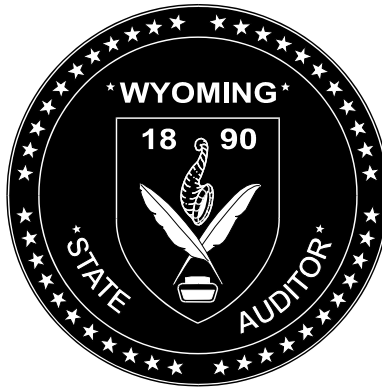


STATE OF WYOMING

STATE AUDITOR'S OFFICE

Agency 003



STRATEGIC PLAN

FY 2009 – 2010
Prepared August 2007

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STATE AUDITOR

WYOMING STATE AUDITOR'S STRATEGIC PLAN
FY 2009-2010

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 access of Wyoming residents.

Agency

Wyoming State Auditor's Office

Contribution to Wyoming Quality of Life

As the State's comptroller and chief accountant and official custodian of state financial records, the Office acts as the chief steward of state financial and fiscal assets. The Office has the responsibility of providing a payroll and financial system capable of meeting or exceeding the requirements of state agencies as they 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 contracted by the Department of Audit.

Basic Facts

The Auditor's Office has 26 authorized fulltime positions and 1 awec position. The current 2007-2008 biennium budget is \$16,010,383, all general fund.

The Office's primary responsibilities include:

Maintenance and operation of a statewide payroll system, used by all three branches of government, for the efficient processing of payroll expenses, payroll deductions, tax reporting and remittance on a monthly basis. This includes permanent employees, at-will employment contract employees, part-time seasonal employees, and the state apprenticeship program. We service approximately 12,000 personnel annually, translating to approximately 10,000 payroll checks each month.

Maintenance and operation of a statewide accounting system, used by all three branches of government, for the efficient accounting, payment, and processing of all accounts payables generated by state government, accounting and collection of all accounts receivables, reconciliation of all warrants and electronic funds transfer transactions.

Tracking fund balances and cash balances, which reconcile daily to the State Treasurer's account balances. We process approximately 700,000 transactions annually to over 100,000 vendors.

Production of the Comprehensive Annual Financial Report (CAFR) 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 accounting industry standards, audited by an external audit firm and published for citizens and

government use and reference.

Training agency fiscal staff on the use of the financial system, payroll system, and infoAdvantage report system, and providing 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 300 payroll users. Training is continual due to turnover and system upgrades.

There are four divisions in the Auditor's Office, in addition to the administration level which consists of the State Auditor, Deputy State Auditor, Chief Administrative Officer, Executive Assistant and Administrative Assistant.

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

Technology Division – responsible for the technical operation of the State's financial and payroll system

System Functional and Training Division – responsible for the functional operation of the State's financial and payroll systems, and to provide training to state agencies on the use of the systems.

Internal Support Group – responsible for payroll support for agencies, vendor file maintenance for agencies, purchasing card/travel card program administered by the Auditor's Office for agencies, and various other supportive administrative functions for agencies.

Performance Measures

100%

Story behind the performance plotted above:

The Auditor's Office implemented a complex conversion of WOLFS III (Wyoming Online Financial System) in 2007 that was 17 months in design and testing. The financial system was converted from a mainframe to a web-based system. The payroll system had previously been converted, thus the following information pertains to the financial system only.

The financial system database has 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 expenditures require a powerful system.

WOLFS III now runs twice weekly to produce the thousands of payments to vendors. The previous system, while running twice weekly, only produced payments on the 5th and 20th of the month. Payments are now produced at each run. 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. There are over 200 state entities in the three branches of government that depend on the WOLFS III 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 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. Every payment made by state government runs on the financial 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 10,000 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. They work with CGI, the vendor under contract to the Auditor's Office, whose data center is in Phoenix, AZ. We link through a high speed, secured line for our use only. The servers to run these systems are managed by CGI per specific requirements in a hosting contract with the Auditor's Office, and the applications are managed by our office. CGI maintains the hardware, operating systems, and security software. As of July 2007, all of our systems are encrypted for all data being sent to and received from the online applications.

Exception Budget Requests: 1. The Auditor's Office will be submitting exception budget requests for funds to cover the cost of printing cartridges, both for the MICR printer and regular office printers. Budget series 0230. 2. The Auditor's Office will be submitting an exception budget request for series 0242 Data Processing switches. 3. The Auditor's Office will be submitting an exception budget request for license fees required for software maintenance/upgrades. Budget series 0292. 4. The Auditor's Office will be submitting an exception budget request for services support. Budget series 0901. 5. The Auditor's Office might present an exception budget for future modifications. Budget series 0903.

100%

Story behind the performance plotted above:

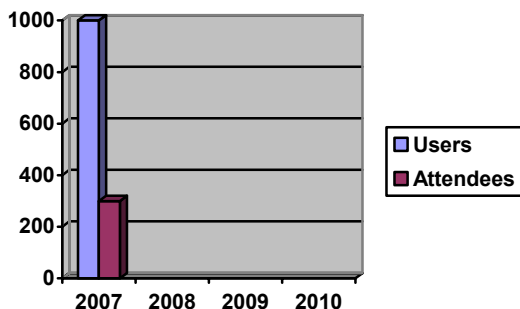
The Comprehensive Annual Financial Report is the primary means for reporting the State's financial activities. W.S. 9-1-403(a)(v) requires that the State Auditor provide annual financial statements prepared in conformance with generally accepted accounting principles (GAAP) by December 15 of every year.

The report is required by law, and 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.

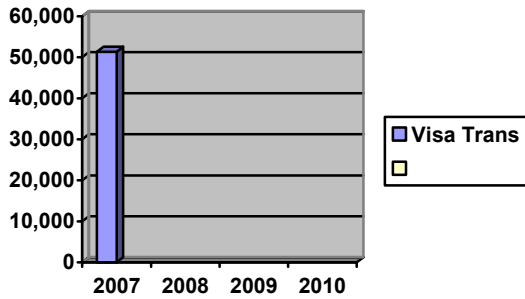
The Auditor's Office has received numerous achievement awards for excellence in financial reporting given by the Government Finance Officers Association of the United States and Canada. The certificate of achievement is only for one year at a time, therefore, excellence and accuracy in the preparation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

For additional measurable goal performance, the following three graphs represent baseline measurements we will be using as we move ahead to provide more training for state agencies, expanded uses of the VISA purchase card, and the goal to increase the use of electronic fund transfer (EFT) payments by vendors. The graphs represent where we are in 207, at the beginning of a new administration, which began January 2, 2007.

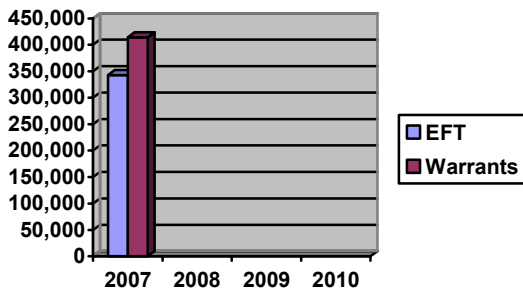
#1



#2



#3



Story Behind the Performance Plotted Above:

Note: trend lines will be more meaningful when we have one year of performance against which to compare. The graphs depict the beginning numbers, and we will track percentage increases once we have a full year to measure.

#1 – Training Opportunities for Agency Users

The graph indicates a bar for the number of payroll and financial system users, and the number who took training in the first part of 2007 to the time of this report. A goal of the new administration is to ramp up training for state agency system users, especially important with the conversion to a new web-based accounting system. The complexity and diversity of state agencies demand a system that meets the varying needs for fiscal accountability. We intend to diversify the types of training opportunities offered. There will be the classroom setting training session, sessions for just individual agency users, one-on-one training, and off-site training at agencies that request it. We will aggressively contact agencies regarding the initial training of their new personnel, as well as refresher training. Comprehensive instruction manuals are provided for all users, but the personal training time is critical to efficient, accurate use of the system. We will be working to increase the technique and knowledge of our trainers, so agencies receive the best of the best in accounting instruction. The System Functional and Training Division has the primary responsibility for training. The staff consists of five specialists in the area of system functionality and training expertise.

#2 – The Auditor’s Office provides a VISA purchase card program through UMB Bank in Kansas City, MO that gives agencies more flexibility in purchasing procedures. Graph #2 indicates the number of transactions in the first half of 2007. The use of the P-Card increases efficiency, saves money in processing payments, and provides vendors more timely payment. The Auditor’s Office will be encouraging more use of the P-Card in the year ahead and giving more flexibility for its use to state agencies. The Internal Support Group has primary responsibility for administration of the P-Card Program, along with other administrative duties for agencies as previously discussed.

#3 – Another goal for the Auditor’s Office is to increase the use of EFT (electronic fund transfer) by vendors of state agencies. Graph #3 charts the number of EFT and warrant payments from July 1, 2006 through June 30, 2007. EFT payments get money to payees of the State much more quickly than a check, and the time and money savings is considerable.

Exception Budget Request: The Auditor’s Office is submitting an exception budget request for a downstairs copier, smaller than the main level copier, but that will increase efficiency on over-all office demand for copier service, and assist greatly with the demands of the above goals.

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

In addition to the five measurable goals plotted above, the new administration of State Auditor Rita C. Meyer has begun to implement additional goals as directed by the Auditor as follows:

1. **Customer Service** – state agencies are the main customers of the State Auditor’s Office. 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 the agency’s vendors. Agency needs are the driver for design and development of what the system will do. Agencies must be at the table with the Office as decisions are made regarding system functions. The Office will be aggressive in training staff in the proper response to state agency needs and requests and will aggressively take advantage of all avenues available to us to communicate with directors, chief financial officers, and users. The face of the Auditor’s Office is to be one of service, cooperation, and allowing agencies as much flexibility as possible to effectively and efficiently carry out their fiscal responsibilities.

2. **Transparency** – using the website tool, the Auditor proposes to increase transparency for public information. As an example, the first step is to increase the payment information on the website to include all payments made by the state to vendors, which is an addition to just the electronic funds transfer (EFT) payments that have been posted to the site.

3. **Financial Internal Control Guidelines** – the Auditor’s Office is developing an internal control guideline document for financial transactions that will be provided to the Department of Audit, the Treasurer’s Office, and A&I for review, and then sent out to agencies for their use in developing their own written internal control policies.

4. **Federal Grant Reporting** – The Legislature appropriated funds for the 2007-2008 biennium to improve the identification and tracking of federal dollars. The accounting system maintained by SAO has a mechanism, that if used properly, will accurately track and account for grant monies, track federal summary reports, and provide a single glance reference to the state’s fiscal position in relationship to budgets, obligations, reimbursements and anticipated draws. Agencies statewide will require training and assistance to identify their funding mechanisms, assigning unique qualifiers and identifies and then logging them onto the statewide accounting system. The SAO is contracting with a consultant to assist in implementing this important process.

Exception Budget Request: The Auditor’s Office will be submitting an exception budget request for an increase in in-state travel. Budget series 0221.