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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

FIRST REGULAR SESSION, 1991

— ● —

ENROLLED

HOUSE BILL No. 2842

(By ~~Mr.~~ Debs Horsman and Banks

— ● —

Passed March 9, 1991

In Effect 90 Days from Passage

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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 administra-
2 tion is hereby created. The division shall be under the
3 supervision and control of a director, who shall be

4 appointed by the secretary. There shall be in the finance
5 division, an accounting section, a budget section and a
6 financial accounting and reporting section.

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

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

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

§5A-2-24. Management accounting.

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

7 Notwithstanding any provision of this code to the
8 contrary, the secretary shall develop and implement a
9 new centralized accounting system for the planning,
10 reporting and control of state expenditures in accord-
11 ance with generally accepted accounting principles to be
12 used by the auditor, treasurer, board of investments,
13 secretary and all spending units. The accounting system
14 shall provide for adequate internal controls, accounting
15 procedures, recording income collections, systems
16 operation procedures and manuals, and periodic and
17 annual general purpose financial statements, as well as
18 provide for the daily exchange of needed information
19 among users.

20 The financial statements shall be audited annually by
21 outside independent certified public accountants, who
22 shall also issue an annual report on federal funds in
23 compliance with federal requirements.

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

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

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

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

10 (1) Maintain financial records supporting the compre-
11 hensive annual financial report required under subsec-
12 tion (8) of this section, in accordance with generally
13 accepted accounting principles;

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

15 (3) Maintain the centralized accounting system;

16 (4) Maintain the statewide accounting policies and
17 procedures;

- 18 (5) Direct the establishment and maintenance of an
19 adequate internal control structure by the various
20 component units of state government;
- 21 (6) Verify the periodic reconciliation of assets as
22 reported by the board of investments and budgetary
23 fund balances as reported by the state auditor;
- 24 (7) Issue management financial reports by component
25 unit and department, as well as consolidated manage-
26 ment financial reports, as follows:
- 27 (a) Monthly budgetary basis reports by revenue and
28 expense, budget compared to actual, and encumbrances;
29 and
- 30 (b) Financial position reports, including, but not
31 limited to, cash, investments, indebtedness, obligations
32 and accounts payable.
- 33 (8) Issue a comprehensive annual financial report in
34 accordance with generally accepted accounting
35 principles;
- 36 (9) Have the general purpose financial statements of
37 the state audited annually by independent certified
38 public accountants;
- 39 (10) Require the state pension systems, workers'
40 compensation commission, public employees insurance
41 agency, board of risk and insurance management and
42 the various other component units of the state to prepare
43 financial statements audited by independent certified
44 public accountants and submit the audited financial
45 statements to the financial accounting and reporting
46 section in the form and within the time frames estab-
47 lished by the financial accounting and reporting section;
- 48 (11) Maintain controls over access to the centralized
49 accounting system and the required modifications, as
50 well as edits, controls and tables;
- 51 (12) Promulgate legislative rules in accordance with
52 article three, chapter twenty-nine-a of this code to
53 effectuate the intent and purpose of this section:
54 *Provided*, That such rules may initially be implemented
55 by emergency rule; and

56 (13) Do all things necessary and convenient to main-
57 tain the centralized accounting system, to issue financial
58 reports of the state and to carry out its powers and
59 responsibilities.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Donner Heck

Chairman Senate Committee

Ernest C. Madole

Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Harrell Edwards

Clerk of the Senate

Donnell L. Kopp

Clerk of the House of Delegates

Keith Smith

President of the Senate

Bob Zell

Speaker of the House of Delegates

The within is approved this the *14th*
day of *March*, 1991.

Gaston Caperton

Governor

PRESENTED TO THE

GOVERNOR

Date 3/20/91

Time 4:45 pm