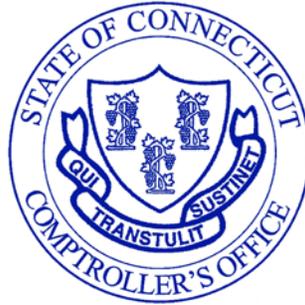


# Office of the State Comptroller



## *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 - 267**

**Recurring operating expenses – \$25,940,058**

## **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 Conn. General Statutes 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 137,000-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; 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; and 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; offers vendors online access to their financial information, and develops manuals and provides training to the agencies' business office staff.

### **Budget and Financial Analysis Division**

The Budget and Financial Analysis Division performs the state's 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 -- a budgetary base (modified cash basis of accounting) report that details and analyzes state expenditures, receipts, and capital budget activities for the fiscal year; and 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.

The division develops and implements 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.

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 division administers the statewide purchasing card and fuel card programs, including auditing and compliance reviews of the daily transactions of each of the 1,850 cardholders.

Staff members are available to provide assistance to state agencies in the implementation of and interpretation of accounting procedures.

### **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 Health Care Cost Containment Committee (HCCCC), and offers 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.

The division implemented a new statewide Health Enhancement Program (HEP) that covers more than 100,000 lives of state employees, new retirees and their dependents. HEP is designed to encourage preventive care and better maintain chronic

conditions – with the ultimate goal of declining more costly and dangerous emergency care.

HEP was one of only a few health care innovations chosen to be the subject of a national study by the University of Michigan's Value-Based Insurance Design Center, funded by the Robert Wood Johnson Foundation, one of the nation's most esteemed health-care foundations.

The Healthcare Policy & Benefit Services Division also began implementing the CT Partnership Plan, a new program that opens the State of Connecticut Employee Health Benefits Plan to non-state public employers.

The division is also responsible for administering the State of Connecticut Defined Contribution Plans with over 40,000 participants, including oversight of investments which are currently in excess of \$3.5 billion.

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

### **Information Technology Division**

The Information Technology Division is an inter-agency team that supports and maintains Core-CT, the statewide financial, human resource, and payroll system. Core-CT 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 employees of the Office of the State Comptroller who work full time on supporting the system's operation.

The division is responsible for the maintenance and upgrade of Core-CT, and provides analysis for the comptroller regarding strategic information technology issues impacting the state.

A major system upgrade and enhancement project began in November 2011 and is scheduled for completion in March 2013. The project consists of upgrading to the latest versions of the PeopleSoft human resources and financial applications; implementing additional employee self-service functionality; and implementing retirement payroll functionality.

### **Management Services Division**

The Management Services Division provides policy and program direction for administrative functions of the Office of the State Comptroller and develops and executes the agency budget and statewide miscellaneous fringe benefit accounts assigned to the agency.

The division monitors legislative initiatives affecting the agency's budget and interprets constitutional and statutory provisions affecting state financial expenditures and revenues. It also provides comprehensive support for security, facility management, courier, and telephone services, while the support services section is responsible for the production and distribution of paycheck and deposit advices for state employees and retirees, as well as checks for statewide accounts payable.

The Business Services Unit administers the agency accounting, accounts payable, accounts receivable, purchasing, budgeting, financial reporting and analysis and contract administration functions. It also reconciles and posts the bi-weekly state employee payroll to the appropriate miscellaneous accounts to allow payments of the fringe benefits. It accounts for the proper application and reporting of state monies to various state and federal agencies on multiple statewide accounts and programs, including Other Post Employment Benefit (OPEB) accounts, active and retiree health and group life insurance appropriations, retirement plan appropriations, state employer social security appropriations, disability payments for collective bargaining employees, employers' unemployment compensation payments to the State Department of Labor, Funds Awaiting Distribution accounts, and court-ordered adjudicated claims.

The Statewide Tuition, Travel and Training Reimbursement Unit processes reimbursement payments to all collectively bargained state employees for approved tuition, travel, training and conference costs, as well as union-sponsored training and conferences.

The division's Technology Support Unit develops and maintains the comptroller's technical infrastructure and is responsible for web development and maintenance for the comptroller's Intranet and Internet web sites.

### **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 expanded ePay to several more agencies, an initiative to transition the state to a paperless payroll system that will save significant state resources. This 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 Retirement Services 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.

The division is in the process of converting the Retirement Payroll System into Core-CT with an implementation date of March 2013. Each month over 9,800 checks and 34,800 direct deposits are issued.