based automated accounting systems.

Data Security	Protection of data against deliberate or accidental access, destruction or alteration by unauthorized persons. Data security requirements are found in CAPP – Cardinal Topic No. 70210, *Cardinal Agency Interfaces*.

Data Transmission Standards	Transfer of defined representations of data from one location or computer to another.

Electronic Interface	The junction at which two electronic entities meet and interact.

Definitions, Continued

Reconcile

All actions carried out pursuant to CAPP - Cardinal Topics:

- 20905—*Cardinal Reconciliation Requirements (Cardinal)*
- 50905—*Monthly Reconciliation (CIPPS)*
- 50910—*Quarterly Reconciliation and Certification (CIPPS)* and
- 50915—*Calendar Year-End Reconciliation and Certification (CIPPS)*

Where provided for in the *Appropriation Act*, or other statue or regulation, agency-based automated accounting systems must provide for additional reconciliations beyond the scope of CAPP – Cardinal Topic No. 20905, *Cardinal Reconciliation Requirements*, to include the service area and project levels.

Procedures

Data Transmission and Security Requirements

Agencies intending to design, develop, implement, operate or modify an agency-based automated accounting system must obtain from DOA the current published data transmission and data security requirements for interfacing with DOA automated systems.

It is the responsibility of each agency to initiate this request and to ensure that agency staff and such consultants and contractors as may be employed by the agency understand the requirements.

Reconciliation Requirements

Agencies are required to incorporate and provide for the reconciliation requirements of the applicable topics of the *CAPP Manual* in the design, development, implementation, operation or modification of an agency-based automated accounting system.

Agency Plans and Reports

Agencies are encouraged to advise DOA of plans regarding agency-based automated accounting systems and to consult with DOA payroll, fixed asset, technical and general accounting staffs regarding the requirements of this CAPP topic.

Agencies are required to provide DOA with copies of post-implementation reviews/evaluation reports as may be prepared pursuant to the agency's adopted systems development methodology.

Internal Control

Internal Control

Agencies involved in the design, development, implementation, operation or modification of an agency-based automated accounting system must plan and conduct such projects consistent with the

- Commonwealth of Virginia Information System Security Policy and Standards
- VITA Project Management Governance and Standards
- Applicable VITA Information Technology Resource Management (ITRM) Policies and Standards

Nothing in this CAPP topic is intended to supersede other authoritative guidance on internal control systems and procedures as may be promulgated from time to time by the Comptroller pursuant to Section 2.2-803 of the *Code of Virginia.*

Contacts

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Subject Cross References

References

CAPP - Cardinal Topic No. 20905, *Cardinal Reconciliation Requirements* (Cardinal)
CAPP - Cardinal Topic No. 50905, *Monthly Reconciliation* (CIPPS)
CAPP - Cardinal Topic No. 50910, *Quarterly Reconciliation and Certification* (CIPPS)
CAPP - Cardinal Topic No. 50915, *Calendar Year-End Reconciliation and Certification* (CIPPS)
CAPP - Cardinal Topic No. 70210, *Cardinal Agency Interfaces*