

2022-24 Strategic Plan

Department of Accounts [151]

Mission, Vision, and Values

Mission

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

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 Department of Accounts (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.

Values

No data

Agency Background Statement

In 1927, the General Assembly created the Division of Accounts and Controls in the Department of Finance, and in 1966, it was renamed the Department of Accounts (DOA). Under the direction of the State Comptroller, DOA is responsible for: providing a unified financial accounting and control system for state funds; developing a comprehensive system of checks and balances between state agencies entrusted with the collection, receipt and disbursement of state revenues; and maintaining a central accounting system for all state agencies and institutions. DOA's primary statutory authority resides in § 2.2-800 - § 2.2-816, Code of Virginia. Other statutory authority is included in § 2.2-1512, § 2.2-2825, and § 2.2-1819-1825.

DOA is committed to excellence in all service areas. The major service areas within DOA are General Accounting, Payroll Operations, Financial Reporting, Compliance Oversight and Federal Reporting, Finance and Administration, Financial Systems Development and Maintenance, Payroll Service Bureau and Financial Oversight for Enterprise Applications.

Agency Status *(General Information About Ongoing Status of the Agency)*

DOA's mission to provide a uniform system of accounting, financial reporting, and internal control adequate to protect and account for the Commonwealth's financial resources continues to be the driving focus of DOA's services. DOA strives to provide high level service to its customers through its payroll and fiscal service bureaus and its statewide accounting operations. A major initiative for DOA is the replacement of the Commonwealth's payroll system; this is discussed further under IT initiatives.

Information Technology

Major IT initiatives underway include:

Commonwealth Integrated Personnel and Payroll System (CIPPS) Decommissioning

CIPPS was implemented in the mid-1980s, and the system functionality is migrating to the Cardinal Human Capital Management (HCM) system. Once the migration is complete, HCM will become the Commonwealth's centralized payroll system. DOA plans to decommission CIPPS in late calendar year 2022.

Cardinal HCM

The Commonwealth of Virginia (COV) purchased Oracle's PeopleSoft Enterprise Resource Planning (ERP) software for the purpose of replacing legacy statewide or enterprise systems. In addition to software, COV obtained integration services to assist with the necessary configuration, design, build, test and deployment of the solution, including complex conversion and interface programs, and a robust change management/training program.

DOA initiated a project to replace the 30+ year old mainframe CIPPS application with the necessary PeopleSoft HCM modules. A planning phase was conducted beginning in March 2015 to define requirements, conduct a fit-gap assessment against the PeopleSoft HCM software, and to estimate the implementation scope-cost, schedule and resources required to implement a modern payroll system and supporting business processes for the Commonwealth. Following the planning phase, the Cardinal Payroll Implementation Project began in June 2016 and was to be

completed in October 2018. In April 2018, the scope of the Cardinal Payroll project was significantly modified to include the replacement of COV's statewide human resource management, benefits eligibility, and time and attendance legacy systems (PMIS, BES and TAL, respectively). An analysis and planning phase for the new scope began in July 2018 and concluded in April 2019 providing the requirements, schedule, and estimated budget to implement the more robust Cardinal HCM. The revised Cardinal HCM project was approved by the Secretaries of Finance and Administration in May 2019.

Cardinal HCM will cover four key business functions (payroll, human resource management, health benefits administration, and time & attendance). The new enterprise system will replace four key statewide legacy systems, several additional DOA and DHRM applications, and will provide select employee self-service functions. The system will be used by Commonwealth agencies, local governments participating in The Local Choice health benefits program, and Commonwealth/Local retirees, and terminated employees (for 18 months following termination).

Cardinal HCM deployment includes three releases. Release 1 go live was October 4, 2021 and included 18 state agencies and three local governments (localities). Release 2 go live was April 4, 2022 and included 69 state agencies and 58 localities. Release 3 go live is scheduled for deployment on October 3, 2022 and will include approximately 129 agencies and 379 localities.

Budget language authorizing a Working Capital Advance (WCA) to fund the planning project, expand the project scope and implement the system was approved by the General Assembly. WCA repayment and production system operating costs will be captured through internal service fund rates following implementation.

Cardinal Upgrade

Performing system upgrades during the HCM implementation project would have introduced additional technical and schedule risk to the project. The project implementation schedule was roughly three years long, and as a result, several of the system components now require upgrades to current versions in order to ensure ongoing vendor support. DOA will assess the approach and timeline for necessary upgrades starting in late calendar year 2022.

Workforce Development

DOA is made up of many staff who are in professional accounting roles, including 19 Certified Public Accountants. The state's compensation plan does not allow for recognition of the more complex responsibilities of central agencies' positions in general in both classification and compensation and is not aligned with the market at all levels of the organization from the State Comptroller down to entry level accountants. Better positioned line agencies offer higher salaries for less demanding jobs, eliminating a once well-established pipeline from line agencies to central government agencies like DOA. As a result, DOA's ability to attract and retain the talent needed to fulfill the agency's mission is inhibited. DOA has enhanced its internal training, compensation and recognition programs. This is intended to encourage retention of top-performing employees and to provide the means to improve their performance. 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.

Another challenge affecting DOA is its aging workforce. Thirty-one employees have more than 30 years of service and are over 50, and therefore, eligible to retire. Another four are within five years of joining the 30 year and over 50 group. In addition, there are eleven employees who are over 60 but do not have 30 years of service but who may be leaving the workforce in the near future. This group near retirement makes up over 27% of our workforce. Each area of the agency will monitor the plans for their staff and perform succession planning well in advance of staff departures.

Staffing

Authorized Maximum Employment Level (MEL)	169
Salaried Employees	148
Wage Employees	0
Contracted Employees	55

Physical Plant

The majority of DOA staff is centrally located in the James Monroe Building in downtown Richmond. DOA leases this space from the Department of General Services (DGS). Financial Oversight for Enterprise Applications staff occupy office space in Henrico County, and DGS administers this lease with a private party.

Key Risk Factors

Several factors will have a significant impact on the agency over the next few years:

Aging Workforce: DOA has 18% of staff who are currently eligible for retirement and 25% 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 private and public sectors. This increases the difficulty of being able to recruit and retain qualified staff for open positions. As the responsible organization for establishing and ensuring compliance with accounting policy in the Commonwealth, this impediment affects DOA significantly. If DOA as an agency or other state agencies have difficulty securing qualified staff, the reliability of state financial information can be put at risk. In the long run, this may impact the quality of the Annual Comprehensive Financial Report (ACFR) and 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 at DOA as well as the Commonwealth agencies to continue to produce more with fewer resources.

Information Technology: Compliance with new and evolving security policies, procedures, and monitoring is a challenge. DOA continues to expand and improve its IT disaster recovery plan to address the challenges of full compliance with the Commonwealth's IT security standards in order to reduce downtime in the event of a disaster.

Finance

Financial Overview

DOA receives a general fund appropriation for its core operations. The agency has five nongeneral funds, the Commonwealth Charge Card Rebate Fund, the Payroll Service Bureau, the Enterprise Application-Cardinal Fund, the Enterprise Application-Performance Budgeting Fund, and the Enterprise Application-HCM Fund. The Commonwealth Charge Card Rebate Fund accounts for the rebate and administrative cost associated with the Commonwealth of Virginia purchase charge card program. The Payroll Service Bureau provides payroll services to 65 other agencies; this fund accounts for the agency fees and administrative costs. The Enterprise Application Funds account for the charges to agencies for the ongoing operating costs of the Commonwealth's two enterprise financial management and budgeting application systems, Cardinal and Performance Budgeting. Agency charges will incorporate the HCM costs in late calendar year 2022 after HCM Release 3 occurs. The Payroll Service Bureau and Enterprise Application Funds are internal service funds. These types of funds are created to account for the operations of state agencies that render services to other state agencies, institutions, or other governmental units of the Commonwealth on a cost-reimbursement basis.

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	14,057,680	54,197,156	14,057,680	57,783,606
Changes to Initial Appropriation	0	0	0	0

Revenue Summary

The largest source of nongeneral fund revenue for DOA is related to the Enterprise Application Cardinal and Performance Budgeting Internal Service Funds (EA ISF). DOA centrally manages the fiscal operations of Cardinal and Performance Budgeting under the EA ISF. Agencies are charged on a quarterly basis. This simplifies collection and alleviates potential cash flow limitations experienced by non-general funds.

The other major source of revenue at DOA comes from fees charged to other agencies for services rendered by the Payroll Service Bureau. The Bureau is operated on a cost-reimbursement basis with fees charged equaling the costs to administer the bureau.

The statewide Small Purchase Charge Card Program is mandatory for state agencies and optional for political subdivisions. DOA receives a rebate from the financial institution sponsor (Bank of America) on the total spending for each fiscal year. The rebate earned is based on a contractually based rebate grid containing basis points for different Annual U.S. Dollar Card Volume Tiers. Once the rebate is reviewed and agreed upon by DOA and Bank of America, Bank of America makes a payment to DOA. DOA uses a portion of the rebate for oversight costs for Higher Education level 3 institutions. Additionally, DOA disburses a proportionate share of the rebate to political subdivisions, less a management fee of 2.5 basis points, and a federal share of the rebate is returned to the federal government. Certain DOA charge card administration expenses are also borne by the rebate fund. The remainder is provided to the Commonwealth as general fund revenue.

Agency Statistics

Statistics Summary

The following statistics provide a snapshot of the magnitude of DOA operations during Fiscal Year 2022.

Statistics Table

Description	Value
Statewide spending through the purchase charge card program (\$)	1,088,580,596
Estimated number of checks avoided due to usage of the purchase charge card program	660,306
Approx. number of Fixed Asset Accounting Control System (FAACS) transactions processed annually	362,106
Approx. number of Cardinal transactions processed annually (FY2021)	22,803,495
Average number of employees the central payroll system supports payments to per month (CY2021)	80,453
Number of W-2s produced by the central payroll system (CY2021)	117,221
Number of agencies served by the Payroll Service Bureau	65
Number of W-2s produced by the Payroll Service Bureau (CY2021)	23,591
Number of agencies served by the Fiscal Service Bureau	9
Number of vouchers processed by the Fiscal Service Bureau	4,307

Customers and Partners

Anticipated Changes to Customer Base

The customer base for the Department of Accounts is stable and changes primarily if agencies are created or closed. Additionally, the HCM customer base is expected to increase with Release 3.

Current Customer List

Predefined Group	User Defined Group	Number Served Annually	Potential Number of Annual Customers	Projected Customer Trend
Business and Finance	Standard and Poor's, Moody's, Fitch	3	3	Stable
Local or Regional Government Authorities	Localities	324	324	Stable
Local or Regional Government Authorities	Number of non-state agencies required to comply with financial reporting directives	30	30	Stable
Local or Regional Government Authorities	Approx. number of non-state agencies and local governments using HCM (August 2022)	69	448	Increase
State Agency(s),	All state agencies and institutions	287	287	Stable
State Agency(s),	Number of state agencies that use Cardinal Financials	287	287	Stable
State Agency(s),	Number of state agencies that use Cardinal HCM through Release 2	79	208	Increase
State Agency(s),	Number of state agencies and institutions that use the Fixed Asset Accounting Control System (FAACS)	114	114	Stable
State Government Employee	Agency employees paid by Payroll Service Bureau	23,591	23,591	Stable
State Government Employee	Employees at Commonwealth Agencies and Institutions that use the Fixed Asset Accounting Control System (FAACS)	321	321	Stable
State Government Employee	Employees that use Cardinal Financials (August 2022)	5,903	5,903	Stable
State Government Employee	Employees that use Cardinal HCM through Release 2 (August 2022)	73,097	73,097	Stable
State Government Employee	Employees of the Commonwealth (Fiscal Year 2021)	126,178	126,178	Stable

Partners

Name	Description
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Agencies served by the PSB	There are 65 other state agencies who are served by the PSB
All state agencies	Since DOA is a central service agency, and this service area produces the Annual Comprehensive Financial Report of the Commonwealth, all state agencies are considered partners.
Virginia Information Technology Agency	Cardinal is a web based application run on servers operated and supported by Virginia Information Technologies Agency
Department of Planning and Budget	Services are provided to this agency by the Finance and Administrative Services Division
Office of the State Inspector General	Services are provided to this agency by the Finance and Administrative Services Division
Department of the Treasury	Services are provided to this agency by the Finance and Administrative Services Division
Commonwealth Health Research Board	Services are provided to this board by the Finance and Administrative Services Division
Board of Accountancy	Services are provided to this agency by the Finance and Administrative Services Division
State Council of Higher Education in Virginia	Services are provided to this agency by the Finance and Administrative Services Division
Virginia Racing Commission	Services are provided to this agency by the Finance and Administrative Services Division
Virginia Commission for the Arts	Services are provided to this agency by the Finance and Administrative Services Division

Major Products and Services

DOA's most visible and widely used products are the statewide accounting applications, including:

- Cardinal: Financials: general ledger system
- Cardinal: Human Capital Management: payroll, human resource management, health benefits administration, and time & attendance system
- Fixed Asset Accounting and Control System (FAACS): fixed asset system

In addition, there are several state and federal mandates that DOA must satisfy:

- Cash Management Improvement Act of 1990: establishes federal/state agreements regulating cash draw and interest payment responsibilities
- Statewide Indirect Cost Allocation Plan: used to recover allowable indirect and overhead costs for agencies receiving federal grants and contracts
- Statewide Single Audit Report: requires preparation of a "Summary Schedule of Prior Year Audit Findings", "Corrective Action Plan", and the "Schedule of Expenditures of Federal Awards" for inclusion in the report
- Coronavirus Relief Fund subrecipient monitoring
- Coronavirus State and Local Fiscal Recovery Funds (part of American Rescue Plan) reporting and subrecipient monitoring
- Internal Revenue Service (IRS) Payroll Requirements: deposit and reporting of payroll taxes on behalf of state agencies' employees
- Governmental Accounting Standards Board (GASB) Standards: comply with GASB standards for financial reporting in order to obtain an unmodified audit opinion on the Annual Comprehensive Financial Report (ACFR)
- Locality Distributions: distribution of approximately \$1.7 billion to local governments each year as part of the administration of various shared-tax programs

Performance Highlights

A key measure that has a direct impact on the financial state of the Commonwealth as a whole is the continued receipt of an unmodified opinion on the ACFR and the Certificate of Excellence in Financial Reporting from the Government Financial Officers Association. The audited ACFR is prepared on the basis of generally accepted accounting principals (GAAP) and is used extensively by rating agencies, investment banks and others involved in the issuance and marketing of Commonwealth bonds. DOA has produced a GAAP-basis report that has received an unmodified audit opinion every year since 1986.

Selected Measures

Measure ID	Measure	Alternative Name	Estimated Trend
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15173703.004.001	Percent of payrolls reviewed and processed by the final certification/confirmation date.	Payrolls Proc. by Cert. Date	Maintaining
15172404.001.003	Percent of time that financial management systems are available to customer state agencies.	Fin. Management System Availability	Maintaining
151.0003	Receive the Certificate of Excellence in Financial Reporting from the Government Finance Officers of America for the Annual Comprehensive Financial Report.	Receive Certificate of Excellence in Financial Reporting	Maintaining
151.0004	The number of W-2's processed per payroll staff member.	W-2's processed per payroll staff member	Maintaining

Agency Goals

- **Provide best-in-class accounting, payroll and financial reporting by maintaining the integrity of the accounting and payroll systems of the Commonwealth to provide for accurate financial and accounting information.**

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 financial system (Cardinal Financials), the statewide payroll system (Cardinal HCM), 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.

Objectives

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

Description

Using the Commonwealth purchasing card creates efficiencies and minimizes processing costs in the accounts payables function statewide.

Objective Strategies

- Analysis is performed on the Commonwealth purchases to ensure the card use is maximized. Agency card utilization is also monitored.

Measures

- ♦ Percent of eligible purchases made with the small purchase charge card by state agencies.

- » **Process employee W-2's timely.**

Description

The Federal Government requires W-2's to be mailed to employees by the end of January each year.

Objective Strategies

- Timely agency certification is required to ensure processing occurs by deadlines. Process monitored to ensure timeliness and completeness.

Measures

- ♦ Percent of Internal Revenue Service (IRS) wage and tax statements (W-2's) processed by the employee deadline of January 31.
- ♦ The number of W-2's processed per payroll staff member.

- » **Process payroll requests timely.**

Description

Line agencies enter payroll requests into the system.

Objective Strategies

- Daily reviews of all requests for accuracy and completeness to ensure timely processing.

Measures

- ♦ Percent of payrolls reviewed and processed by the final certification/confirmation date.

- » **Ensure statewide compliance with the Prompt Payment Act.**

Description

The Prompt Payment Act sets guidelines that agencies must follow in paying vendors for goods and services to ensure they receive their payment in a timely manner.

Objective Strategies

- Agencies must follow statewide accounting policy which includes the Prompt Payment Act. Agency performance is monitored and reported to ensure compliance.

Measures

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

» **Ensure that agency systems are available for use by Department of Accounts (DOA) customers.**

Description

DOA customers rely on the availability of core financial systems (Cardinal Financials and Cardinal HCM) in order to timely and accurately process accounting transactions.

Objective Strategies

- Ensure that system maintenance is performed timely to prevent any unscheduled downtime to customers.

Measures

- ◆ Cost per transaction of providing core system administration for the statewide financial management systems (CARS, Cardinal and CIPPS).
- ◆ Percent of time that financial management systems are available to customer state agencies.

» **Meet quarterly IRS reporting requirements and payment deadlines.**

Description

The IRS requires quarterly reporting and payments related to payroll tax withholdings.

Objective Strategies

- Use automated features in the system to ensure deadlines are met.

Measures

- ◆ Percent of Internal Revenue Service (IRS) reporting requirements and payment deadlines met.

» **Comply with established deadlines to implement system enhancements and to meet legislative mandates and system maintenance upgrades.**

Description

DOA customers rely on core financial systems in order to timely and accurately process accounting transactions. Meeting legislatively mandated deadlines to implement enhancements and system maintenance upgrades to these systems is critical to ensure customers are utilizing the most statutorily compliant technology available to them.

Objective Strategies

- Enhancements are executed through the system maintenance request process to ensure testing and implementation by due date. Follow VITA guidelines for installing system maintenance upgrades.

Measures

- ◆ Percent of time legislated deadlines for updating statewide financial systems are met.

• **Strengthen oversight and improve agency internal controls.**

Summary and Alignment

The Sarbanes/Oxley Act, federal legislation enacted in 2002, was enacted in response to frauds that were committed by publicly-traded private companies such as Enron. Sarbanes/Oxley requires an 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 and its concepts have been adopted by the Commonwealth through ARMICS. Agency management is responsible for implementing a strong set of internal controls and this goal strengthens internal controls in the Commonwealth. DOA enhances vigilance over internal controls by: - Establishing internal control standards (ARMICS). - Publishing ARMICS and training agencies on this 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.

Objectives

» **Enhance the Commonwealth of Virginia's internal controls by reconciling cash in the Statewide Financial System (Cardinal Financials) and cash in the state Treasurer's system, and identifying and resolving general ledger anomalies and agency-identified reconciliation discrepancies.**

Description

DOA performs statewide reconciliations between Cardinal and Treasury and agencies reconcile their accounting records. Any discrepancies identified are resolved within one month.

Objective Strategies

- Detailed desk procedures as well as internal controls in place during the identification and resolution of general ledger anomalies ensure accurate and timely resolution.

Measures

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

» **Ensure compliance with original legislative appropriations.**

Description

Customer agencies and institutions rely on the Department of Accounts to record, reconcile and control compliance with original legislative appropriations in a timely manner so that they are able to complete required accounting transactions without delay, but within statutory limits.

Objective Strategies

- Detailed desk procedures as well as internal controls in place during the review process ensure original legislative appropriations are reconciled and recorded timely.

Measures

- ♦ Percent of time the original legislative appropriations are recorded and reconciled within seven days of receipt from the Department of Planning and Budget (DPB).

» **Monitor agencies and institutions responses to Auditor of Public Accounts (APA) audit reports.**

Description

The Department of Accounts (DOA) requires that agencies and institutions develop and file with DOA a response to their APA audit including corrective action workplans (CAWS) to address the Auditor's concerns. DOA monitors agency compliance with this requirement as well as the number of recurring findings an agency receives.

Objective Strategies

- APA reports are monitored to ensure agencies submit CAWS timely.

Measures

- ♦ Percentage of corrective action workplans (CAWS) that are submitted in accordance with Department of Accounts (DOA) policy.
- ♦ The number of recurring Auditor of Public Accounts (APA) internal control findings.

• **Produce financial reports.**

Summary and Alignment

The achievement of an unmodified 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.

Objectives

» **Monitor subrecipients and ensure appropriate reporting for federal COVID Funds.**

Description

The Department of Accounts (DOA) has been assigned responsibility for ensuring the Commonwealth complies with the Code of Federal Regulations (CFR §200.332) for localities receiving subawards from the Coronavirus Relief Fund (CRF) and the Coronavirus State and Local Fiscal Recovery Fund (SLFRF). Additionally, DOA is responsible for ensuring compliance with the U.S. Treasury's SLFRF reporting requirements.

Objective Strategies

- Detailed desk procedures and internal control procedures in place during the subrecipient monitoring and SLFRF reporting ensure completion.

Measures

- ♦ Complete CRF and SLFRF subrecipient monitoring and SLFRF reporting in accordance with applicable federal regulations.

» **Produce a quality Annual Comprehensive Financial Report (ACFR).**

Description

The ACFR contains an overview on Virginia's economy, audited financial statements, the auditor's report, and a statistical section. The ACFR is used by public officials, bond rating firms, investors, and the general public to stay informed of Virginia's financial position.

Objective Strategies

- To produce a quality ACFR, detailed desk procedures and appropriate internal controls have been put into place for the preparation and review process.

Measures

- ♦ Receive the Certificate of Excellence in Financial Reporting from the Government Finance Officers of America for the Annual Comprehensive Financial Report.

» **Accurately analyze and report general fund revenues by the current two business day deadline.**

Description

General fund revenues must be reported two business days after monthly close.

Objective Strategies

- Detailed desk procedures as well as internal controls in place for the preparation and review process ensure an accurate and timely reporting of general fund revenues.

Measures

- ◆ Percentage of monthly revenue reports produced within two business days of the Commonwealth Financial System (Cardinal Financials) monthly close.

» **Develop statewide Indirect Cost Allocation Plans.**

Description

The statewide Indirect Cost Allocation Plans are developed by the Department of Accounts (DOA) and approved by the federal government. The plans guide agencies in recovering indirect costs associated with federal programs from federal funds.

Objective Strategies

- Detailed desk procedures and internal control procedures in place during the preparation and review of the Indirect Cost Allocation Plan ensure completion.

Measures

- ◆ Develop the annual Federal Indirect Cost Allocation Plan and the Schedule of Expenditures of Federal Awards in accordance with applicable federal regulations.

• **Coordinate and develop enterprise systems.**

Summary and Alignment

Manage planned increases in agency IT operating costs and control the delineation of VITA IT infrastructure responsibilities in context of DOA's statewide disbursement control and financial management system responsibilities. The Commonwealth has replaced its aged financial accounting system (implemented in the late 1970s) with a modern, commercial off-the-shelf application. The software selected, Oracle's PeopleSoft ERP, is a robust, web-based application that has greatly enhanced the Commonwealth's ability to manage and account for its financial resources. It equips policy-makers with complete and timely data. The system, known as Cardinal, developed data standards that improve the sharing of information across agencies, allowed the Commonwealth to reduce the risk inherent in operating a 30 year old legacy system and keep pace with future technology improvements. More importantly, the financial base system (a subset of the more robust financial modules/functions provided by Cardinal to the Virginia Department of Transportation) provides a solid foundation for the Commonwealth to expand system functionality and facilitate better integration of key administrative systems across the state. This foundation will enable the state to re-engineer activities taking advantage of shared services, increasing functionality for better fiscal management, and reducing redundant agency financial systems and related cost. The Commonwealth initially implemented PeopleSoft Financial version 9.1. In 2016 the Department of Accounts initiated a project to upgrade Cardinal to PeopleSoft 9.2. DOA executed a successful implementation of this upgrade in April 2017. The current version of Financials is PeopleSoft 9.2 through Image 31. DOA initiated a project to replace the 30+ year old mainframe CIPPS application with the necessary PeopleSoft HCM modules. A planning phase was conducted beginning in March 2015 to define requirements, conduct a fit-gap assessment against the PeopleSoft HCM software, and to estimate the implementation scope-cost, schedule and resources required to implement a modern payroll system and supporting business processes for the Commonwealth. Following the planning phase, the Cardinal Payroll Implementation Project began June 2016 and was to be completed in October 2018. In April 2018, the scope of the Cardinal Payroll project was significantly modified to include the replacement of COV's statewide human resource management, benefits eligibility, and time and attendance legacy systems (PMIS, BES and TAL respectively). An analysis and planning phase for the new scope began in July 2018 and concluded in April 2019, providing the requirements, schedule, and estimated budget to implement the more robust Cardinal HCM. The revised Cardinal HCM project was approved by the Secretaries of Finance and Administration in May 2019. Cardinal HCM (version 9.2 through Image 31) will cover four key business functions (payroll, human resource management, health benefits administration, and time & attendance). The new enterprise system will provide select employee self-service functions. The system will be used by Commonwealth agencies, local governments participating in The Local Choice health benefits program, and Commonwealth/Local retirees, and terminated employees (for 18 months following termination). The system will be deployed in three releases (two are currently complete and the third release is scheduled for October 2022). And similar to Cardinal Financials, Cardinal HCM provides a solid foundation for the Commonwealth to expand system functionality and facilitate better integration of key administrative systems across the state.

Objectives

» **Ensure that Cardinal, an enterprise application system, is available for use by state agency and local government customers.**

Description

DOA customers rely on the availability of core administrative financial systems like Cardinal in order to process timely and accurately process accounting, human resource, payroll, time & attendance, and health benefit transactions.

Objective Strategies

- Ensure that system maintenance is performed timely to prevent any unscheduled downtime to customers.

Measures

- ◆ Percentage of time the state's enterprise application system Cardinal, administered by the Department of Accounts, is available to customer entities.

• **Strengthen human capital infrastructure by retaining and developing staff.**

Summary and Alignment

The state's compensation plan does not allow for recognition of the more complex responsibilities of central agencies' positions in general in both classification and compensation and is not aligned with the market at all levels of the organization from the State Comptroller down to entry level accountants. Better positioned line agencies offer higher salaries for less demanding jobs, eliminating a once well-established pipeline from line agencies to central government agencies like DOA. As a result, DOA's ability to attract and retain the talent needed to fulfill

the agency's mission is inhibited. DOA has enhanced its internal training, compensation and recognition programs. This is intended to encourage retention of top-performing employees and to provide the means to improve their performance. 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.

Objectives

» **Minimize agency staff vacancy levels.**

Description

Retaining staff is important to ensure continuity of operations. Effectiveness is enhanced and efficiencies are created due to experienced staff with institutional knowledge being retained.

Objective Strategies

- Retain and develop staff by partnering with employees to provide opportunities for growth and development, thereby minimizing turnover. Recruitment expediting strategies to reduce the length of time of vacancies.

Measures

- ◆ Percent of employees who terminated employment with DOA during the fiscal year.
- ◆ Percent of staff employed by DOA greater than 5 years.

• **Maximize cost-effectiveness by efficiently and effectively operating service bureaus to serve the payroll and accounting needs of agencies participating.**

Summary and Alignment

DOA operates a payroll service bureau serving 65 agencies and an accounting/accounts payable service bureau serving 9 agencies in addition to DOA. The purpose of the service bureaus is to provide more reliable and efficient processes through shared services 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.

Objectives

» **Provide high quality payroll, fringe benefit and leave administration services for agencies participating in the Payroll Service Bureau (PSB).**

Description

Payroll Service Bureau agencies rely on the Bureau to accurately process payroll and fringe benefits and provide leave administration services so that their employees are compensated in a timely fashion.

Objective Strategies

- Each payroll analyst undergoes bureau training to ensure they are knowledgeable in providing high quality payroll services. In addition, a yearly survey is sent to participating agencies so they can provide feedback and a ranking to help monitor the quality of services provided.

Measures

- ◆ Rate of receipt of a 'satisfactory ranking' on the overall customer service survey for each agency served by the Department of Account's (DOA) Payroll Service Bureau (PSB) indicates timely and accurate payroll processing.

Supporting Documents

Title

File Type

Financial Oversight for Performance Budgeting System [71107]

Description of this Program / Service Area

Performance Budgeting (PB) is the Commonwealth’s central budget system administered by the Department of Planning and Budget, which facilitates reporting transparency and improved budget decision making and provides the ability to systematically link strategic and service area plans, performance measures, and budgets. PB implementation costs were funded through a WCA and systems operating costs (including WCA repayment) are being recovered through the Enterprise Applications internal service fund administered by DOA.

Mission Alignment and Authority

The enterprise application directly supports the mission of the agency by providing a new uniform system of accounting.

Title 2.2 Chapter 8, Code of Virginia

Products and Services

Description of Major Products and Services

This service area is an internal service fund that oversees the collection of charges to agencies for the ongoing operating costs of the Commonwealth’s Performance Budgeting enterprise financial application.

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
Collecting charges to agencies for the ongoing operating costs of the Commonwealth's Performance Budgeting enterprise financial application	COV § 2.2-803, Item 261A Chapter 2		Required	0	2,684,775

Anticipated Changes

There are no anticipated changes to product services for this program at this time.

Factors Impacting

There are no factors impacting product services for this program at this time.

Financial Overview

Amounts for the Financial Oversight for Performance Budgeting System represent an internal service fund derived from charges to agencies for the ongoing costs of the Commonwealth's Performance Budgeting enterprise application. These amounts include recovery of development and implementation costs initially funded through working capital advances. The cost for the Performance Budgeting System is \$2.8 million. All users of the Commonwealth’s Performance Budgeting System will be assessed a surcharge based on licenses, transactions, or other meaningful methodology as determined by the Secretary of Finance and the owner of the system, and approved by the Department of Planning and Budget.

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	0	3,028,384	0	3,098,852
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Financial Oversight for Cardinal System [71108]

Description of this Program / Service Area

The Cardinal System provides the Commonwealth with a modern ERP (Enterprise Resource Planning) financial management system that offers robust financial management processes, data capture, and powerful financial and operational reporting capabilities. The software is supported by the vendor community and allows integration with other key systems for end-to-end business processing. This allows for a reduction in the risks associated with dated and unsupported financial management systems and standardization of some routine business processes. These features make Cardinal a system that offers improved functionality to both agencies and end users at all levels, while providing a platform that can address the business and process needs of the Commonwealth for years to come.

Mission Alignment and Authority

The enterprise application directly supports the mission of the agency by providing a modern uniform system of accounting.

Title 2.2 Chapter 8, Code of Virginia

Products and Services

Description of Major Products and Services

This service area is an internal service fund that oversees the collection of charges to agencies for the ongoing operating costs of the Commonwealth's Cardinal enterprise financial application.

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
Collecting charges to agencies for the ongoing operating costs of the Commonwealth's Cardinal enterprise financial application	COV § 2.2-803, Item 261A Chapter 2		Required	0	22,421,187

Anticipated Changes

There are no anticipated changes to product services for this program at this time.

Factors Impacting

There are no factors impacting product services for this program at this time.

Financial Overview

Amounts for the Financial Oversight for Cardinal System represent an internal service fund derived from charges to agencies for the ongoing costs of the Commonwealth's Cardinal enterprise application. These amounts include recovery of development and implementation costs initially funded through working capital advances. All users of the Commonwealth's Cardinal system are assessed a surcharge based on licenses, transactions, or other meaningful methodology as determined by the Secretary of Finance and the owner of the system, and approved by the Department of Planning and Budget.

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	0	46,604,693	0	50,014,774
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Financial Systems Development [72401]

Description of this Program / Service Area

Department of Account's (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 financial system (Cardinal Financials), the statewide payroll system (Cardinal HCM), 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 infrastructure, 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.

Mission Alignment and Authority

This service area develops new applications that support the activities of the agency's financial IT systems, Cardinal, Financials and HCM, and FAACS, which aligns with the agency's mission of maintaining a uniform accounting system. This service area also develops and implements new web applications to meet business needs. Examples of web applications supported include REDI Virginia (Electronic Data Interchange 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.

Title 2.2 Chapter 8, Code of Virginia

Products and Services

Description of Major Products and Services

This area produces and maintains source code that allows DOA's financial programs and applications to meet the department's mission.

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
Commonwealth Integrated Payroll and Personnel System (CIPPS)	COV § 2.2-803		Required	247,775	0
Fixed Asset and Accounting Control System (FAACS)	COV § 2.2-803		Required	6,043	0
Other associated statewide systems	COV § 2.2-803		Required	350,511	0

Anticipated Changes

Commonwealth Integrated Personnel and Payroll System (CIPPS) Decommissioning

CIPPS was implemented in the mid-1980s, and the system functionality is migrating to the Cardinal HCM system. Once the migration is complete, HCM will become the Commonwealth's centralized payroll system. DOA plans to decommission CIPPS in late calendar year 2022.

Cardinal HCM

COV purchased Oracle's PeopleSoft Enterprise Resource Planning (ERP) software for the purpose of replacing legacy statewide or enterprise systems. In addition to software, COV obtained integration services to assist with the necessary configuration, design, build, test and deployment of the solution, including complex conversion and interface programs, and a robust change management/training program.

DOA initiated a project to replace the 30+ year old mainframe CIPPS application with the necessary PeopleSoft HCM modules. A planning phase was conducted beginning in March 2015 to define requirements, conduct a fit-gap assessment against the PeopleSoft HCM software, and to estimate the implementation scope-cost, schedule and resources required to implement a modern payroll system and supporting business processes for the Commonwealth. Following the planning phase, the Cardinal Payroll Implementation Project began in June 2016 and was to be completed in October 2018. In April 2018, the scope of the Cardinal Payroll project was significantly modified to include the replacement of COV's statewide human resource management, benefits eligibility, and time and attendance legacy systems (PMIS, BES and TAL, respectively). An analysis and planning phase for the new scope began in July 2018 and concluded in April 2019 providing the requirements, schedule, and estimated budget to implement the more robust Cardinal HCM. The revised Cardinal HCM project was approved by the Secretaries of Finance

and Administration in May 2019.

Cardinal HCM will cover four key business functions (payroll, human resource management, health benefits administration, and time & attendance). The new enterprise system will replace four key statewide legacy systems, several additional DOA and DHRM applications, and will provide select employee self-service functions. The system will be used by Commonwealth agencies, local governments participating in The Local Choice health benefits program, and Commonwealth/Local retirees, and terminated employees (for 18 months following termination).

Cardinal HCM deployment includes three releases. Release 1 go live was October 4, 2021 and included 18 state agencies and three local governments (localities). Release 2 go live was April 4, 2022 and included 69 state agencies and 58 localities. Release 3 go live is scheduled for deployment on October 3, 2022 and will include approximately 129 agencies and 379 localities.

Budget language authorizing a Working Capital Advance (WCA) to fund the planning project, expand the project scope and implement the system was approved by the General Assembly. WCA repayment and production system operating costs will be captured through internal service fund rates following implementation.

Fixed Asset Accounting System (FAACS)

The Commonwealth's Fixed Asset Accounting System (FAACS) comprises a web-front end for agency input and web platform that performs the financial processing.

Factors Impacting

Factors Impacting

Executive Order 19

Executive Order 19 mandates agencies to leverage cloud solutions and migrate infrastructure services to cloud-based technologies. The Department of Accounts has evaluated existing IT investments and has initiated the following approach:

- Renewing the Workiva WDesk Software as a Service (SAAS) for ACFR compilation in 2023.
- Implementing Microsoft 365 during fiscal year 2023.
- Evaluating the possibility of migrating the TeamMate software used by the Compliance Oversight and Federal Reporting unit to a cloud-based platform during fiscal year 2023.

Mainframe Services - Retirement

CIPPS is the remaining application on the mainframe. Once Cardinal HCM is fully deployed, CIPPS will be decommissioned, and this migration is planned to occur by the end of calendar year 2022.

Succession Planning/Staff Back-up

Reduced staffing levels at DOA generate two critical threats to the continuity of IT service provided for DOA systems. First, there is a more limited capacity for cross-training to build staff resource backup capacity in the event of an emergency. Second, there are fewer options to ensure continuity of service due to normal attrition. The Cardinal DOA employees have developed a rare combination of state financial systems knowledge along with the Oracle PeopleSoft expertise necessary to provide statewide development and support. Replacing any of the key employees in this division will be exceedingly difficult.

Financial Overview

This area is funded entirely with general fund appropriation.

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	905,441	0	905,441	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title	File Type
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Financial Systems Maintenance [72402]

Description of this Program / Service Area

This service area maintains existing agency financial systems including the statewide payroll system called Commonwealth Integrated Payroll and Personnel System (CIPPS) (scheduled to be decommissioned in late calendar year 2022), the statewide fixed asset system called Fixed Asset and Accounting Control System (FAACS) and associated systems and applications. This service area also maintains existing web applications such as Reportline, Payline, and REDI Virginia. Maintenance is distinguished from development in that development involves creating new functionality, whereas maintenance supports the continued use of existing functionality.

Mission Alignment and Authority

This service area supports the mission of the Department of Accounts (DOA) by maintaining the systems that provide a uniform system of accounting for the Commonwealth.

Title 2.2 Chapter 8, Code of Virginia

Products and Services

Description of Major Products and Services

The product for this area is the development and maintenance of programming code from written and verbal requirements.

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
Commonwealth Integrated Payroll and Personnel System (CIPPS)	COV § 2.2-803		Required	371,663	0
Fixed Asset and Accounting Control System (FAACS)	COV § 2.2-803		Required	9,065	0
Other associated statewide systems	COV § 2.2-803		Required	525,767	0

Anticipated Changes

The only anticipated change is the decommissioning of the CIPPS system and replacement with Cardinal HCM.

Factors Impacting

The implementation of Cardinal HCM.

Financial Overview

This area is completely funded by general fund appropriation.

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	765,044	0	765,044	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Computer Services [72404]

Description of this Program / Service Area

This service area supports the VITA infrastructure services which provide the application environments and the tools and technologies used by all business units in support of the agency’s objectives. DOA transitioned to Virginia Information Technologies Agency (VITA) in July, 2004. DOA continues to monitor the performance of the transformed functions, in conjunction with VITA.

Mission Alignment and Authority

Included in this service area is DOA responsibilities to procure, monitor, and support the agency infrastructure environment, which includes server, storage, and data center services, mainframe services, messaging services, end user services (laptops, desktops), managed print services, managed security services, and voice and data network supporting more than 140 users.

Title 2.2 Chapter 8, Code of Virginia

Products and Services

Description of Major Products and Services

Statewide systems, FAACS and associated systems.

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
VITA Infrastructure Services	COV § 2.2-803		Required	2,043,061	0

Anticipated Changes

Multi-Supplier Infrastructure Delivery Model

The agency continues to work closely with VITA as it transitions to a multi-supplier delivery model using a Multi-sourcing Service Integrator (MSI) to coordinate services and issue resolution.

Information Technology Security

Compliance with new and evolving security standards and policies, procedures, and monitoring continues to be a high priority. DOA dedicates the resources to comply with all VITA security standards and guidelines and maintain a comprehensive IT security program.

Factors Impacting

The factors noted in the service area titled Financial Systems Development are applicable to this service area.

Financial Overview

The financial information in this service area reflects the cost for services provided by VITA (non telecommunication).

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	2,014,614	0	2,014,614	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

General Accounting [73701]**Description of this Program / Service Area**

The Department of Accounts (DOA) maintains the official accounts for the Commonwealth in the Commonwealth Financial System (Cardinal Financials). Deposit and disbursement transactions are entered by agencies online 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 Cardinal.

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, both DOA and the Department of Planning and Budget (DPB) 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 3,030 local deposit certificates. 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 nongeneral funds. This requires detailed calculations and recordkeeping necessary to allocate interest and demonstrate compliance with the related legal provisions.

Comptroller's Debt Setoff Program

Section 2.2-4806, Code of Virginia, authorizes the recovery of overdue debts owed to 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 the Department of Taxation (TAX) to recover debts from state tax refunds. Since its inception in 1991 through FY 2022, this program has recovered in excess of \$282.1 million in overdue debts owed to the Commonwealth. The \$282.1 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 Department of Treasury to support state programs that are anticipating nongeneral 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 nonstate 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 84,900 trading partners accepting electronic payments including vendors, localities, state agencies/employees and grant recipients. In May 2013, DOA implemented a systemic change whereby employees who have direct deposit for payroll were automatically enrolled in the EDI program.

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 Department of Alcoholic Beverage Control (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 as compared to total collections.

Personal Property Tax Relief Act (PPTRA)

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

Mission Alignment and Authority

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

Title 2.2 Chapter 8, Code of Virginia

Section 2.2-1822, Code of Virginia

Products and Services

Description of Major Products and Services

This service area provides all accounting reports for state agencies through the Commonwealth Financial System (Cardinal Financials).

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
Accounting reports	COV § 2.2-803		Required	3,098,884	992,820

Anticipated Changes

There are no anticipated changes to product services for this program at this time.

Factors Impacting

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 throughout state government. 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 could impact the Annual Comprehensive Financial Report of the Commonwealth (ACFR) and/or the bond rating of Virginia.

Financial Overview

This service area is funded with both general and nongeneral fund appropriation. Nongeneral funds are used to account for services provided by General Accounting for the small purchase charge card program, statewide nongeneral fund interest calculations, higher education non-level 3 oversight, and higher education level 3 oversight.

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	3,360,112	1,013,524	3,360,112	1,013,524
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Disbursements Review [73702]**Description of this Program / Service Area****Compliance Assurance**

This service area's organizational objective is to compile, review and produce the Comptroller's Report on Statewide Financial Management and Compliance, and 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 service area also provides professional and technical training programs and timely assistance for improving agency compliance with CAPP procedures. This service area provides follow up on agency corrective action workplans for deficiencies noted in Auditor of Public Accounts (APA) audit reports.

Quarterly Financial Report

This service area is responsible for the Report on Statewide Financial Management and Compliance. Each quarter, DOA provides the Governor, the Governor's Cabinet and state 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.

Indirect Cost Allocation Plans

This service area prepares two indirect cost allocation plans. The first is prepared in accordance with 2CFR, Part 200 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 \$387 million from federal sources in FY 2022. In addition, a second "full costing" plan is developed for Department of Planning and Budget (DPB) that supports the recovery of indirect costs borne by the general fund on behalf of nongeneral funded agencies and programs. The Appropriation Act is used to recover these costs for the general fund. In FY 2022, \$12.3 million was recovered for the general fund through this program.

Financial Reporting and Accounting Quality Assurance

The audited December 15 Annual Comprehensive Financial Report (ACFR) 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 unmodified 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 ACFR and helps to define agency training needs as it relates to financial reporting. Due to federal reporting requirements, the Quality Assurance reviews have been temporarily halted due to staff reassignment.

COVID Funds Federal Reporting

This service area performs subrecipient monitoring in accordance with 2CFR, Part 200. Additionally, this service area prepares State and Local Fiscal Recovery Fund reports in accordance with the U.S. Treasury reporting requirements.

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

Cash Management Improvement Act

This 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.

Claims Against the Commonwealth

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

Reportline Administration

DOA manages a web-based, reports distribution system used by statewide fiscal staff, human resources personnel, and localities to access DOA system-generated reports. The system is called Reportline and has in excess of 539 statewide users. The system is available to Commonwealth of Virginia agency personnel, as well as local Treasurer and Clerk of the Court personnel.

CAPP Manual

To provide uniform accounting procedures for state government, DOA publishes the Commonwealth Accounting Policies and Procedures Manual (CAPP). The CAPP is a three volume set of prescribed accounting practices which is used by all agencies of state government. An Electronic Publishing Unit manages the frequent revisions to the CAPP which are required by changes in state or federal law, generally-accepted accounting principles, or administrative policy. The CAPP manual consists of 1,787 pages spanning 103 topics and is updated regularly and posted online.

Mission Alignment and Authority

This service area aligns closely with DOA's mission as its purpose is to evaluate and report on agency financial accountability and compliance. This is achieved via 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.

Title 2.2 Chapter 8, Code of Virginia

Section 2.2-1822, Code of Virginia

Products and Services

Description of Major Products and Services

This service area also prepares the Report on Statewide Financial Management and Compliance.

The Commonwealth Accounting Policies and Procedures (CAPP) manual that provides policy guidance to agencies of the Commonwealth.

Reportline, a web-based reports distribution system used by agency fiscal personnel.

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
Quality Assurance Reviews	COV § 2.2-803		Discretionary	893,798	0
CAPP Manual	COV Title 2.2 Chapter 8		Discretionary	18,940	0
Reportline	COV § 2.2-803		Discretionary	10,976	0
Quarterly Report on Statewide Financial Management and Compliance	COV § 2.2-803		Discretionary	43,819	0

Anticipated Changes

There are no anticipated changes to product services for this program at this time.

Factors Impacting

There are no anticipated changes to product services for this program at this time.

Financial Overview

The budget for this area is funded with all general fund appropriation.

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	1,091,155	0	1,091,155	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title	File Type
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Payroll Operations [73703]

Description of this Program / Service Area

The State Payroll Operations service area ensures and facilitates the administration of payroll and benefits for state employees. Most state employees will be served by Cardinal HCM effective October 2022, although the largest 4 year 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. The distribution of pay is primarily by direct deposit (about 99.8% of all salaried employees).

Employers are subject to severe financial penalties for inaccurate reporting of federal tax withholding. The Department of Accounts (DOA) deposits about \$258 million each quarter on behalf of over 200 state agency employers. This activity includes the administration of the Federal Automated Deposit program (FAD), preparation and electronic filing of quarterly withholding reports (Internal Revenue Service Form 941), preparation of year end filings for over 117,000 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 Virginia Retirement System (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), child support orders, garnishment fees, dues for employee associations and premiums for supplemental insurance coverage and tax-deferred annuities.

Mission Alignment and Authority

This service area supports the mission of the agency by processing payrolls efficiently, effectively and accurately.

Title 2.2 Chapter 8, Code of Virginia

Section 2.2-1822, Code of Virginia

Products and Services

Description of Major Products and Services

Processes payrolls daily which results in the distribution of funds to state employees.

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
Payroll processing	COV Title 2.2 Chapter 8		Required	1,279,794	0

Anticipated Changes

Commonwealth Integrated Personnel and Payroll System (CIPPS) Decommissioning

CIPPS was implemented in the mid-1980s, and the system functionality is migrating to the Cardinal HCM system. Once the migration is complete, HCM will become the Commonwealth’s centralized payroll system. DOA plans to decommission CIPPS in late calendar year 2022.

Cardinal HCM

COV purchased Oracle’s PeopleSoft Enterprise Resource Planning (ERP) software for the purpose of replacing legacy statewide or enterprise systems. In addition to software, COV obtained integration services to assist with the necessary configuration, design, build, test and deployment of the solution, including complex conversion and interface programs, and a robust change management/training program.

DOA initiated a project to replace the 30+ year old mainframe CIPPS application with the necessary PeopleSoft HCM modules. A planning phase was conducted beginning in March 2015 to define requirements, conduct a fit-gap assessment against the PeopleSoft HCM software, and to estimate the implementation scope-cost, schedule and resources required to implement a modern payroll system and supporting business processes for the Commonwealth. Following the planning phase, the Cardinal Payroll Implementation Project began in June 2016 and was to be completed in October 2018. In April 2018, the scope of the Cardinal Payroll project was significantly modified to include the replacement of COV’s

statewide human resource management, benefits eligibility, and time and attendance legacy systems (PMIS, BES and TAL, respectively). An analysis and planning phase for the new scope began in July 2018 and concluded in April 2019 providing the requirements, schedule, and estimated budget to implement the more robust Cardinal HCM. The revised Cardinal HCM project was approved by the Secretaries of Finance and Administration in May 2019.

Cardinal HCM will cover four key business functions (payroll, human resource management, health benefits administration, and time & attendance). The new enterprise system will replace four key statewide legacy systems, several additional DOA and DHRM applications, and will provide select employee self-service functions. The system will be used by Commonwealth agencies, local governments participating in The Local Choice health benefits program, and Commonwealth/Local retirees, and terminated employees (for 18 months following termination).

Cardinal HCM deployment includes three releases. Release 1 go live was October 4, 2021 and included 18 state agencies and three local governments (localities). Release 2 go live was April 4, 2022 and included 69 state agencies and 58 localities. Release 3 go live is scheduled for deployment on October 3, 2022 and will include approximately 129 agencies and 379 localities.

Budget language authorizing a Working Capital Advance (WCA) to fund the planning project, expand the project scope and implement the system was approved by the General Assembly. WCA repayment and production system operating costs will be captured through internal service fund rates following implementation.

Factors Impacting

While currently staffed at an appropriate level, the payroll operations division's services could be impacted by the loss of institutional knowledge if key employees were to leave DOA through a change in job or through retirement.

Additionally, any federal or state legislation affecting payroll requirements must be monitored closely in order to determine the impact on the calculation and processing of payroll.

Financial Overview

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

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	1,340,350	0	1,340,350	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Financial Reporting [73704]

Description of this Program / Service Area

The Virginia Constitution requires accounts be maintained and reported based upon when cash is received and paid out. This service area involves ongoing reporting of cash activity in the state accounts throughout the year. The Department of Accounts (DOA) reports cash activity in state accounts throughout the year for the Governor, Secretary of Finance and General Assembly, including the monthly report on the cash position of the Commonwealth. This service area provides the monthly revenue report to compare actual revenue collections to the official revenue estimate. A general fund preliminary report is prepared by August 15 each year. Both the monthly revenue and general fund preliminary reports are required by law.

This service area produces the Annual Comprehensive Financial Report (ACFR) of the Commonwealth, which is audited by the Auditor of Public Accounts. Generally accepted accounting principles (GAAP) for states and local governments 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. In order to obtain all of the financial information necessary to prepare the ACFR, 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 ACFR 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 and Summary Schedule of Prior Audit Findings for inclusion in the Statewide Single Audit Report. The schedule and summary are prepared in accordance with the requirements of the Office of Management and Budget (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 ACFR and Popular Annual Financial Report (PAFR).

This service area accounts for all major land, building and equipment assets of the Commonwealth. Typically about 362,106 fixed asset transactions are processed annually. Also included is the accounting for certain long-term leases, which are reflected as assets in the Commonwealth financial statements.

Mission Alignment and Authority

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

Title 2.2 Chapter 8, Code of Virginia

Products and Services

Description of Major Products and Services

The Annual Comprehensive Financial Report (ACFR) for the Commonwealth of Virginia.

The Preliminary Annual Report of the Commonwealth and the Popular Annual Financial Report (PAFR).

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
Annual Comprehensive Financial Report (ACFR)	COV § 2.2-813		Required	2,502,360	0
Preliminary Annual Report of the Commonwealth (PAFR)	COV § 2.2-813		Required	26,341	0

Anticipated Changes

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 DOA as well as in the Commonwealth as a whole to continue to produce more with fewer resources.

Factors Impacting

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 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 ACFR and/or the bond rating of Virginia.

Financial Overview

This area is entirely funded by general fund appropriation.

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	2,985,404	0	2,985,404	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

General Management and Direction [79901]

Description of this Program / Service Area

The Department of Account's (DOA) Finance and Administration Division is an administrative service bureau that supports the routine technical aspects of administrative operations for more than one agency, to include accounts payable and receivable, and accounting reconciliation services. 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. Currently, the division provides at least one but up to and including all of these services to the Departments of Accounts, Treasury, and Planning and Budget, the State Council of Higher Education in Virginia, the Commonwealth Health Research Board, the Virginia Racing Commission, the Virginia Board of Accountancy, the Office of the State Inspector General, and the Virginia Commission for the Arts.

The Purchase Charge Card Program which includes the Small Purchase Charge Card (SPCC), Gold Card, and ePayables, was initiated to reduce the volume and cost of accounts payable transactions. The SPCC program was implemented January 1, 1995, and offers state agencies and institutions an alternative payment method when making small purchases under \$10,000. The "Gold" card program assists in capturing payments over the \$10,000 threshold. ePayables was implemented in June 2011 to capture card spending after an accounting voucher has been entered for payment for enrolled vendors. In fiscal year 2022, approximately \$1.1 billion was purchased under this program and the Commonwealth received over \$18 million in rebates from the charge card vendor.

The travel card program is comprised of the Airline Travel Card (ATC) and the Individual Liability Travel Card. The ATC is used by agencies to book airline and mass rail tickets; whereas, the Individual Liability Travel Card is for travelers to use while in travel status. ATC cards are paid monthly by each agency to the charge card vendor. Typically, individuals traveling more than two times per year hold an Individual Liability Travel Card for official state business travel. Employees request and receive reimbursement for travel expenses as they complete travel, but must pay their travel charge bills monthly. In 2022 there were 29 agencies with ATC's and over 1,100 Individual Liability Travel Cards.

Mission Alignment and Authority

This area handles the accounting, budgeting, payroll, and human resources activities for DOA and other agencies.

Title 2.2 Chapter 8, Code of Virginia

Products and Services

Description of Major Products and Services

Fiscal Service Bureau which provides fiscal services to other state agencies.

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
Fiscal services	COV Title 2.2 Chapter 8		Discretionary	128,441	0

Anticipated Changes

The Fiscal Service Bureau continues to expand and there could be opportunities to create efficiencies statewide by providing services to additional agencies.

Factors Impacting

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 these new requirements.

Financial Overview

This area is entirely funded by general fund appropriation.

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	1,595,560	0	1,595,560	0
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title **File Type**

Payroll Service Bureau [82601]

Description of this Program / Service Area

The Department of Accounts (DOA) operates a payroll service bureau (PSB) that supports agency-level payroll, leave, and certain human resource and benefit data entry activities for over 23,591 employees in 65 state agencies. In addition to performing the processing responsibilities for payroll, leave accounting and benefit administration, the PSB also prepares payroll-related reconciliations and certifications required by the Commonwealth Accounting Policies and Procedures (CAPP) Manual. These reconciliations include retirement benefits, healthcare benefits, Leave Liability attachment, reciprocal tax administration, certification of the Quarterly and Annual Taxable Wages, and explanations gross pay differences. To support the Department of Human Resource Management (DHRM) policies governing wage employees, the PSB prepares and files the monthly Employee Position Report (EPR) information and maintains the 1,500 Hour Wage Reporting.

Mission Alignment and Authority

This area improves the effectiveness of processing pay for 65 agencies in the Commonwealth.

Title 2.2 Chapter 8, Code of Virginia

Products and Services

Description of Major Products and Services

The product for this area is the timely payment of more than 23,591 employees each pay period.

Products / Services					
Product / Service	Statutory Authority	Regulatory Authority	Required Or Discretionary	GF	NGF
Payroll processing	COV § 2.2-803, Item 260B1 Chapter 2		Required	0	2,762,479

Anticipated Changes

There are no anticipated changes to product services for this program at this time.

Factors Impacting

New legislative payroll and/or leave requirements at both the federal and state level directly affect the PSB and must be monitored closely in order to determine the impact.

Financial Overview

This area is an internal service fund and is entirely funded by fees collected for services.

Biennial Budget

	2023 General Fund	2023 Nongeneral Fund	2024 General Fund	2024 Nongeneral Fund
Initial Appropriation for the Biennium	0	3,550,555	0	3,656,456
Changes to Initial Appropriation	0	0	0	0

Supporting Documents

Title File Type

**Diversity, Opportunity, and Inclusion
2023 Annual Report**

Department of Accounts (2023)

2023 Accomplishments

1. Plan Goal 1: Access & Success

- a. **Objective 1:** Continue to improve hiring processes and increase access to potential applicants from diverse populations
 - i. Accomplishment: Agency restructured the Human Resources department to elevate the vacant HR Supervisor position to a Director, and hired a new HR Director and HR Analyst. This has put additional resources available to focus on recruitment activities for the agency.
 - ii. Accomplishment: Use of “Handshake” platform to post open positions to college job opportunity websites
 - iii. Accomplishment: In accordance with changing state policy, job postings and EWP’s are being modified to remove non-mandated educational requirements/preferences, to encourage a more diverse applicant pool
- b. **Objective 2:** Continue to retain and promote a diverse workforce
 - i. Accomplishment: Current staff population has strong diversity in terms of race, gender, age, and disability status
 - ii. Accomplishment: Staff recognition events have been re-implemented, to include in-person events such as Public Service Week and Annual Service Awards
 - iii. Accomplishment: Recognition Leave has been awarded both for departmental recognition (i.e. Payroll Week) as well as on-the-spot recognition for superior performance

2. Plan Goal 2: Welcoming & Respectful Culture

- a. **Objective 1:** Persist in creating and maintaining a climate that is supportive and respectful and that values and integrates differing perspectives and experiences
 - i. Accomplishment: All departments now have regular team meetings to encourage open communication and the sharing of perspectives
- b. **Objective 2:** Continue to provide an environment where conflicts, concerns, and complaints are aired and addressed expeditiously
 - i. Accomplishments: The presence of a new HR Director has helped ensure that all staff concerns are addressed promptly. Staff and Directors are encouraged to bring concerns forward to either HR or to their Supervisor or Director.

3. Plan Goal 3: State Agency DOI Infrastructure & Training

- a. **Objective 1:** Continue to amplify opportunities to advance the goals outlined in this framework
 - i. Accomplishment: Updated EEO poster is being posted for all staff to share information on employee rights and resources under EEO

- ii. Goals outlined in the next section will be shared with the management team so that we can provide a team-based holistic approach toward accomplishing 2024 goals
 - iii. Overall diversity and progress toward goals will be assessed and reported in upcoming HR/Agency reporting metrics to include the Employment Opportunities Plan and the Workforce Planning annual report
 - b. Objective 2: Continue to create structures and processes of accountability to increase organizational effectiveness with the Department of Human Resource Management
 - i. Accomplishment: New HR Director is now the official agency representative for DOI initiatives, concerns, and reporting
 - ii. Accomplishment: Structure has been put into place to better assess and track ADA accommodations requested by staff with disabilities
 - c. Objective 3: Continue to provide training and educational workshops to all employees
 - i. Accomplishment: Agency has sent several individuals to supervisory/management/ leadership programs through PMG for individuals who have recently been promoted to supervisory roles
 - ii. Accomplishment: Agency has supported a number of individuals attending outside training opportunities, seminars, and conferences to maintain certifications and stay current with laws, regulations, and best practices in their chosen discipline

2024 Agency DOI Goals

1. Agency Goal 1:
 - a. Create Succession Plans for key leadership positions where retirement is anticipated in the next few years. This will allow for potential career growth if internal staff are trained to be in a position for upward mobility within their department into management positions. Efforts to promote diversity within management will be an area of focus.
2. Agency Goal 2:
 - a. Agency's DOI plan will be updated accordingly to reflect recent organizational changes and areas of focus for the future
3. Agency Goal 3:
 - a. Recruitment efforts will continue to incorporate new pathways of advertising open positions and securing new talent for the agency as well as potential internal promotion of internal talent, hopefully slowing turnover and having a solid foundation for the transfer of responsibilities and institutional knowledge as long-term staff members prepare for retirement

Department of Accounts

Addendum to Agency Strategic Plan for Diversity, Opportunity, and Inclusion 2024

1. **Plan Goal 1: Access & Success**
 - a. **Objective 1:** Continue to improve hiring processes and increase access to potential applicants from diverse populations
 - b. **Objective 2:** Continue to retain and promote a diverse workforce
2. **Plan Goal 2: Welcoming & Respectful Culture**
 - a. **Objective 1:** Persist in creating and maintaining a climate that is supportive and respectful and that values and integrates differing perspectives and experiences
 - b. **Objective 2:** Continue to provide an environment where conflicts, concerns, and complaints are aired and addressed expeditiously
3. **Plan Goal 3: State Agency DOI Infrastructure & Training**
 - a. **Objective 1:** Continue to amplify opportunities to advance the goals outlined in this framework
 - b. **Objective 2:** Continue to create structures and processes of accountability to increase organizational effectiveness with the Department of Human Resource Management
 - c. **Objective 3:** Continue to provide training and educational workshops to all employees

2024 Agency DOI Goals

1. **Agency Goal 1:**
 - a. Create Succession Plans for key leadership positions where retirement is anticipated in the next few years. This will allow for potential career growth if internal staff are trained to be in a position for upward mobility within their department into management positions. Efforts to promote diversity within management will be an area of focus.
2. **Agency Goal 2:**
 - a. Agency's DOI plan will be updated accordingly to reflect recent organizational changes and areas of focus for the future
3. **Agency Goal 3:**
 - a. Recruitment efforts will continue to incorporate new pathways of advertising open positions and securing new talent for the agency as well as potential internal promotion of internal talent, hopefully slowing turnover and having a solid foundation for the transfer of responsibilities and institutional knowledge as long-term staff members prepare for retirement