

STATE OF WYOMING

STATE AUDITOR'S OFFICE

Agency 003



ANNUAL REPORT

FY 2014

Prepared August 2014

CYNTHIA CLOUD
STATE AUDITOR

Wyoming State Auditor's Office
Wyoming Annual Report
FY 2014

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 FY14 (July 1, 2013 through June 30, 2014): \$8,557,086

Wyoming Annual Report FY 2014

Name of Department: Wyoming State Auditor's Office

Report Period: FY14 (July 1, 2013 through June 30, 2014)

Wyoming Quality of Life Result:

Wyoming state government is a responsible steward of state assets. By the use of advanced technology, it 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 uniform accounting system capable of meeting the requirements of State agencies. 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 biennial budget was \$17,406,996, 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 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, revenues, and expenditures. The system is dependent on State agency input, and is used by all three branches of State government. The system is a combination of three general types of functions: the payroll function, the financial function, and the reporting function.

The State Auditor's Office produces the Comprehensive Annual Financial Report through extracting information from the accounting system, and State agency provision of data. The data compilation is formatted in accordance with the Generally Accepted Accounting Principles and Governmental Accounting Board Standards. The Report is 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 function used by all three branches of government, for the efficient processing of payroll warrants and automatic deposits, payroll deductions, payroll adjustments, tax reporting, and remittance of federal payroll taxes on a monthly basis. This includes permanent employees, at-will contract

employees, part-time seasonal employees, State interns, and legislators and judges. This Office pays approximately 12,000 personnel annually; 97.5% of these payments are through electronic funds transfers.

We train agency fiscal and payroll staff on the use of the financial, payroll, and infoAdvantage functions and provide constant help desk and one-on-one services for access by State agency users. There are approximately 800 agency users of the financial function, and approximately 250 users of the payroll function. Training is continual. The Office also maintains the security for user entry into these systems. The users of all three functions are, other than the staff of this Office, personnel hired by and supervised by other State agencies.

The Auditor's Office tracks fund balances and cash balances, which reconcile daily to the State Treasurer's account balances. We process over 931,000 transactions annually.

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 maintain the fixed asset system.

Technology Division – responsible for the technical operation of the State Auditor's web-based uniform accounting system.

WOLFS Division – responsible for the functional operation of the State's financial and reporting functions, vendor file maintenance for agencies, and training of State agency users on these functions.

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 Employee Self Service (ESS) program. Also included under this division 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 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 accounting procedures requires a powerful system.

The 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 financial and payroll functions 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, crime victim payments, and many more. The Office has updated its vendor database to delete inactive vendors from the system, and now performs automatic, regular deletion of inactive vendors from the database.

In addition, the payroll function runs payroll monthly, and 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 State Auditor's Office also deducts federal income tax and FICA, and reports and remits those amounts to the Internal Revenue Service.

The Technology Division of the Auditor's Office has primary responsibility for the programming and performance of the payroll, financial and reporting functions. The staff consists of five technology specialists. The Technology 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 uniform accounting 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 potential training opportunities for uniform accounting system users. The Auditor's Office offers classroom training as well as one-on-one opportunities.

July 1, 2013 through June 30, 2014	Classes - 63	User Attendees - 301
November 2013 Payroll Year End Meeting	80 Attendees	
May 2014 CAFR Year End Meeting	142 Attendees	
Accounts Payable/Travel Reimbursement	Classes – 7	User Attendees - 135

A very critical piece of continual training is the day-to-day help desk services for agency users, both in payroll and financial functions. Below are the numbers for e-mail responses during the July 2013 – June 2014 fiscal year.

Financial Division Help Desk E-mail Responses	10,537
CAFR Group Help Desk E-mail Responses	4,224

Payroll Help Desk E-mail Responses (This count includes ESS password resets)	25,700
Pre-Audit Help Desk E-mail Responses	1,040
Total Help Desks e-mail responses July 1, 2013 through June 30, 2014	41,511

These responses do not include responses handled through individual staff e-mails or the phone call, which the help desks perform daily.

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

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

	Card Holders	Transactions	Total Dollars
July 1, 2013 through June 30, 2014	2,101	66,482	\$14,533,998

3) A third goal of the current administration is for EFT transactions to be used more often than warrants for payments to vendors. A warrant is the most expensive means of payment. An EFT is much less expensive to process.

	EFT's	Warrants	Total
July 1, 2013 through June 30, 2014	532,619	380,865	913,484

The number of EFT's and checks are transactions over and above the number of Purchase Card transactions.

What Has Been Accomplished?

The Office, under the direction of the State Auditor, held the CAFR Year-End meeting for State agency users, with guest speakers from the external audit firm McGee, Hearne and Paiz, Department of Audit, and Department of Administration and Information. The meeting provided guidance to agencies for year-end closing procedures for accuracy and timeliness of information provided by State agencies to this Office for the Comprehensive Annual Financial Report. The Office continues to coordinate with the external auditors to implement procedures to improve processes and once again has decreased the time to provide information to the external auditors.

The Office has also reinstated a limited "pre-audit" function to help agencies implement and monitor their internal controls; analyze and record transactions in the uniform accounting system; and reconcile accounts monthly to help ensure all financial information is accurate and complete before being submitted for the CAFR. Each month after the payroll run, a set number of transactions are randomly pulled from various agencies and audited. This same process

happens after each financial run; there are approximately eight runs per month. Findings are discussed with the appropriate agency personnel and corrective actions are recommended. Department specific training is available from this Office upon agency request.

The face of the Auditor's Office is to be one of service, cooperation, and providing agencies as much flexibility as possible to efficiently and effectively carry out their payroll and fiscal responsibilities.

The State Auditor wants to provide services more efficiently and economically. Senate File 0080 (SF80) – Employee Payment Method Amendments, 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 the uniform accounting system. The State Auditor's Office Payroll Division worked with many of the State agency directors and payroll officers, and judicial and legislative staff to prepare and encourage employees to take advantage of the technology available through the ESS system.

The State Auditor's Office offered several webinars sponsored by GFOA (Government Finance Officers Association) and NASACT (National Association of State Auditors, Comptrollers, and Treasurers) to payroll and fiscal personnel in all State agencies. Most webinars are offered for free to State personnel to help improve their accounting skills and maintain any professional licensing requirements.

The State Auditor's Office continues to work on completing a cost allocation and reimbursement activities software at the individual grant level. State agencies currently use numerous reconciliation procedures internally to accomplish federal grant accounting, including cost allocation. The implementation of the cost allocation module will reduce those reconciliation procedures by allowing more efficient integration with the Office's uniform accounting system to provide more accurate grant accounting.

The Office has put all User Manuals on-line to reduce printing costs and to offer users current, up-to-date information on the system.

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 assist 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. The Auditor's membership on these boards is based on her position as one of the five statewide elected officials, and has a long historical precedent which is deeply rooted in Wyoming's grassroots approach to State government.

