

STATE OF WYOMING

STATE AUDITOR'S OFFICE

Agency 003



STRATEGIC PLAN

FY 2017-2018
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STATE AUDITOR

WYOMING STATE AUDITOR'S STRATEGIC PLAN
FY 2017-2018

Quality of Life Result

Wyoming State government is a responsible steward of State assets. By the use of advanced technology, it ensures fiscal accountability.

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 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 (CAFR) that is audited by an independent audit firm under contract with the Department of Audit.

Basic Facts

The Auditor's Office has 26 authorized fulltime positions. The current 2015-2016 biennium budget is \$ 17,243,471, 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." 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).

Agency Divisions:

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 Measures

Performance of the web-based system.

The Financial System:

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 and account for all accounting procedures require 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. There is no option but to meet scheduled runs. 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.

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 100%. 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, crime victim payments, and many more.

The Human Resources System:

In addition, State payroll runs 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 State 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 State Auditor's contract with the 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.

Performance related to producing the Comprehensive Annual Financial Report:

The Comprehensive Annual Financial Report is the primary means for reporting the State's financial activities. 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). The report is required by law, must be completed on deadline, and must be accurate. There is no room for other than 100% performance in this function of the Auditor's Office.

The Auditor's Office has received numerous achievement awards for excellence in financial reporting given by the Government Finance Officers Association of the United States and Canada. The certificate of achievement is only for one year at a time, therefore, excellence and accuracy in the preparation of the report is an annual goal of the CAFR Group. The Group consists of four financial reporting specialists.

Three specific, measurable goals are: 1) Enhance training opportunities for agency users to the maximum through classroom training, Help Desk assistance, one-on-one training, and web-based training, 2) Expand use of the purchasing card to improve efficiency of processing payments, and as a cost savings to agencies, thus to the State, 3) Increase use of electronic fund transfer (EFT) payments to save the large expense of producing checks. These numbers are tracked in the State Auditor's Annual Report.

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. 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.
2. 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.
3. Education – The Office will continue to conduct 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.

4. **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 checks as a method of payment. The Office has, through statutory changes, eliminated the requirement that pay advices be printed, and is instead making them available electronically.
5. **Employee Self Service** – The Office is educating employees on the use of the Employee Self Service program (ESS). This will decrease the use of 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. The Office is adding automatic password resets to the program. As of July 31, 2013 issuance of pay advices is electronic.