

STATE OF WYOMING

STATE AUDITOR'S OFFICE

Agency 003



STRATEGIC PLAN

FY 2019-2020
Prepared July 2017

CYNTHIA CLOUD
STATE AUDITOR

WYOMING STATE AUDITOR'S STRATEGIC PLAN
FY 2019-2020

Quality of Life Result

Provides centralized support services to State agencies to operate by the use of advanced technology, ensures fiscal accountability, efficient government and safeguards State assets.

Agency

Wyoming State Auditor's Office

Contribution to Wyoming Quality of Life

The State Auditor's Office is the State's comptroller, chief accountant, and chief payroll officer. The State Auditor's Office enables State agencies to focus their efforts on their unique missions by providing a robust and flexible uniform accounting system. This allows citizens to benefit from the economies of scale and reduction of unnecessary duplication when holding state government accountable for the expenditure of public funds. Compliance is measured annually through the Office's production of the Comprehensive Annual Financial Report (CAFR) that is audited by an independent audit firm under contract with the Department of Audit.

Basic Facts

The State Auditor's Office has 26 authorized fulltime positions. The current 2017-2018 biennium budget is \$16,763,193.00, all general fund.

The Office'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." W.S. 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 and uses the CGI Technologies and Solutions' Advantage® ERP software suite to perform financial management, human resource management including payroll, Self-Service (Employee Self-Services (ESS) and Manager Self-Service (MSS)) and reporting functions. The financial management component of the suite is known to the State as the Wyoming Online Financial System (WOLFS).

The uniform accounting system is the official book of record for the State of Wyoming. All State agencies (i.e. executive, legislative, and judicial branches) use the uniform accounting system, either through manual entry or through system interfaces, including the central control agencies (A&I – Budget Office, A&I – Human Resource Division (HRD), A&I – Employee Group Insurance (EGI), Wyoming Retirement System (WRS), Department of Audit (DOA), Department of Revenue (DOR) and the State Treasurer's Office (STO)). State agencies and central control agencies rely on the uniform accounting

system to control employment records, payroll deductions, fund and cost accounting, fund transfers, payment distributions, budgetary controls, grant monitoring and other accounting functions. 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.

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, which is the official book of record. The financial statement is prepared by the CAFR division and audited by an external accounting firm in accordance with the Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB). This financial statement generates the State of Wyoming's credit quality with bond rating agencies such as Moody's, Fitch Ratings, and S&P's. The State Auditor's Office has received 19 consecutive achievement awards over the past 19 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.

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 approximately forty million dollars (\$40,000,000.00) – inclusive of wages, taxes and fringe benefits) and distributed to over 9,700 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 of the uniform accounting system.

Agency Divisions:

Administration Division – Responsible for ensuring the mission and the performance of the Office complies with the statutory duties of the State Auditor along with maintaining communications with constituents and performing duties associated with Board and Commission matters. Performs contract management for all contracts related to the uniform accounting system and oversees the performance of all contractors engaged to support the uniform accounting system. Provides all fiscal and human resource/payroll services for the Office. The division is also responsible for maintaining all official elected Office records.

CAFR Division – Responsible for the preparation and publication of the State's Comprehensive Annual Financial Report and for maintaining the State's fiscal accounts along with establishing the legal-appropriation budget (authority to spend) within the uniform accounting system through an interface from A&I - Budget Office's I-BARS. The Division serves as main contact for the annual external audit. As specified in W.S. 9-4-207 (d), the CAFR division is responsible for tracking and reverting all non-obligated general

funds from prior budget years. The Division is responsible for maintaining accurate fixed asset reporting. In addition, it monitors State agencies' internal controls through pre-audits by sample testing the state's payroll and financial transactions.

Fiscal Management Division – Responsible for the daily functional and reporting operations of the Wyoming On-line Financial System (WOLFS) - the financial component of the uniform accounting system, including accounts payables, vendor payments, accounts receivables, non-sufficient funds (NSF), vendor file management, and the procurement card and travel card program oversight. Issues 1099s – federal tax reporting – along with workflow and security for the financial and reporting component of the uniform accounting system. In addition, the Fiscal Management Division – Quality Assurance Unit 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 through a web-based learning management system, face-to-face classroom lectures, and lab sessions (one-on-one hands-on opportunities) to enhance the learning process of the uniform accounting system.

Payroll Management Division – Responsible for issuance of state employees, in-patients and students workers in the State's facilities, legislators, legislative support staff, judges, judicial support staff, and members of the Wyoming National Guard payroll, financial payroll reporting, payroll support for agencies, federal tax reporting and deposits, issuing federal tax reports (e.g. Employee Provided Health Insurance and Coverage 1095-C and 1095-B and W'2s) to state employees, along with child support, garnishments, and third-party payers payments. It provides administrative oversight of the Employee Self-Service (ESS) and Managers Self-Service (MSS) programs along with the workflow and security of the human resource management/payroll and reporting component of the uniform accounting system.

Technology Division – Responsible for the technical and operational back office support of the uniform accounting system. Their duties include creating and maintaining custom code for specific procedures, batch processing for the system (during business hours as well as off-hours), printing warrants, generating electronic payments, generating electronic tax reporting, monitoring systems operations, interface certification, loading payment request files and time card files (interfaces) from other agency systems, as well as developing and maintaining financial accounting reports as requested by the State Auditor's Office and agency users.

Performance Measures:

CAFR Division:

1. Receipt of Government Finance Officers Association Certificate of Achievement for Excellence in financial reporting.
2. Days from prior fiscal year end to publish CAFR.
3. Number of days legislative appropriations are recorded and reconciled from Budget Division receipt.
4. Percentage of prior year revenue and expenditure open budgets.

5. Agencies submitting correct Schedule of Expenditures of Federal Awards (SEFA).
6. Submit Annual Schedule of Expenditures of Federal Awards within 60 days of Comprehensive Annual Financial Report (1=Meet, 2=Not Meet).
7. Number of pre-audit payroll transactions audited and number of findings.
8. Number of pre-audit financial transactions audited and number of findings.

Fiscal Management Division:

1. Customer Service:
 - a. Communications – Number of emails.
 - b. Service Timeliness.
 - c. Number of customers supported by financials.
2. Vendor Management:
 - a. Number of days in queue.
 - b. Percentage of problem-free vendors processed.
 - c. Percentage of certified vendors on vendor file.
 - d. Percentage of vendor payments issued through EFT Transactions versus paper warrants.
 - e. Percentage of paperless commercial vouchers process.
 - f. Number of new vendors entered into WOLFS vendor files.
 - g. Number of vendors' records modified.
 - h. Number of 1099's processed.
 - i. Number of returned 1099's.
3. Procurement Card:
 - a. Rebate to general fund.
 - b. Percentage of procurement card transactions versus paper warrants.
 - c. Number of State agencies and the total dollars per State agency spent through the procurement card program.
4. Quality Assurance Unit
 - a. Communications:
 - i. Number of emails and responses.
 - j. Number of newsletters.
 - ii. Number of postings on 3.11.1 Uniform Accounting System Enhancement website.
 - b. Training:
 - i. Number of training sessions and types
 - ii. Number of participants and agencies represented.
 - iii. Number of cost accounting budget structures adopted.

Payroll Management Division:

1. Customer Service:
 - a. Communications – Number of emails.
 - b. Service Timeliness.
 - c. Number of customers supported by human capital management.
2. ACH Recalls:

- a. Number of overpayments and agencies represented.
- b. Number of underpayments and agencies represented.
- c. Number of paper warrants generated to replace over or under payments
3. Number of electronic timesheets versus manual Time Adjustments (paper timesheets).
4. Percentage of direct deposits versus paper warrants.
5. Number of travel reimbursements processed.
6. Number of paper W-2 processed versus electronic W-2s.
7. Number of returned W-2s.
8. Number of ACA federal tax reportings.
9. Number of child support deductions.
10. Number of garnishment.
11. Number of employee final pay calculations, resulting from terminations.

Technology Division:

1. Percent of time uniform accounting system is available to users.
2. Number of and amount of payments generated (track by warrant, electronic and by system run date and fiscal period).
3. Volume of documents loaded from agency interface systems (track by agency, interface system, and by document type).
4. Number of successful electronic federal tax reportings filed with the IRS.
5. Number of financial and payroll reports developed.

What Do You Propose To Do To Improve Goal Performance In The Next Two Years?

In addition to the measurable goals above, the administration of State Auditor Cynthia I. Cloud continues the implementation of additional goals as directed by the Auditor, as follows:

1. Business process improvements/reengineering and Technical upgrade – 3.11.1 Uniform Accounting System Enhancement – The primary goal of the 3.11.1 Uniform Accounting System Enhancement upgrade project is to conduct a business improvement process review rather than conducting a technical upgrade as conducted in the past. Over the course of the last few years the State Auditor’s Office recognized that while advancement in technology was happening, the financial and accounting business practices may not have been evaluated and reengineered to follow accounting best practices. In efforts to implement new features and functions in the 3.11.1 Uniform Accounting System, it was discovered the current business and accounting practices may not be meeting the business needs of the State. Specific objectives of the business improvement process review are as follows: 1) Identify ways to better leverage the technology baseline functionality and features within the Advantage® Financial Management, Advantage® Human Resource Management and infoAdvantage® applications; 2) Improve operational efficiencies and reduce redundancies; 3) Improve or streamline business processes by reducing manual processes and utilizing the best practices of the Advantage® applications; 4) Reduce the number of Wyoming

customizations by identifying baseline functionality which is capable of performing and delivering the customizations' outcomes in a better manner and thus reducing human resource requirements and costs for supporting and maintaining the customizations.

This will entail changes such as a new chart of accounts, new budget structures, and new ways in doing business within the uniform accounting system. When fully implemented in July 2018 the uniform accounting system will have stronger internal controls, improved reconciliation processes, and improved accountability in State agencies reporting of federal grants and sub-recipient expenditures. For State agencies this means improved functionality and features within the Advantage® applications, in-turn reducing manual processes and utilizing the best financial and payroll practices along with increased reporting capabilities, and improving operational efficiencies and reducing redundancies.

Shared services across the financial management and human resources management/payroll components will provide shared chart of accounts, organizational workflow collaboration, and shared admin plus security and workflow, providing WOLFS/Payroll users single sign-on capabilities.

The State Auditor's Office will continue to develop the website for the 3.11.1 Uniform Accounting System Enhancement as well as to continue sending out the bi-weekly newsletters to system users with important information and updates.

2. Chart of Accounts – In conjunction with the 3.11 Uniform Accounting System Enhancement, the State Auditor's Office is implementing a new Chart of Accounts (COA). The COA is the foundation for all accounting practices from purchasing of goods and services, generating payment for the goods and services received, accounting for grant allocations, receiving revenue into the State Treasury, through reporting and generating the Comprehensive Annual Financial Report (CAFR) and Schedule of Expenditures of Federal Awards (SEFA) reporting. The COA assessment and redesign project will improve the accounting practices and develop, approve and implement a uniform and standardized COA, which will provide a consistent use of the General Ledger across all State agencies, boards, and commissions; increase the use of sub-ledgers for low-level analysis for agencies while having the ability to roll up to a higher level (e.g. Comprehensive Annual Financial Report (CAFR), Schedule of Expenditures of Federal Awards (SEFA)); support summary and detailed budget reporting (i.e. budgeted disbursements to actual disbursements, budgeted receipts to actual receipts); answer external auditors, legislative and constituent questions in a more efficient and timely manner; segregate federal funds from general funds; and allow budget allotments per fiscal year and expenditure and revenue tracking.
3. Cost Accounting Modeling – In conjunction with the chart of accounts project, the State Auditor's Office is working one-on-one with agencies (a total of 39 State agencies) to implement and train agency users on standardizing the use of the uniform accounting system's cost accounting functionality along with accounts receivable reimbursement capabilities and educate managers on streamlining entry to reduce duplication, and to

obtain financial reports to better support their business. The newly implemented cost accounting functionality will streamline grant management, Schedule of Expenditures of Federal Awards (SEFA) reporting, and improve cash management across all State agencies.

4. WOLFS and Payroll Payment Cycles – July 2018, the State Auditor’s Office will begin offering incremental automated payroll cycles, thus eliminating the need to issue paper warrants for National Guard payroll after the guardsmen have been released from duty, or replacement paper warrants to State employee whose pay was made in error. The WOLFS payment cycles will align the daily, weekly, monthly and yearly batch cycles to the Advantage® advanced (and static) cycle automation, removing the need for human intervention during the payment cycle. This will allow the State Auditor’s Office to move to daily payment processing (batch) cycle; providing opportunities to run daily payment processing cycles with the WOLFS application online and available to WOLFS users thus allowing WOLFS users to process financial transactions during the daily cycle, and increase work productivity of the WOLFS users while the daily payment processing cycle is in progress.
5. Increase of Agency Control of Financial Policies – The State Auditor’s Office is examining transactions at the State agency level for monitoring of internal controls through a pre-audit program and expects to be able to monitor improvements by individual agencies.
6. Excellence in Financial Reporting – The Office will continue to submit its Comprehensive Annual Report for review to receive the certificate of excellence in financial reporting. The Office’s goal is to decrease the number of days it takes to complete the CAFR.
7. Education – The Office will continue to host meetings for other State agency personnel, including sponsorship of webinars on requirements for financial reporting, updates to Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards requirements.

The Office will continue to work on developing Moodle training modules to allow access to important information related to the 3.11 Uniform Accounting System Enhancement as well as on-going training opportunities.

8. Minimizing Use of Paper – The State Auditor’s Office is dedicated to minimizing the use of paper and increasing efficiency of methods of payments by decreasing use of paper warrants as a method of payment. Examples of our decrease include electronic user guides to the uniform accounting system, elimination of pdf reports from reporting system, increasing the use of procurement cards, and the use of attaching documentation in the uniform accounting system. The Office has, through statutory changes, eliminated the requirement that pay advices be printed, and is instead making them available electronically through the Employee Self-Service (ESS) portal. With the 3.11.1 Uniform Accounting System Enhancement, W-2s will be available

electronically and accessible through the ESS portal thus reducing the need to issue paper W-2s and eliminating mailing costs.

9. Employee Travel Reimbursement – Employee travel reimbursement expenditures will be a focus, as this is 0% automated and heavily paper intensive. Our office is exploring software-as-a-service (SaaS) opportunities to automate and eliminate the manual process to reimburse employees for travel.
10. Employee Self Service – The Office is educating employees on the use of the Employee Self Service program (ESS). This will decrease the use of paper warrants and give employees the ability to view their benefits information, deduction information, pay information, leave information, advice/check stubs, as well as to update addresses, phone numbers and emergency contact. Electronic timesheets and leave requests will be implemented with the 3.11.1 upgrade, eliminating the need and use of paper timesheets and manual processes for submitting leave requests.
11. Management Self-Service – With the 3.11.1 upgrade, agency supervisors will be able to access their employees' electronic timesheets and leave requests through the Management Self-Service (MSS) portal. Employees leave balances and historical leave usage and patterns along with employee's scheduling/calendars will be available electronically to agency supervisors, including reporting capabilities and organizational charts. This will reduce the manual process of approving paper timesheets and tracking and monitoring leave requests. This will provide agency supervisors efficiency and improved capabilities to manage human capital.
12. Procurement Card Program – The Office will work with the procurement card service contractor to educate and bring awareness to State agencies in how to better utilize the procurement card as an alternative payment method rather than issuing payments by paper warrants. An increase in the use of the procurement card program will result in higher rebate opportunities and rebates deposited into the State's General Fund. In addition, this will reduce the number of vendors maintained on the WOLFS vendor files and improve cash management while providing cash float to the State. New procurement card reconciliation processes will be implemented, using the procurement card service contractor's reconciliation portal and tools, thus reducing the State agencies' manual data entry and reconciliation processes.