

# Office of the State Comptroller

## *At a Glance*

**KEVIN LEMBO, State Comptroller**

**Martha Carlson, Deputy Comptroller**

**Established - 1786**

**Statutory authority - State Constitution**

**Central office - 55 Elm Street,**

**Hartford, CT 06106-1775**

**Average number of full-time employees – 256**

**Recurring operating expenses – \$24,190,877**

## **Mission**

*To provide accounting and financial services, to administer employee and retiree benefits, to develop accounting policy and exercise accounting oversight, and to prepare financial reports for state, federal and municipal governments and the public.*

## **Statutory Responsibility**

The responsibilities of the Office of the State Comptroller (OSC) were first charged in the State Constitution in 1786, and have been expanded over the years in the Connecticut General Statutes. According to Article Fourth, Section 24 of the State Constitution, the State Comptroller "shall adjust and settle all public accounts and demands, except grants and orders of the general assembly. He shall prescribe the mode of keeping and rendering all public accounts."

In addition, state law charges the office to adjust and/or settle all demands against the state not first adjusted and settled by the General Assembly; to prepare all accounting statements relating to the financial condition of the state; to provide for the budgetary and financial reporting needs of the executive branch through the Core-CT computerized system; to pay all wages and salaries of state employees; and to administer miscellaneous appropriations including the procurement of medical, dental and pharmacy benefits.

The bulk of the Comptroller's statutory requirements are detailed in CGS Secs. 3-111 through 3-123.

**The office is organized by seven divisions:**

**Accounts Payable Division**

The Accounts Payable Division within the Office of the State Comptroller manages the centralized accounts payable function for the state, maintains the 126,000-plus record vendor profile database that properly identifies vendors providing goods and services to the state, initiates and monitors the pay cycle process for the generation of payments in settlement of the state's obligations, conducts post transactional examinations of encumbrances and expenditures for compliance, conducts pre-audits of procurement requests for \$1 million or more, and performs a variety of necessary processing activities to satisfy federal or state requirements and Freedom of Information requests.

The division also processes special payments such as tax-exempt bond funds, debt service, state legal settlements, land condemnations, human resource benefits, federal pass-through and state grants, through various methods such as checks, Automated Clearing House (ACH, also known as electronic funds transfer or EFT), wire transfers, and interagency transfers.

The division enforces the statutory, regulatory and accounting provisions mandated by state and federal law and by the Comptroller's policies; facilitates the execution of statutory grant programs for payment to municipalities and/or not for profit organizations; generates summary and detailed reports of payments to municipalities and provides assistance to the municipalities' independent auditors in the reconciliation of such payments; maintains financial records, including garnishments/offsets through the vendor file database within the state's Core-CT administrative and financial system; assists agencies in processing transactions and troubleshooting problems with such transactions in Core-CT; develops manuals and provides training to the agencies' business office staff; develops test scripts for system functional testing; processes and distributes Forms 1099-MISC, 1099-S and 1099-G to certain vendors, grantees and the Internal Revenue Service.

**Budget and Financial Analysis Division**

The Budget and Financial Analysis Division performs the state's accounting, cost accounting and financial reporting functions. The division posts, analyzes and reports state expenditures and receipts by fund and account category inclusive of federal and other funding sources.

The division computes and reports direct and indirect costs associated with major state programs. This cost data is recorded and maintained in accordance with federal law and is used to secure reimbursements from federal and other funding sources. At the Comptroller's direction, the division prepares a monthly analysis of the state's budget condition that contains the financial statements for the latest month and projects the budget position to year's end.

The division publishes two of the Comptroller's annual financial reports: 1) a budgetary base (modified cash basis of accounting) report that details and analyzes state

expenditures, receipts, and capital budget activities for the fiscal year; 2) a Comprehensive Annual Financial Report (CAFR) prepared in accordance with Generally Accepted Accounting Principles that analyzes the state's overall fiscal position and provides audited financial statements for state and state supported fiscal activities.

### **Fiscal Policy Division**

The Fiscal Policy Division consists of the Statewide Programs, Network Support and Technology Management Units. The Statewide Programs Unit provides overall policy and program direction to the Office of the State Comptroller. The unit develops and promulgates complex accounting systems and procedures for state agencies to maximize accountability, standardization and cost effectiveness; conducts independent audits; monitors agency compliance with these systems and procedures; performs analysis/interpretation and statewide dissemination of changes occurring as a result of collective bargaining contracts and negotiations; and monitors the activity on Trustee Accounts within state agencies.

In addition, the unit administers the statewide tuition reimbursement, travel and training programs. It is responsible for the management of the state's real and personal property for insurance and accounting purposes, as well as maintaining casualty loss records. The unit administers the statewide purchasing card and fuel card programs, including auditing the daily transactions of each of the 1,850 cardholders and conducting compliance reviews.

The Network Support Unit has primary responsibility for developing and maintaining OSC's technical infrastructure. Technical services provided include: local area network (LAN) planning, administration and support; personal computer (PC) installation and troubleshooting, training in desktop software applications, help desk support for all PC users, and development of custom PC/LAN applications.

The Technology Management Unit is responsible for the web development, design and maintenance of the Comptroller's Intranet and Internet web sites and provides support services for the Core-CT Financial and HRMS (Human Resources Management Systems), manages the laser printing of all negotiable documents and reports, provides processing services and support, including production control, input/output control, data and system security for legacy OSC systems. The unit also provides support services including courier services, the final processing of the negotiable documents and laser report distribution.

### **Healthcare Policy & Benefit Services Division**

The Healthcare Policy & Benefit Services Division administers benefits programs for all state employees, retirees, and their families. The largest programs are the medical, pharmacy, and dental benefit programs covering over 200,000 lives. The division is responsible for the contract procurement, administration, and evaluation of these programs.

The division provides administrative support to the Healthcare Cost Containment Committee, as well as offering substantive updates on such matters as the patient-centered medical home initiative, eligibility for and enrollment in the state employee and retiree health plan, rates and utilization issues.

In 2010, the division implemented a new prescription purchasing initiative that could save municipal and state taxpayers millions of dollars. The Connecticut Prescription Partnership is a strictly voluntary partnership that permits towns and cities to join the state's self-insured pharmacy benefit program and achieve significant savings by purchasing drugs through the state.

The division is also responsible for administrating the State of Connecticut Defined Contribution Plans, including oversight of investments which are currently in excess of \$3.2 billion.

Group life insurance, unemployment insurance and supplemental benefits are also included in the responsibilities of the division.

#### **Information Technology Division**

The employees of the Information Technology Division are assigned to the inter-agency team that supports and maintains Core-CT, the state's enterprise-wide financial, human resource, and payroll system. The system performs the State's accounting, accounts payable, accounts receivable, purchasing, billing, project management, human resource, time and attendance, payroll, and benefits administration functions and is used by over 10,000 state employees. In total there are approximately 50 OSC employees who work full time on supporting the operation of the system.

The Division also provides the Comptroller with advice and analysis regarding strategic information technology issues impacting the State of Connecticut.

#### **Payroll Services Division**

The Payroll Services Division pays all state employees, coordinates all payroll deductions, maintains records on payroll taxes and deposits federal and state income tax withholding and social security contributions. It pre-audits and issues state employee and deduction checks on a bi-weekly basis; submits deduction reports; maintains wage execution records, and administers direct deposit programs.

The payroll system accommodates unique state payroll requirements including interfaces with central agencies, mass salary changes, collective bargaining information, complex accounting transactions and extensive management reporting.

This year, the division began implementing ePay, an initiative to transition the state to a paperless payroll system that will save significant state resources. This pilot program will enable thousands of state employees to receive electronic pay statements, with the ultimate goal of moving virtually all state employees to the paperless system.

The division staff also produces information requests for state employees, state agencies, outside organizations, and the general public, including the media.

### **Retirement Services Division**

The Retirement Services Division administers state pension plans serving more than 40,000 retirees, providing a comprehensive package of services including retirement counseling and administrative support to the Connecticut State Employees Retirement Commission.

The division manages computer, accounting, investigatory, payroll, training, record-keeping, and compliance activities related to the state's complex retirement programs.

The division analyzes and implements statutory, collectively bargained, and federally mandated revisions to the pension plans within its jurisdiction. It plans, researches and develops new products based on retirement conditions and trends.