

## **DHHS Directive Number II-13**

**Title:** Delegation of Authority to the Director, Office of the Controller  
**Effective Date:** November 3, 2008  
**Revision History:** January 1, 2003; January 1, 2002  
**Authority:** G.S. 143B-10

### **Purpose**

The purpose of this Directive is to delegate, clarify and specifically confirm certain authorities of the Secretary of the North Carolina Department of Health and Human Services (NC DHHS) to the Director of the Office of the Controller. This position shall report to the Secretary through the Deputy Secretary.

The Office of the Departmental Controller was established to improve accountability and increase credibility of departmental accounting operations; to consolidate certain accounting, support and supervisory functions resulting in cost savings in the future; to expand the availability of resources for dealing with technical accounting problems through the availability of staff with knowledge of several divisions' financial operations; to facilitate proper support functions for program operations; and to provide for a check and balance for programs and fiscal operations as each functions under separate supervisory structures.

### **Delegation of Authority**

As provided in G.S. 143B-10(a), the Secretary of the DHHS delegates the following functions and responsibilities concerning management and administration to the Director of the Office of the Controller, subject to state and departmental policy:

1. The functions of management, related to the Office of the Controller, as defined in G.S. 143B-10 which include: planning, organizing, staffing, directing, coordinating, evaluating, reporting and budgeting.
2. The management and rulemaking authority (in coordination with the Office of the General Counsel) to develop and carry out programs, including, but not limited to:

- A. Rulemaking for accounting, financial reporting and audit resolution adopted under the Secretary's authority except where that authority has been specifically delegated to a Division Director.
  - B. Authority to set and interpret accounting and financial reporting policies and procedures for the department as authorized by the rules and regulations of the Office of State Controller and state statute.
3. Perform all accounting and financial reporting functions in the department including, but not limited to:
- A. All disbursement functions, including payroll and reimbursement subsystems for paying provider groups, individual recipients or local human resources agencies.
  - B. All cash receipts, deposits, billing and collection functions, including responsibility for the Cash Management Plan, bad debts referred to Attorney General's Office and collection agencies, billing and collection of all DHHS Divisions. The Controller shall have the authority to authorize and designate all cash receiving sites and to administer the internal controls and procedures in the Cash Management Plan as Approved by the Office of the State Controller and letters of credit.
  - C. Financial reporting, including preparation of annual financial statements and financial information for federal reports that include both financial and federal information will be provided to the Division Director for combination with program information and submission to the federal agency.
  - D. Asset control co-ordination functions, including supplies and fixed asset inventories and asset depreciation and property disposal guides and providing instructions for the actual inventorying of supplies and fixed assets to be employed by divisions and offices. Divisions/institutions are responsible for the annual inventory of fixed assets.
  - E. Financial policy and accounting systems development, including internal control procedures and financial policies and procedures for local agencies or grantees.
  - F. Cost accounting, including development of cost allocation plans and indirect cost rates.
  - G. Resolution of financial audits and lead responsibility for resolution of audits that cover both financial and program compliance, including single audits of local agencies.
  - H. Issuance of funding authorizations/awards to implement the allocation of funds authorized by the Division Director.
  - I. Coordinate the departmental chart of accounts within limits established by the Office of the State Controller. Establishes FRCs (Federal Reimbursement Codes) to achieve standardization.
  - J. Rate setting for all division fees and rates, with the exception of Division of Medical Assistance, subject to the approval of the rate setting review board. Fees and rates are to be established in a manner consistent with federal, state and department policies.

4. Serve as Departmental liaison with the Office of State Controller, State Auditor, Local Government Commission and State Treasurer.
5. Serve on the DHHS Rate Review Board.
6. Directors of DHHS divisions shall be responsible for budget preparation and budget realignment, development of funding or allocation formulas, establishment of fee or rate setting policies and development of block grant plans.
7. The Director shall be responsible for ensuring that the division is familiar with and adheres to the department's policy and procedures manual.

This delegation of authority shall not deprive the Secretary from performing, in lieu of the Director of the Office of the Controller, any of the acts set forth above. This delegation of authority may be amended or withdrawn by the Secretary at any time and without notice. This delegation of authority shall not apply to any actions which by law, state policy or Governor's Executive Order, may only be executed by the Secretary.

APPROVED

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Dempsey Benton, Secretary  
Department of Health and Human Services