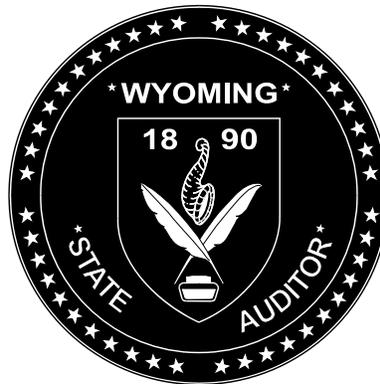


STATE OF WYOMING

STATE AUDITOR'S OFFICE

Agency 003



ANNUAL REPORT

FY 2013

Prepared August 2013

CYNTHIA CLOUD
STATE AUDITOR

Wyoming State Auditor's Office
Wyoming Annual Report
FY 2013

General Information

Agency Name:

Wyoming State Auditor's Office

Director's Name and Official Title: State Auditor

Cynthia I. Cloud

Agency Contact Person:

Vicci M. Colgan, Deputy State Auditor

Agency Contact Phone:

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Mailing Address:

State Capitol, Room 114
Cheyenne, WY 82002

Web Address:

<http://sao.state.wy.us>

Statutory References:

W.S. 9-1-402; W.S. 9-1-403; W.S. 9-4-216; W.S. 9-4-217

Clients Served:

State Agencies and the Public

Budget Information:

Expenditures for FY13 (July 1, 2012 through June 30, 2013): \$ 14,006,387

Wyoming Annual Report FY 2013

Name of Department: Wyoming State Auditor's Office

Report Period: FY13 (July 1, 2012 through June 30, 2013)

Wyoming Quality of Life Result:

Wyoming state government is a responsible steward of state assets and by the use of advanced technology, ensures fiscal accountability, transparent to the public.

Contribution to Wyoming Quality of Life:

The State Auditor is the State's comptroller, chief accountant, and chief payroll officer. The Office has the responsibility of providing a payroll and financial system capable of meeting the requirements of state agencies as together we are held accountable for the expenditure of public funds. Compliance is measured annually through the Office's production of the Comprehensive Annual Financial Report that is verified by an independent audit firm under contract with the Department of Audit.

Basic Facts:

The Auditor's Office has 25 authorized fulltime positions. The 2013- 2014 biennium budget was \$17,359,370, all general fund.

The SAO's primary responsibilities include:

The State Auditor's Office is responsible for the maintenance and operation of a statewide accounting system, used by all three branches of government, for the efficient accounting, payment, and processing of accounts payables generated by State government; accounting and collection of accounts receivables; and reconciliation of all warrants and electronic funds transfer transactions. The system is a full accounting system for tracking appropriations, budgets, revenue, expenditures, and grants, dependent on agency input.

The State Auditor's Office produces the Comprehensive Annual Financial Report through the extraction of information from the accounting system, payroll system, and other data collecting systems. Compilation of the data is formatted in accordance with the Generally Accepted Accounting Principles and Government Accounting Board Standards, audited by an external audit firm and published for citizen and government use and reference.

The State Auditor's Office maintains and operates the statewide payroll system, used by all three branches of government, for the efficient processing of payroll checks, payroll deductions, payroll adjustments, and tax reporting and remittance on a monthly basis. This includes permanent employees, at-will employment contract employees, part-time seasonal employees, the State apprenticeship program, legislative and judicial pay. We pay approximately 12,000

personnel annually, translating to approximately 9,400 electronic payments and 300 payroll checks each month.

We train agency fiscal and payroll staff on the use of the financial, payroll, and infoAdvantage reporting system and provide constant Help Desk and one-on-one services for access by agency users. There are approximately 800 agency users on the financial system, and approximately 200 users on the payroll system. Training is continual due to turnover and system upgrades.

The Auditor's Office tracks fund balances and cash balances, which reconcile daily to the State Treasurer's account balances. We process over 1,000,000 transactions annually to over 100,000 vendors.

There are four divisions in the State Auditor's Office, in addition to the administration level.

CAFR Division – responsible to prepare the State's Comprehensive Annual Financial Report, load legislative appropriations to agency budgets in the computer system, and maintains the fixed asset system, which is integral to the State's financial system.

Technology Division – responsible for the technical operation of the State's web-based financial, payroll, and reporting system.

WOLFS Division – responsible for the functional operation of the State's financial and reporting system, vendor file maintenance for agencies, and to provide training to State agencies on the use of the system.

Payroll Division – responsible for issuance of payroll, payroll support for agencies, reporting and payment of federal taxes, provision of W-2's to employees, and administration of the ESS program. Also included under this group is the purchase card/travel card program administered by the Auditor's Office for State agencies.

Performance:

100%

Story behind the performance plotted above.

The financial system database has over 1500 tables, 53,000 fields of entry, and over 1,000,000 lines of code. The diversity and complexity of State agency requirements to track and account for all accounting procedures require a powerful system.

WOLFS (Wyoming Online Financial System) runs twice weekly to produce the thousands of payments to vendors. Runs are performed at night, when users are off the system, which requires a stretching of staff resources to monitor, balance, and prepare payments to be distributed to agencies the morning after the run. There are over 200 state entities in the three branches of government that depend on the WOLFS financial and payroll system for their accounting.

There is no option but to meet scheduled runs. The processing of State agency vouchers for payments to the thousands of vendors counting on their money must be exceedingly efficient and accurate. Vendors in the State not only include businesses that deliver goods and services, but individual residents who receive workers' compensation payments, retirement checks, child support payments, Medicaid payments, daycare and foster parent payments, tax rebates to the elderly and disabled, crime victim payments, and many more.

In addition, the Human Resource System runs payroll monthly, and the system must accommodate the huge amount of payroll deductions, adjustments, final pays, and calculations relating to retirement, garnishments, and other processes for approximately 9,700 State employees.

The Technology Division of the Auditor's Office has primary responsibility for the accounting and payroll system programming and performance. The staff consists of five technology specialists. The technical division oversees the Office's contract with a vendor that provides software, hardware, hosting communication lines and disaster recovery. The technical skills necessary for the State Auditor's Office to oversee the functions of the system are very complex. At least one if not more of the technical division is available 24/7 in case of an emergency. The SAO's Strategic Plan names three other measurable areas of performance.

1) Training Opportunities for Agency Users

A goal of the current administration is to maximize to the fullest potential training opportunities for system users. The Auditor's Office offers classroom training as well as one-on-one opportunities.

July 1, 2012 through June 30, 2013 Classes = 70 Users = 546

A very critical piece of training is the day-to-day Help Desk service for agency users, both in payroll and financial systems. Below are the numbers for e-mail responses during the July 2012 – June 2013 fiscal year.

WOLFS Help Desk E-mail Responses	9,580
Vendor Help Desk E-mail Responses	2,725
CAFR Group Help Desk E-mail Responses	3,864
Payroll Help Desk E-mail	17,033
Total Help Desk e-mail responses July 1, 2012 through June 30, 2013	33,202

These responses do not include responses handled through individual staff e-mails or the phone call work each of these Help Desks performs on a daily basis.

The WOLFS and Payroll Division have the primary responsibility for training. The WOLFS team consists of four specialists and their supervisor; the Payroll team consists of four specialists and their supervisor.

2) Another goal of the current administration is to increase the use of the VISA Purchasing card, for convenience, flexibility, and cost effectiveness to state agencies. Each time a purchase card is used, saved. If a vendor will accept a VISA card, agencies are encouraged to use the card for making payments.

	Card Holders	Transactions	Total Dollars
Calendar year ending 12/31/13	2076	68,416	\$14,547,869

3) In line with the above goal for more purchasing card usage is a third goal of the current administration, which is to outnumber warrants (checks) by vendor use of EFT. A check is the most expensive means of payment. An EFT is much less expensive to process, and deposits the funds into the vendor’s bank within two days after the system runs.

	EFT’s	Warrants	Total
July 1, 2012 through June 30, 2013	517,568	383,122	900,690

The number of EFT’s and checks are transactions above the P-Card transactions.

What Has Been Accomplished?

In addition to the above listed goals, the State Auditor also established goals related to customer service, transparency in government, financial internal control guidelines, and federal grant reporting. The Office coordinated and conducted a seminar on subrecipient monitoring requirements for federal grants accounting. The Office has also reinstated a limited “pre-audit” function. The Office, under the direction of the State Auditor and in conjunction with the Office of State Lands and Investments, instituted a computerized system to inventory and account for State lands.

As the comptroller for the State, the Office provides the accounting system agencies use to track their financial activities and by which payments are made to each agency’s vendors. The face of the Auditor’s Office is to be one of service, cooperation, and allowing agencies as much flexibility as possible to efficiently and effectively carry out their fiscal responsibilities.

Transparency in government has been demonstrated by the State Auditor’s Office’s publication on its website of payments, whether EFT or check, to vendors doing business with State agencies. Purchasing card transactions are also listed. The State Auditor’s Office contracts are also on the website.

The State Auditor wants to provide services more efficiently and economically. SF80 was one way to do that. In 2013, the Wyoming Legislature passed SF80, effective July 1, 2013. SF80 amended W.S. 9-1-403(c) to allow the State Auditor’s Office to issue payroll advices electronically. In July 2013, all pay advices were provided electronically through the Employer

Self Service (ESS) portion of our uniform accounting system. The State Auditor's Office payroll division worked with many of the State agency directors, judges and legislators as well as the State's payroll officers to prepare and encourage employees to take advantage of the technology available through our system.

The State Auditor's Office finished an upgrade to the WOLFS system from a previous version to the current version. This upgrade affected the financial, payroll, and infoAdvantage reporting system and was completed in November 2012.

The State Auditor also serves as a member of the Board of Land Commissioners, the State Loan and Investment Board, the State Building Commission, and the State Canvassing Board. The staff of the State Auditor's Office assists her in these functions as necessary. These boards respectively oversee nearly all State lands, set investment policy for the State's permanent and general funds, manage nearly all State buildings, and certify election results.

