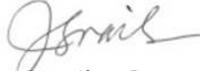


MANAGEMENT DIRECTIVE

Commonwealth of Pennsylvania Governor's Office

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| Subject: Responsibilities of Comptroller Operations | Number: 305.03 Amended |
| Date: April 8, 2021 | By Direction of:  Jen Swails, Secretary of Budget |
| Contact Agency: Office of the Budget, Office of Comptroller Operations, Bureau of Planning and Management, Telephone 717.787.6496 | |

This directive establishes policy, responsibilities, and procedures for the Office of the Budget (OB), Office of Comptroller Operations (Comptroller Operations) and outlines its functions and managerial responsibilities within OB. This amendment updates the responsibilities of Comptroller Operations and the reference to the federal uniform administrative requirements in 2 C.F.R. Part 200, which supersedes U.S. Office of Management and Budget Circulars A-87 and A-133.

- 1. PURPOSE.** To establish policy, responsibilities, and procedures for Comptroller Operations and outline its functions and managerial responsibilities within OB.
- 2. SCOPE.** This directive applies to all departments, offices, boards, commissions, and councils (hereinafter referred to as "agencies") under the Governor's jurisdiction. Agencies not under the Governor's jurisdiction are encouraged to use this directive for reference when conducting business with Comptroller Operations.
- 3. OBJECTIVES.**
 - a.** To outline the primary functions and responsibilities of Comptroller Operations in carrying out *Section 214, Section 611 and Section 701(d) of The Administrative Code of 1929, 71 P.S. §§ 74, 231, and 241(d)*.
 - b.** To assist the Secretary of the Budget in the development, implementation, maintenance, review, and monitoring of uniform accounting, auditing, financial management, and financial reporting policies, procedures, and systems, consistent with Commonwealth budgetary accounting and reporting requirements, generally accepted accounting principles (GAAP), and generally accepted government auditing standards.
 - c.** To provide valued insight, foresight, and oversight of public funds for Pennsylvania taxpayers, ensuring fiscal integrity and providing quality financial services to protect the public interest.

- d. To promote accountability, transparency, and effective use of taxpayer resources, consistent with all state and federal laws, regulations, policies, procedures, and best business practices.

4. DEFINITIONS.

- a. **Annual Comprehensive Financial Report (ACFR).** An annual publication prepared by OB, Comptroller Operations which includes an introductory section, a financial section, and a statistical section. The financial section includes management's discussion and analysis, the Commonwealth's basic financial statements, and an auditor opinion about the fair presentation of the basic financial statements. The ACFR is prepared as of and for each fiscal year ended June 30 and fulfills financial reporting objectives. Copies of recent ACFRs are available on the Annual Reports Page of the OB website.
- b. **Chief Accounting Officer (CAO).** The Office of the Budget, Office of Comptroller Operations, Deputy Secretary for Comptroller Operations.
- c. **Schedule of Expenditures of Federal Awards (SEFA).** A listing of federal program expenditures for each federal assistance program identified in the Assistance Listing for the period covered by the financial statements.
- d. **Single Audit Report.** A formal written document disclosing the results of the State-Level Single Audit process. This report is a culmination of the auditor's efforts and describes the scope, efforts, and results of the State-Level Single Audit and makes recommendations, when applicable, to correct noted deficiencies.
- e. **State-Level Single Audit.** A financial audit, as defined in [Government Auditing Standards](#), of the Commonwealth's organizations, programs, activities, functions and federal awards under the provisions of 2 C.F.R. Part 200, Part F-Audit Requirements.

5. POLICY.

- a. Pursuant to *Section 214 of The Administrative Code of 1929, 71 P.S. § 74*, the Governor has delegated to the Secretary of the Budget the authority to regulate, supervise, and control Comptroller Operations employees under the Governor's jurisdiction. The bureaus that comprise Comptroller Operations are listed on the Governor's Office of the Budget organization chart.
- b. Pursuant to *Section 611 of The Administrative Code of 1929, 71 P.S. § 231*, the Secretary of the Budget has the authority to initiate and conduct evaluations of the effectiveness and efficiency of programs supported by an agency and to direct, coordinate, assist, or advise any agency in the conduct of evaluations of its programs or of programs which it supports.

- c. Pursuant to *Section 701(d) of The Administrative Code of 1929, 71 P.S. § 241(d)*, the Governor has delegated to the Secretary of the Budget the authority to prescribe and require the installation of a uniform system or systems of accounting and reporting. Such authority delegated to the Secretary of the Budget is exercised through the Deputy Secretary for Comptroller Operations.
- d. The list of responsibilities presented in Section 6 of this directive is an inclusive but not exhaustive list of the responsibilities of Comptroller Operations. Agencies that conduct business with Comptroller Operations are encouraged to review and adhere to other applicable Management Directives and Commonwealth policies and issuances available on the [Office of Administration Policies](#) website.
- e. As necessary or applicable, Comptroller Operations shall issue supplemental topic-specific policies, procedures, and deadlines in the course of conducting Commonwealth business. Agencies shall adhere to these supplemental issuances.

6. RESPONSIBILITIES. OB, Comptroller Operations shall:

- a. Provide information to the Secretary of the Budget relating to activities within the purview of Comptroller Operations that will assist the Secretary in assessing the financial status, business processes, system utilization, and overall performance of the Commonwealth and its agencies.
- b. Negotiate the *Cash Management Improvement Act of 1990 (CMIA 90), Pub. L. No. 101-453, §§ 1-6, 104 Stat. 1059*, agreement, as the authorized official for Pennsylvania, with the United States Department of the Treasury, Bureau of Fiscal Service.
- c. Consult agencies and provide advisory services and technical assistance on matters relating to agency accounting requirements, internal controls, financial management, and financial reporting policies, procedures, and systems.
- d. Function as the business process owner responsible for evaluating, planning, and coordinating implementation of changes to the Commonwealth's financial accounting and reporting system and information systems that provide financial information through interface files to the accounting and reporting system.
- e. Perform review and approval of agency invoices against purchase orders, funds commitments, and direct expenditures in accordance with the *Fiscal Code, 72 P.S. § 1501*.
- f. Operate and maintain the Commonwealth's Payable Services Center for customer and vendor registrations and maintenance, payment inquiries, and Internal Revenue Service (IRS) information return questions.

- g.** Function as the Commonwealth payroll system business process owner and coordinate the payroll processing activities of the Central Payroll System to ensure accurate and timely payments, including payments for benefit, tax, and deduction items, in accordance with contractual obligations, IRS regulations, and applicable laws.
- h.** Function as the business process owner for travel planning and reimbursement, ensure the travel system meets business requirements and operates efficiently, and consult agencies and the Treasury Department on matters related to travel reimbursement.
- i.** Coordinate the preparation of the Commonwealth ACFR and other financial reports reflecting assets, liabilities, fund balances, revenues and receipts, commitments, expenditures, transfers, and other financial obligations of the Commonwealth and its component units. Prepare interim financial statements and other analyses of the Commonwealth financial position and results of operations for agencies and outside entities receiving Commonwealth funds, as warranted or as required by the Governor, agency heads, or other authorities.
- j.** Oversee all accounting and reporting functions for Commonwealth and federal funds administered by agencies including federal fund drawdown activity in accordance with *CMIA 90*.
- k.** Oversee the accounting and reporting functions for Commonwealth loan programs administered by agencies.
- l.** Coordinate posting, central review and approval of inter-agency billings through a cost allocation process.
- m.** Provide guidance, review, and approval of agency merchant service business case submissions requesting ability to accept electronic payments.
- n.** Provide guidance and oversight of the Commonwealth's purchasing card and corporate card financial program support services.
- o.** Oversee the creation and maintenance of finance related master data established in the enterprise accounting solution.
- p.** Monitor appropriations to ensure commitments and spending do not exceed the Governor's established budget.
- q.** Supervise the timely review, processing, and recording of financial transactions affecting budgetary, operating, and proprietary accounts and their subsidiary ledgers.
- r.** Perform review and approval of agency contracts, purchase orders, and grant agreements to ensure conformance to Commonwealth directives and agency regulations, policies, and procedures.
- s.** Develop, coordinate, and prepare the statewide cost allocation plan in accordance with the principles of *2 C.F.R. Part 200*.

- t.** Coordinate the production of the Commonwealth SEFA and the Single Audit Report.
- u.** Assist agencies in the development and implementation of procedures to improve cash management. Ensure cash management practices meet criteria for effective collection, investment, deposit, and disbursement of cash and comply with the requirements of *CMIA 90*.
- v.** Perform, at the direction of the Commonwealth's audit committee and through coordination with agency internal audit staffs, where applicable, risk-based, requested, and mandated audits and attestation engagements of agency programs, activities, and operations.
- w.** Coordinate the audit process for the Commonwealth basic financial statements and State-Level Single Audit and manage the related corrective action and finding resolution processes.
- x.** Coordinate the implementation of audit and accounting policies, standards, principles, procedures, and methods promulgated by governmental and private professional audit and accounting organizations.
- y.** Provide technical assistance on the auditing and reporting related to federal awards to state agencies, subgrantees, public accountants, and governmental auditors.
- z.** Develop Commonwealth policy and procedures for reviewing, evaluating, responding to, and following-up on subrecipient Single Audit Report submissions to the Federal Audit Clearinghouse in accordance with the provisions of the *Single Audit Act Amendments of 1996, 2 C.F.R. Part 200, Subpart F*.
- aa.** Act as the liaison between the Department of the Auditor General, Treasury Department, Legislative Budget and Finance Committee, or other auditors and agencies relative to the audit report review, evaluation, response, and follow-up process. Evaluate the adequacy of agency responses to audit findings and recommendations. Monitor the implementation of major audit recommendations and report the status of implementation to the CAO, as appropriate.
- bb.** Conduct quality control reviews of payments made through internal and external accounting and information systems to ensure the accuracy and propriety of payments. Propose, monitor, and test the implementation of quality control review recommendations and report the status of implementation to the CAO, as appropriate.
- cc.** Develop, review, and coordinate the issuance of payables, accounting, auditing, financial management, and financial reporting policies and procedures affecting agencies. Coordinate with other agencies, when applicable, on the issuance of administrative, personnel, payroll, travel, procurement and grant policies and procedures.

- dd.** Develop and periodically review accounting and financial records retention and disposition schedules in consultation with the Office of Administration and ensure accounting and financial records are retained and disposed of in accordance with such schedules.
 - ee.** Communicate to employees, agencies, and key business partners any information regarding payable, accounting, auditing, financial management, and financial reporting policies and procedures; accounting system enhancements; and business process issues.
 - ff.** Design, plan, schedule, and deliver training on financial accounting and auditing processes, functions, and activities (including compliance with the Single Audit Compliance Supplement and grant program guidelines) for OB and other agency budgetary, financial, travel, and audit staff.
 - gg.** Serve, as needed, as a nonvoting member of agency request for proposal (RFP) and grant evaluation committees.
 - hh.** Lead or serve on Commonwealth-wide project committees designed to identify process improvements and new business requirements by collaborating with key business partners and agencies on projects, initiatives, and system changes affecting business processes or the Commonwealth's financial position.
 - ii.** Perform ongoing quality assurance activities including process monitoring, performance measurement, and ensuring compliance with applicable laws, regulations, federal mandates, policies, and procedures.
 - jj.** Monitor risks associated with access to the Commonwealth's financial accounting and reporting system (SAP) and advise on methods to improve mitigating controls.
- 7. PROCEDURES.** Additional details of the responsibilities of Comptroller Operations are available on the [Office of Comptroller Operations](#) web site and procedure manuals for executing business processes relative to these responsibilities are available to authorized users.

This directive replaces, in its entirety, *Management Directive 305.03*, dated December 15, 2010.