KEY STATE FINANCE LAW
COMPLIANCE RESPONSIBILITIES

The individuals who are appointed by the Department Head to fill the positions listed below are responsible for the department's compliance with various aspects of state finance law. The Office of the Comptroller (CTR) as well as other oversight departments will communicate key information to these individuals and will rely on these individuals as the knowledge base of the departments in their areas of expertise. These key roles are *appointments* by the department head with very specific duties. Appointments to these roles cannot be made to contractors, contract employees, non-employees or employees of another department, and should not be shared among multiple departments.

These responsibilities are vital for maintaining the series of reliances CTR uses to approve the warrant. It is critical that departments notify CTR promptly of any changes so that CTR can accurately communicate changing information to your department.

It is the responsibility of each of these individuals to ensure that all written communications from CTR (letters, on-line system MMARS NEWS and HR CMS messages, E-mail, website) are disseminated to the appropriate Department personnel. In addition to the very important role these individuals play in ensuring the timely and accurate dissemination of information, other specific responsibilities are as follows:

1) **DEPARTMENT HEAD:**

a) Ensures that the department conducts all fiscal business in accordance with state finance law, including but not limited to Massachusetts General Laws Chapter 29 and Chapter 7A and laws, regulations, policies and procedures of CTR.
b) Ensures Internal Controls and Risk Mitigation are components of all programs and actions of the departments.
c) Approves changes to Department Head Signature Authorizations (must be recorded and tracked in MMARS)
   - ensures that these changes are filed as part of the Department's Internal Controls
   - communicates without delay to the Comptroller's Security Unit.
d) Approves changes to the Key State Finance Law Compliance Roles
   - ensures that these changes are filed as part of this department's Internal Controls
   - communicates without delay to CTR's Executive Bureau. Refer to Update Form at http://www.mass.gov/osc/docs/forms/other/key-state-finance-form.doc.
e) Ensures that all written and electronic communications from CTR, the Executive Office of Administration and Finance (ANF) and other applicable oversight departments are disseminated to the appropriate Department personnel in a timely manner.
f) Provides approval of InTempo, CIW, DocDirect, HR/CMS, and MMARS/LCM Security for staff and provides written annual confirmation evidence of such approvals to the Comptroller by the end of each Fiscal Year.

Key Fiscal Contacts

The following are considered "key fiscal contacts" who are formally appointed by the Department Head and who are designated as responsible for the department's compliance with various aspects of state finance law:

Chief Fiscal Officer	General Counsel
Internal Control Officer	Security Officer (DSO)

Each of these positions is a senior staff appointment of the Department Head. While the CFO is expected to be an authorized signatory of the Department Head, most key fiscal contacts will also have Department Head Signature Authorization (DHSA).

Appointments to these roles cannot be made to contractors, contract employees, non-employees or employees of another department and cannot be shared across multiple departments.

The Internal Control Officer is responsible for ensuring that the DHSA designations, MMARS Security Officer and Key Appointments are up to date, both in the department's documentation and at CTR (through designation in MMARS). These

responsibilities are vital for maintaining the series of reliances CTR uses to approve the warrant. It is critical that departments notify CTR promptly of any change to key fiscal contacts so that we can accurately communicate information to your department.

We recommend that the Security Officer be responsible for managing Department Head Signature Authorization (DHSA) approvals by the Department Head prior to requesting security access to any enterprise system.

2) **CHIEF FISCAL OFFICER (CFO):**

a) Should be equivalent in title or rank to an assistant or deputy to the Department Head and should have Department Head Signature Authorization.
b) Assumes the responsibility for all financial, accounting and budget issues for the Department including establishing an internal structure, with internal written procedures, and sufficient oversight to effectively manage department activities and monitor compliance with applicable laws, regulations and policies.
c) Ensures that there is either appropriate segregation of duties or appropriate secondary review of fiscal obligations, expenditures, and reporting requirements to maintain adequate fiscal control and accountability.
d) Responsible for department compliance with MMARS document (transaction) delegation responsibilities (e.g., procurement, credit cards, etc.).
e) Serves as CTR's key contact in the Department's financial decision-making and policy processes.
f) Oversees payroll (including payroll cost reporting), budget, revenue, payee, procurement, expenditure, fixed asset and internal control issues as these issues relate to the state accounting system.
g) Works closely with Department Head and staff to ensure that department expenditures (including payroll) will not exceed appropriations in violation of state finance law and that, if appropriation shortfalls are anticipated, the necessary steps are taken (in accordance with law) to reduce department obligations and expenditures to live within current appropriations.
h) Attends pertinent training sessions related to fiscal responsibilities within the Department and obtains and provides to appropriate staff the necessary training, materials, Intranet/Internet access and newly issued policies and other materials to enable staff to effectively manage department fiscal activities in accordance with applicable laws, regulations and policies.
i) Ensures that all written and electronic communications from CTR, ANF, TRE and other applicable oversight departments are disseminated to the appropriate Department personnel in a timely manner.

3) GENERAL COUNSEL

a) Works with the Department Head, CFO and Key State Finance Law Compliance appointees to ensure department compliance with state finance law requirements.
b) Identifies state finance law and other legal requirements applicable to Department and assists in the development of appropriate staff training to support staff compliance.
c) Notifies the Department Head and other appropriate staff whenever Department activities or individual staff actions present a risk of state finance law or other legal violations, and assists with recommending and implementing a corrective action plan to mitigate the risk.
d) Interprets laws and regulations; drafts legislation, regulations, internal policies and procedures; reviews department materials and provides legal advice and other legal assistance to the Department Head and staff as designated.
e) Serves as the Department's legal representative for disputes or lawsuits including coordination with the Office of the Attorney General or other investigatory agency in the event of litigation or an internal investigation.
f) Works with CFO, Payroll Director, Security Officer and Internal Control Officer to ensure that the Department MMARS Administrator security roles are kept up-to-date, approved by the Department Head and filed as part of the Department's Internal Controls.
g) Works with CFO, Payroll Director and Internal Control Officer to ensure that Key State Finance Law

Compliance Roles are designated by the Department Head promptly as changes occur and that these changes are communicated in a timely manner to CTR.

h) Periodically reminds staff of the responsibilities related to security access, Administrator role responsibilities, electronic signatures for MMARS documents and the duty to comply with state finance law.
i) Ensures that all written and electronic communications from CTR, ANF, AGO and other applicable oversight departments are disseminated to the appropriate Department personnel in a timely manner.

4) **SECURITY OFFICER**:

a) Responsible for briefing the Department Head regarding the implications of granting MMARS security roles (in particular Administrator roles) and recommending security access that supports internal controls without undue administrative burdens or insufficient controls to ensure fiscal responsibility and integrity.
b) Implements security access as designated and approved by the Department Head and coordinates the activities related to the allocation of MMARS, HR/CMS and other security access by identifying the appropriate security role for each staff member.
c) Coordinates with Internal Control Officer and Payroll Director to identify employee changes which result in new or a change in MMARS Security and obtains Department Head approval of all Administrator Role Security changes.
d) Maintains accurate records of the security roles assigned to each individual and ensures that a listing of all Administrator Roles with Department Head Signature Authorization is filed with the Department's Internal Controls.
e) Prepares or supervises the preparation and approval of all Security Request Forms.
f) Attends all Security meetings and training sessions, trains staff as part of the assignment and ongoing maintenance of security roles, and periodically reminds current staff of the responsibilities related to security access, Administrator role responsibilities, electronic signatures for MMARS documents and the duty to comply with state finance law.
g) Ensures that all written and electronic communications from the CTR, ANF and other applicable oversight departments are disseminated to the appropriate Department personnel in a timely manner.

5) INTERNAL CONTROL OFFICER

a) Should be equivalent in title or rank to an assistant or deputy to the Department Head.
b) Works closely with the Security Officer to ensure that MMARS Security Roles are updated whenever staff changes impact MMARS Administrator Security roles and that all Administrator roles are approved by the Department Head and filed as part of Internal Controls.
c) Fulfills requirements of Chapter 647 of the Acts of 1989, also known as the Internal Control Law.
d) Ensures that the Department has a written Internal Control Plan on file and, at least annually evaluates the effectiveness of these internal controls and identifies risks and makes recommendations to the Department Head for changes necessary to ensure the integrity of the Department's business, including fiscal activities in MMARS.
e) Works with Payroll Director, Security Officer and General Counsel to ensure that changes to Key State Finance Law Compliance Roles are up-to-date and are sent without delay to CTR.
f) Ensures that all written and electronic communications from CTR, SAO and other applicable oversight departments are disseminated to the appropriate Department personnel in a timely manner.

Other Key Contacts
The positions below are also key to CTR communications but are not required to be designated as Department Head Authorized Signatories.

Payroll Director	Single Audit Liaison
MMARS Liaison	GAAP Liaison

Subject to specific legislative authorization, or a supporting Interdepartmental Service Agreement (ISA), individuals in these roles may be authorized to provide shared processing services for multiple departments, provided that final approval of all transactions and other decision-making actions remains with the Department Head or authorized signatory for each of the departments for which these processing services are provided. These individuals may serve as the central contact for CTR for multiple departments in their area of expertise. Departments are reminded that pursuant to G.L. c. 29, § 31 all payroll expenditures must be certified as work performed for their employing department, individuals can not be shared across departments and these individuals may not represent themselves as employees of or make any decisions for any other department other than their employing department, without specific legislative authorization.

6) PAYROLL DIRECTOR

a) In accordance with guidance from CTR, ensures that the entire payroll operation is performed in accordance with Bargaining Unit Agreements, Internal Revenue Service, Social Security Administration, Department of Revenue, Fair Labor Standards Act rules and regulations, CTR's Payroll Policy and Procedures and works with the Department's Human Resource Director to ensure compliance with HR directives of the Human Resources Division Personnel Policies, if applicable, and internal HR policies and procedures.
b) Works closely with CFO to ensure that payroll expenditures will not exceed appropriations in violation of state finance law and that employees are paid timely as required by law, and that, if appropriation shortfalls are anticipated the necessary steps are taken (in accordance with law) to reduce department payroll obligations and expenditures to live within current appropriations.
c) Serves as the Department representative in all matters regarding payroll operational issue and participates in the design, development, training and implementation of any new payroll sub-systems or interfaces.
d) Provides effective and efficient payroll customer service to employees by ensuring payroll personnel are equipped with accurate information to respond to employees' questions and problems.
e) Serves as the coordinator of determining, setting and requesting payroll assistance, identifying payroll funding problems, and managing labor cost distribution (LCM) defaults and adjustments as necessary.
f) Attends all Payroll User Group meetings, training sessions and informational seminars and briefs Department payroll personnel, CFO and other staff as appropriate.
g) Coordinates the transmittal of payroll records to be shipped to the State Records Center.
h) Ensures that all written and electronic communications from CTR, ANF, HRD and other applicable oversight departments are disseminated to the appropriate Department personnel in a timely manner.
Payroll Processor
i) Responsible for HR/CMS or LCM data entry as directed by the Payroll Director. The Payroll Processor may be a member of the department or an employee of another department under a signed agreement with the department. The Payroll Director is responsible for the internal controls associated with the processing payroll of the department.

7) MASSACHUSETTS MANAGEMENT, ACCOUNTING, AND REPORTING SYSTEM (MMARS) LIAISON:

a) Serves as the Department representative in all matters regarding MMARS operational issues, transaction

(document) processing issues, including accounting, revenue, payees, payments and contracts, non-tax revenue management and operational issues.

b) In cooperation with CFO, coordinates all MMARS training (Opening, Closing, etc.) sessions for Department staff and briefs the Department on the issues discussed at these events.
c) Coordinates the transmittal of records to be shipped to the State Records Center.
d) Ensure that all written and electronic communications from CTR and other applicable oversight departments are disseminated to the appropriate Department personnel in a timely manner.

8) **GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) LIAISON**:

a) Compiles information to be used in completing GAAP financial reports.
b) Attends all GAAP training sessions and meetings, and briefs the Department.
c) Responds to desk review and audit questions in a timely manner.
d) Ensures that all written and electronic communications from CTR and other applicable oversight departments are disseminated to the appropriate Department personnel in a timely manner.

9) **SINGLE AUDIT LIAISON**:

a) Serves as the contact for the Department in all matters related to the Single Audit.
b) Completes annual Internal Controls Questionnaire.
c) Attends all CTR Single Audit training sessions and meetings, and briefs the Department.
d) Coordinates audit inquiries from outside audit groups.
e) Ensures that all written and electronic communications from the CTR and other applicable oversight departments are disseminated to the appropriate Department personnel in a timely manner.

Link to Form: http://www.mass.gov/osc/docs/forms/other/key-state-finance-form.doc