

**Wyoming State Auditor's Office
Wyoming Annual Report
FY 2015**

General Information

Cynthia I. Cloud, State Auditor

Agency Contact

Sandy L. Urbanek
Deputy State Auditor
(307) 777-7831
saoadmin@wyo.gov

Wyoming State Auditor's Office
200 West 24th Street
State Capitol, Room 114
Cheyenne, WY 82002

Website

<http://sao.wyo.gov>

Statutory References

- W.S. 9-1-402 - through 9-1-408 - State Auditor General Duties
- W.S. 9-1-415 - Collection of debts due the state; discharge of uncollectible debts
- W.S. 9-1-417 - Interfund loans; repayment; maximum amount
- W.S. 9-2-1005 - Payment of warrants; budget powers of governor; agency budgets; federal funds; new employees
- W.S. 9-2-1008 - Unexpended, unobligated funds to lapse or be carried over; duty of auditor; reporting
- W.S. 9-2-1009 - Nonappropriated revenues to be transferred by auditor upon lapse, conversion or otherwise becoming state property.
- W.S. 9-4-103 - Account of expenditures; public inspection; vouchers for allowances.
- W.S. 9-4-105 - Cancellation of unpaid state warrants.
- W.S. 9-4-107 - Balancing of accounts.
- W.S. 9-4-204 - Funds established; use thereof
- W.S. 9-4-207 - Disposition of unexpended appropriations
- W.S. 9-4-214 - Control and budgetary accounts; uniform accounting systems.
- W.S. 9-4-216 - Financial advisory council
- W.S. 9-4-217 - Uniform state accounting system

Wyoming Quality of Life Result

Wyoming State government is a responsible steward of State assets and uses technology advancements to ensure fiscal accountability and transparency to the public access of Wyoming residents.

Basic Information

Clients Served:

Wyoming residents, over 200 state agencies, legislators, local governments, federal government, the university and community colleges.

Number of Employees:

The Auditor's Office has 26 authorized fulltime positions.

Budget Information:

The State Auditor's Office has a 2015-2016 Biennium Budget of \$17,243,471 from the General Fund. Expenditures for the fiscal year 2015 are \$8,703,498

The SAO's primary responsibilities include:

The State Auditor has the authority to designate a uniform state accounting system that shall be used by "the legislative, the judicial and each executive branch agency." Wyo. Stat. Ann. § 9-4-217(a). All State Agencies use the uniform state accounting system "to account for all revenue, budget and expenditures transactions". Procedures for the use of the uniform accounting system are prescribed by the State Auditor.

The State Auditor's Office operates the State's uniform accounting system , which is comprised of three components, Financial Management, Human Resource Management (HRM) including Payroll, time and attendance, Employee Self Service (ESS) and reporting functions for both the Financial Management and HRM . The Financial Management component of the ERP suite is known to the State as the Wyoming Online Financial System (WOLFS). The uniform accounting system provides functionality to allow for the efficient accounting and payment of accounts payables generated by State government; accounting and collection of accounts receivables; and reconciliation of all warrants and electronic funds transfer (EFT) transactions. All State agencies, (i.e. executive, legislative and judicial branches), use the uniform accounting system either through manual entry or through system interfaces

One of the primary duties of the State Auditor's Office is to prepare annually the Comprehensive Annual Financial Report (CAFR). The information and data contained in the CAFR is maintained in the uniform accounting system and the reporting component is used to extract the data for the CAFR. The data compilation is formatted in accordance with the Generally Accepted Accounting Principles and Governmental Accounting Standards Board.

As the State's Chief Payroll Officer, the State Auditor's Office maintains the official payroll records for the legislative, the judicial and each executive branch agency, except the University of Wyoming and supervises the issuance of all payroll transactions. Monthly payroll is distributed to over 9,900 state employees in all three government branches (Executive, Legislative and Judicial) and all associated tax deposits, child support, garnishments, and third-party payers are issued through the human resource management/payroll component. Approximately 9,600 electronic direct deposits in the standard banking ACH format and approximately 300 paper warrants are issued through the monthly payroll. Over 5,000 monthly payroll payments are made through the human resource management/payroll component to Department of Corrections' (DOC) inmates (five institutions), DOH's in-patient (two institutions) and Department of Family Services' (DFS) students (two institutions).

The State Auditor's Office is responsible for training agency fiscal and human resource/payroll staff on the use of the financial management component, the HRM/payroll component and the reporting component of the uniform accounting system. Constant Help Desk and one-on-one services are provided to the agency users. There are approximately 800 agency users on the financial management component and 400 users of the HRM/payroll component. Training is continual due to agency personnel turnover and system upgrades. The Office also maintains the security for user entry into the uniform accounting system. The users of all three components 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. The uniform accounting system processed approximately 1,800,000 financial payment transactions during

FY 2014 to over 100,000 vendors.

There are five divisions in the State Auditor's Office:

- **Administration Division:**
Oversees the State Auditor's Office contract with the vendor, which provides software, hardware, hosting, communication lines and disaster recovery to the uniform accounting system. Performs all duties associated with policy direction, contract negotiations, project assignments, together with a myriad of other administrative duties.
- **CAFR Division:**
Responsible to prepare the State's Comprehensive Annual Financial Report, load legislative appropriations to agency budgets in the uniform accounting system, serving as main contact for the annual external audit. The CAFR Division is also responsible for fixed asset reporting, and reversion of lapsed appropriations to the General Fund.
- **Fiscal Management Division:**
WOLFS - Provides the functional operation of the State's financial and reporting functions and vendor file maintenance for agencies, and assisting State agency users with these functions.

Payroll - Responsible for issuance of payroll, payroll support for agencies, reporting and depositing of federal taxes, issuing of W-2's to state employees, patient and inmate workers at the State's institutions, legislators, judges and members of the Wyoming National Guard, 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.

- **Quality Assurance Division:**
Responsible for pre-audit functions through sample selections and transaction reviews to monitor agency internal control and compliance with accounting policies and accounting procedures. The Quality Assurance division provides on-going training to State agency users on the functions of the State's uniform accounting systems, (i.e., WOLFS, HRM/Payroll and reporting).
- **Technology Division:**
Provides for the technical operation of the State Auditor's web-based uniform accounting system. The Technical Division works with all divisions of the Auditor's Office to provide support based on the business requirements of the Office and State agency users.

Performance: 100%

Story behind the performance plotted above:

The financial database has over 1,500 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 requires a robust system.

The financial management component processes thousands of payments to vendors twice a week. The vendor payment

process is performed off-hours when state users are off-line. The State Auditor’s Office staff resources are stretched during the off-hour payment processing routines in order to monitor, balance, and prepare payments for distribution to agencies the morning following the payment process. There are over 200 State entities in the three branches of government that depend on the financial and payroll functions for their accounting. Payments to 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 order to improve accuracy of the 1099 process and issuance, the State Auditor’s Office now performs a nightly Employer Identification Number (EIN) and Social Security number match with the IRS.

The HRM/payroll component processes 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 9,900 State employees. The State Auditor’s Office also deducts federal taxes, and reports and remits taxes to the Internal Revenue Service.

The Technology Division of the Auditor’s Office is primary responsible for the technical operations of the State’s web-based uniform accounting system. The Technical Division staff consists of five technology specialists. 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 staff member, if not more, of the technical division is available 24/7 in case of an emergency.

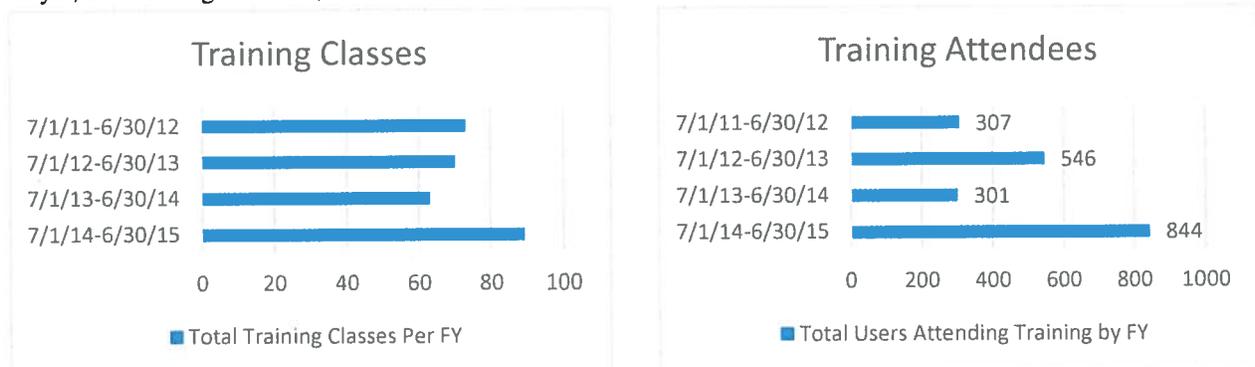
1. Training Opportunities for Agency Users

A goal of the current administration is to maximize potential training opportunities for uniform accounting system users, including education on basic accounting principles that come into play within the system. The State Auditor’s Office offers classroom training, as well as one-on-one opportunities.

Total Training Classes

July 1, 2014 through June 30, 2015 Classes - 89

User Attendees – 844



The State’s partners in the banking industry worked with the State Auditor’s Office regarding the increase in the number of “vendor imposter” fraud cases in neighboring states. During 2015, the State Auditor’s Office implemented Vendor Management training, enforcing stronger guidelines along with a presentation on fraud. As a result, the Office has completely revamped the Vendor Management forms, policies and procedures. The training helped end users move towards being the first line of defense to avoid fraud in the State of Wyoming.

The Quality Assurance Division has the primary responsibility for training in accounting principles and use of the system.

CAFR Group Help Desk E-mail Responses 6,345

A very critical piece of continual education 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 2014 – June 2015 fiscal year.

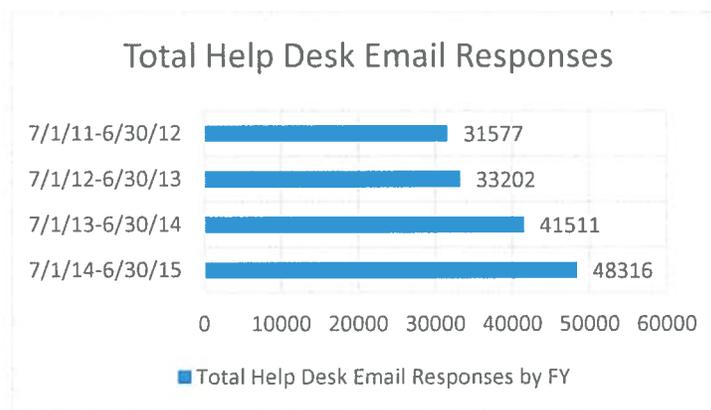
Financial Division Help Desk E-mail Responses

WOLFS Help Desk	12,314	
Vendor Help Desk	3,661	
Payroll Help Desk	22,271	(Includes ESS password reset requests)

Pre-Audit Help Desk E-mail Responses 3,725

Total Help Desks e-mail responses
July 1, 2014 through June 30, 2015 48,316

These responses do not include responses handled through individual staff e-mail or phone calls.



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 accepts a VISA card, State agencies are encouraged to use the card for making payments.

	Card Holders	Transactions	Total Dollars
Jan. 1, 2014 through Dec. 31, 2014	1,843	63,406	\$16,233,171

Rebate Jan. 1, 2014 to Dec. 31, 2014 - \$209,408

3. A third goal of the State Auditor is for more frequent transactions using Electronic Fund Transfers (EFT) over paper warrants for payments to vendors. An EFT payment is the least expensive method to process vendor payments versus payments issued through a paper warrant.

	EFT's	Warrants	Total
July 1, 2014 through June 30, 2015	667,252	371,888	1,039,140

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

What has been accomplished?

Under the direction of the State Auditor, the Office held the CAFR Year-End meeting for State fiscal agency staff members, with guest speakers from the external audit firm, McGee, Hearne and Paiz, Department of Audit, and Department of Administration and Information. The meeting gave guidance to agencies for year-end accounting requirements 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 streamline data gathering and once again has decreased the time to provide information to the external auditors.

The Comprehensive Annual Financial Report is the primary means for reporting the State's financial well-being for the public and the legislature. W.S. 9-1-403(a)(v) requires that the State Auditor provide annual financial statements prepared in conformance with generally accepted accounting principles (GAAP) by December 15 of every year. The performance must be 100% on this task. The report, required by law, must be completed on deadline, and must be accurate.

The State Auditor's Office has received 17 achievement awards over the past 17 years, for excellence in financial reporting given by the Government Finance Officers Association of the United States and Canada. The certificate of achievement is presented annually, therefore, excellence and accuracy in the preparation of the report is a yearly goal of the CAFR Division.

The State Auditor's Office reinstated a "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. After each monthly payroll and financial vendor payment process, a set number of transactions are randomly selected from various agencies and audited. 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 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 and increase accuracy by allowing more efficient integration with the Office's uniform accounting system, which serves as the official book of record. Implementation will continue from agency to agency, once the initial implementation has been completed with the pilot agencies.

The Office placed all uniform accounting system 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 State Auditor's staff 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. As one of the five statewide elected officials, the Auditor's membership on these boards has a long historical precedent, which is deeply rooted in Wyoming's grassroots approach to State government.

