

Chapter 80 - Accounting Policies

80.10 About Accounting Policies, Roles and Responsibilities

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About Accounting Policies, Roles and Responsibilities

80.10.10 Purpose for the accounting policies and procedures in this manual

Chapters 80 and 85 of the State Administrative and Accounting Manual establish statewide policies, regulations and procedures for the financial accounting practices applicable to agencies of Maine.

80.10.20 Authority for these policies

Title 5, Chapter 143, Section 1541, Subsection 1, requires that the Office of the State Controller maintain the official system of accounts for State Government, unless otherwise provided by law, embracing all the financial transactions of the State Government. The purpose of this system is to provide accountability over all revenues, expenditures and expenses, receipts, disbursements, resources (assets), and obligations (liabilities) of the State.

80.10.30 Applicability

This part applies to all agencies of the State of Maine, unless otherwise exempted by statute.

Agencies may request a waiver from complying with specific requirements of this chapter. Refer to Subsection 1.10.40 for information on how to request a waiver.

80.10.40 Role of the State Controller

80.10.40.a The State Controller acts on behalf of the Governor and the Commissioner of Administrative and Financial Services in the capacity of the State's accounting agent in carrying out the provisions of Title 5. As such, all policies, procedures, and directives issued by Office of the State Controller are binding on all State agencies unless specifically exempted by statute.

80.10.40.b

The Office of the State Controller has the statutory authority to devise, supervise and maintain a modern and complete accounting system for each agency to the end that all revenues, expenditures/expenses, receipts, disbursements, resources and obligations of the State are properly and systematically accounted for. In carrying out this responsibility, OSC:

1. Maintains central financial accounting and reporting systems.
2. Engages in oversight activities on all agency accounting and reporting systems through its Internal Control Division. The Office of the State Controller requires that any changes to existing and all new agency accounting and/or reporting systems that materially impact the accounting methods or practices of the agency/State government have the approval of the Office of the State Controller prior to implementation. Refer to Subsection 80.30.88.
3. Prescribes specific accounting procedures to be followed by agencies in accounting for the State's resources.
4. Maintains the central records reflecting the financial status of the State taken as a whole at the level deemed necessary for central financial management.
5. Adopts and periodically updates the State Administrative and Accounting Manual that prescribes and requires the maintenance of uniform systems of accounting and reporting for agencies.
6. Advises and assists agency accounting and administrative personnel in specific accounting and reporting problems and recommends system revisions and improvements which make it possible to exercise effective control over assets, liabilities, revenues, and expenditures/expenses.
7. Prescribes and requires the maintenance of budgetary accounting procedures to produce current and accurate management information for effective budgetary control.

80.10.40.c

The Office of the State Controller has the statutory responsibility to publish, after the close of the fiscal year, an annual financial report that encompasses all funds and account groups of the State as required by Title 5, Section 1547.

80.10.40.d All State agencies have shall adhere to guidelines and procedures issued by the Office of the State Controller. State agencies have the statutory responsibility to provide the State Controller with all necessary information to compile the annual financial report by September 1 following the close of each fiscal year.

1. Component Units shall submit audited financial statements to the OSC no later than October 15 the following the close of the fiscal year.
2. Title 5, Section 1547, Subsection 7 – A, requires all legislatively created public instrumentalities and related organizations for which the State is financially accountable or that have a significant relationship to the State as defined by GASB to submit audited financial statements to the OSC by October 15 following the close of the fiscal year.

80.10.40.e The Office of the State Controller has the statutory authority and responsibility to develop and maintain a system of internal controls and internal audits comprising methods and procedures to be adopted by each agency that will safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency and encourage adherence to prescribed managerial policies for accounting and financial controls.

80.10.40.f The Office of the State Controller has the statutory responsibility to cause prompt corrective action(s) to be taken by agencies on specific recommendations or exceptions contained in the reports of the State Auditor regarding specific expenditures or to other practices related to an agency's financial transactions.

The Office of the State Controller has the additional responsibility to annually report to the appropriate committees of the legislature along with the State Auditor, and Chief Information Officer the status of audit resolution.

80.10.40.g Perform other such duties as may be prescribed by law or other regulations.