WEST VIRGINIA LEGISLATURE
FIRST REGULAR SESSION, 1991

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ENROLLED

HOUSE BILL No. 2842

(By Mr. DeSousa and Bult)

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Passed March 9, 1991

In Effect 90 Days from Passage
ENROLLED

H. B. 2842

(By Delegates Houvouras and Burk)

[Passed March 9, 1991; in effect ninety days from passage.]

AN ACT to amend and reenact sections one and twenty-four, article two, chapter five-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended; and to further amend said article by adding thereto a new section, designated section thirty-three, all relating to creating a financial accounting and reporting section within the finance division of the department of administration; requiring the section to establish and maintain a centralized accounting system and issue certain financial statements; adding board of investments to users of centralized accounting system; and setting forth the powers and responsibilities of the comptroller.

Be it enacted by the Legislature of West Virginia:

That sections one and twenty-four, article two, chapter five-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; and that said article be further amended by adding thereto a new section, designated section thirty-three, all to read as follows:

ARTICLE 2. FINANCE DIVISION.

§5A-2-1. Finance division created; director; sections; powers and duties.

1 The finance division of the department of administration is hereby created. The division shall be under the supervision and control of a director, who shall be
appointed by the secretary. There shall be in the finance
division, an accounting section, a budget section and a
financial accounting and reporting section.

The accounting section shall have the duties conferred
upon it by this article and by the secretary, including,
but not limited to, general financial accounting, payroll,
accounts payable and accounts receivable for the
department of administration.

The budget section shall act as staff agency for the
governor in the exercise of his powers and duties under
Section 51, Article VI of the state constitution, and shall
exercise and perform the other powers and duties
conferred upon it by this article.

The financial accounting and reporting section shall
establish and maintain the centralized accounting
system required by section twenty-four of this article
and issue annual general purpose financial statements
in accordance with generally accepted accounting
principles and with this article.


It is the intent of this section to establish a centralized
accounting system for the offices of the auditor,
treasurer, board of investments, secretary of adminis-
tration and each spending unit of state government to
provide more accurate and timely financial data and
increase public accountability.

Notwithstanding any provision of this code to the
contrary, the secretary shall develop and implement a
new centralized accounting system for the planning,
reporting and control of state expenditures in accord-
ance with generally accepted accounting principles to be
used by the auditor, treasurer, board of investments,
secretary and all spending units. The accounting system
shall provide for adequate internal controls, accounting
procedures, recording income collections, systems
operation procedures and manuals, and periodic and
annual general purpose financial statements, as well as
provide for the daily exchange of needed information
among users.
The financial statements shall be audited annually by outside independent certified public accountants, who shall also issue an annual report on federal funds in compliance with federal requirements.

The secretary shall implement the centralized accounting system no later than the thirty-first day of December, one thousand nine hundred ninety-three, and, after approval of the system by the governor, shall require its use by all spending units. The auditor, treasurer, board of investments, secretary and every spending unit shall maintain their computer systems and data files in a standard format in conformity with the requirements of the centralized accounting system. Any system changes must be approved in advance of such change by the secretary. The auditor, treasurer, board of investments and secretary shall provide on-line interactive access to the daily records maintained by their offices.

§5A-2-33. Financial accounting and reporting section; comptroller; powers and responsibilities.

The financial accounting and reporting section created under section one of this article shall be under the control and supervision of a comptroller. The provisions of this section shall apply to all component units of state government, as defined by generally accepted accounting principles.

The comptroller, under the direction and supervision of the director of the finance division, has the power and responsibility to:

(1) Maintain financial records supporting the comprehensive annual financial report required under subsection (8) of this section, in accordance with generally accepted accounting principles;

(2) Maintain the official chart of accounts of the state;

(3) Maintain the centralized accounting system;

(4) Maintain the statewide accounting policies and procedures;
(5) Direct the establishment and maintenance of an adequate internal control structure by the various component units of state government;

(6) Verify the periodic reconciliation of assets as reported by the board of investments and budgetary fund balances as reported by the state auditor;

(7) Issue management financial reports by component unit and department, as well as consolidated management financial reports, as follows:

(a) Monthly budgetary basis reports by revenue and expense, budget compared to actual, and encumbrances; and

(b) Financial position reports, including, but not limited to, cash, investments, indebtedness, obligations and accounts payable.

(8) Issue a comprehensive annual financial report in accordance with generally accepted accounting principles;

(9) Have the general purpose financial statements of the state audited annually by independent certified public accountants;

(10) Require the state pension systems, workers' compensation commission, public employees insurance agency, board of risk and insurance management and the various other component units of the state to prepare financial statements audited by independent certified public accountants and submit the audited financial statements to the financial accounting and reporting section in the form and within the time frames established by the financial accounting and reporting section;

(11) Maintain controls over access to the centralized accounting system and the required modifications, as well as edits, controls and tables;

(12) Promulgate legislative rules in accordance with article three, chapter twenty-nine-a of this code to effectuate the intent and purpose of this section: Provided, That such rules may initially be implemented by emergency rule; and
(13) Do all things necessary and convenient to maintain the centralized accounting system, to issue financial reports of the state and to carry out its powers and responsibilities.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within is approved this the day of , 1991.

Governor