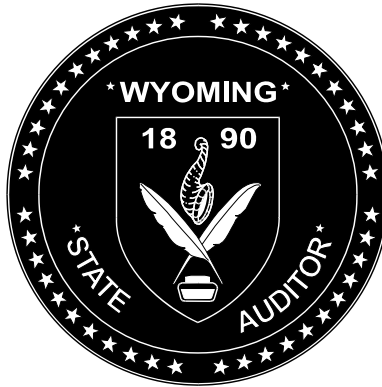


STATE OF WYOMING

STATE AUDITOR'S OFFICE

Agency 003



STRATEGIC PLAN

FY 2021-2022
Prepared August 2019

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STATE AUDITOR

WYOMING STATE AUDITOR'S STRATEGIC PLAN

FY 2021-2022

(July 1, 2020 through June 30, 2022)

The Wyoming State Auditor's Office (SAO) submits the following strategic plan for fiscal years 2021 through 2022. This plan outlines the goals and objectives of the SAO through June 30, 2022.

Agency

State Auditor (003)

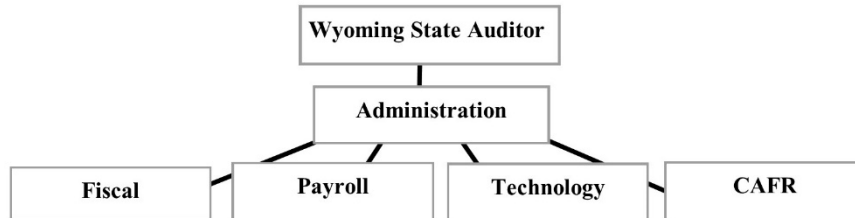
Contribution to Wyoming Quality of Life

The State Auditor (Auditor) is an elected official and is Wyoming's comptroller, chief accountant, official custodian of accounting records and accounts, chief fiscal control officer and state payroll officer. Design and maintenance of the state's accounting system, which tracks the state's revenue, budget and expenditure transactions, is the Auditor's responsibility. Additionally, the SAO prepares the state's annual financial reports or comprehensive annual financial report (CAFR).

The SAO contributes to Wyoming's quality of life by accounting for and tracking state monies, ensuring the state's financial obligations are paid and preparing the state's financial records. The auditor is statutorily required to implement internal controls necessary to assure assets are properly safeguarded, accounting entries are accurate and reliable, and assets and resources are being utilized consistent with the requirements of law. The SAO helps ensure Wyoming state government is a responsible steward of state assets and that the government effectively responds to the needs of residents and guests.

Agency Overview

The SAO has 26 authorized full-time positions. The current 2019-2020 biennium budget is \$16,764,136 and is comprised of general fund only. Five divisions support the SAO: (1) Administration, (2) Fiscal, (3) Payroll, (4) CAFR and (5) Technology.



Administration: The administration division is responsible for monitoring contracts that support the state's electronic accounting system, coordinating training for state agencies, responding to public records requests and supporting the state auditor in her statutorily required duties (e.g. participation on the State Loan and Investment Board).

Fiscal: The fiscal division is responsible for vendor management and supporting major components of the state's electronic accounting system, specifically the Wyoming Online Financial System (WOLFS). This division enrolls and maintains vendors in the electronic accounting system (so vendors can receive payment through WOLFS for goods and services provided to the state) and reconciles all warrants and electronic funds transfer (EFT) transactions made to vendors. Additionally, this division maintains and supports the development of reports within the system. The reporting component of the system is called infoAdvantage®. Reports generated in infoAdvantage® are used by state agencies to review and analyze financial data. The fiscal division is responsible for supporting the state's purchasing card (P-Card)

program, delivering fiscal trainings, performing federal tax reporting functions (e.g. issuing 1099s to vendors) and operating a helpdesk.

Payroll: The payroll division is responsible for supporting major components of the state’s electronic accounting system, specifically Human Resource Management (HRM). HRM supports and processes the state’s payroll, tracks employee time and attendance and provides state employees access to self-service resources. Additionally, the payroll division completes payroll reporting, provides payroll support to state agencies, reports and deposits federal taxes (941s and 945s), issues federal tax reports (W-2s and 1095s) and processes child support, garnishments and employee benefit provider payments. This division also supports payroll reporting in infoAdvantage®, develops and delivers payroll trainings and operates a helpdesk.

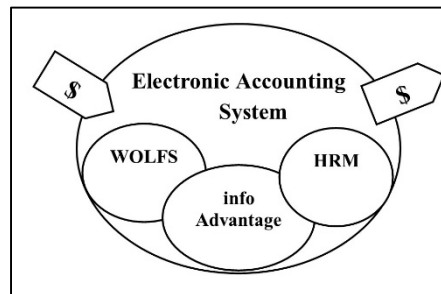
Technology: The technology division (or technical division) is responsible for the technical support of the state’s electronic accounting system. This division creates and maintains custom code for specific jobs and procedures, monitors batch processing, prints paper warrants, generates electronic payments and tax reporting, monitors system operations, tests and certifies interfaces and loads payment request files and time card files. Additionally, this division is responsible for the development and maintenance of websites and support of the transparency platform, *WyOpen*.

CAFR: The comprehensive annual financial report (CAFR) division is responsible for preparation, compilation and publication of the CAFR and serves as the main contact for the annual external state audit. This division maintains the state’s fiscal accounts along with the legal appropriation budget (authority to spend) within the state’s electronic accounting system. Additionally, the CAFR division tracks all non-obligated general fund reversions, maintains fixed asset reporting and monitors state agency internal controls through the administration of a pre-audit process.

Performance Measures

The SAO’s primary responsibilities include (1) accounting for and tracking state monies, (2) ensuring the state’s financial obligations are paid and (3) preparing the state’s financial records.

In order to account for and track state monies and prepare records, the SAO must maintain an electronic accounting system, ensure state agency users know how to use the system and provide public access to non-confidential transactions made in the system. The electronic accounting system consists of three major components: WOLFS, HRM, and infoAdvantage®. There are approximately 800 WOLFS users, 250 HRM users and 1,000 infoAdvantage® users. The SAO maintains the security and workflow for user access into all three components of the system.



The following performance measures support the responsibilities listed above:

1. Availability and reliability of the electronic accounting system

- a. *Sub-measure:* Percentage of time the electronic accounting system applications (WOLFS, HRM and infoAdvantage®) are available to users.
- b. *Sub-measure:* The number and dollar amount of vendor payments processed annually.
- c. *Sub-measure:* The number and dollar amount of payroll records processed annually.
- d. *Sub-measure:* The number of electronic accounting system enhancements deployed to improve system functionality.

- e. *Sub-measure:* The number of interfaces developed and successfully operating to automatically process payment documents received from agencies.
2. **A well-informed, trained, and supported user base of the electronic accounting system**
 - a. *Sub-measure:* The number of attendees at each training.
 - b. *Sub-measure:* The number and variety of trainings developed and delivered to users.
 - c. *Sub-measure:* The number of superior ratings on training surveys completed by training attendees.
 3. **Timely and accurate vendor and payroll payments**
 - a. *Sub-measure:* The number of days between the time when an agency requests a new vendor be added and becomes eligible to receive a payment in the WOLFS system.
 - b. *Sub-measure:* The number and dollar amount of vendor payments processed timely.
 - c. *Sub-measure:* The number and dollar amount of payroll records processed timely.
 4. **Timely issuance of the CAFR with a clean audit opinion**
 - a. *Sub-measure:* The submission of the CAFR by December 15th of each calendar year.
 - b. *Sub-measure:* The attainment of a certificate of achievement from the Government Finance Officers Association.
 5. **Issuance of, and adherence to, strong internal controls and policies in order to protect state assets and records**
 - a. *Sub-measure:* The number and dollar amount of transactions reviewed as part of the pre-audit process.
 - b. *Sub-measure:* The number of agencies using cost accounting to monitor and leverage the expenditure of federal funds.

Prioritization of Objectives

The SAO prioritizes the operation of the electronic accounting system, payment of state obligations, and preparation of the CAFR as essential objectives. While trainings, electronic accounting system enhancements, cost accounting, pre-audit processes, and operation of a transparency website are also very important, they are not mission critical in the short-term. The SAO is a service agency, thus prioritization of customer service and support to state agencies is also a key objective.

Strategic Approach

In order to continue to support the objectives listed above, the SAO has developed the following strategic approach:

1. Focus resources on the continued operation of the state's electronic accounting system, with the deployment of the following enhancements: (1) WOLFS: Addition of the Advantage Tax Solution (to generate 1099s); (2) infoAdvantage®: Addition of Intelligent Query (IQ) functionality to allow users the ability to create dynamic reports; and (3) HRM: Addition of a summary tool that allows payroll records to be sorted based on a defined time period.
2. Develop and maintain a training program that offers a variety of relevant, effective training opportunities to state agency users leveraging a variety of educational approaches.
3. Dedicate staff and resources to expand the number of transactions reviewed as part of pre-audit processes to ensure appropriate expenditure codes are used and internal controls are in place at all agency levels.

4. Create a process to thoroughly and routinely review and update the state's expenditure and revenue coding to ensure the data in the electronic accounting system is accurate and relevant.
5. Dedicate staff and resources to assist agencies in the use of cost accounting and cost allocation tools to track and leverage federal and other funds.
6. Conduct a routine review of manual state agency payment processes to determine which processes could be streamlined through the development of automatic interfaces.
7. Dedicate staff and resources to ensure the timely and accurate submission of the CAFR.
8. Identify internal resources to continue the support and improvement of the state's transparency platform, *WyOpen* (wyopen.gov).
9. Identify resources to develop an electronic ticketing system to manage payroll and fiscal helpdesk requests received by the SAO from state agencies.
10. Execute a robust communication plan to include a comprehensive website, quarterly newsletters, and targeted messaging.

Evaluation Information

1. Functions and activities and public benefit:

The SAO does not have specific programs, but performs a variety of functions and activities supporting three key responsibilities: (1) accounting for and tracking state monies, (2) ensuring the state's financial obligations are paid, and (3) preparing the state's financial records.

As described above, the electronic accounting system and each division within the office support these key responsibilities. The fiscal and payroll divisions ensure the state's financial obligations are paid. The fiscal division enrolls vendors, processes payments, and supports WOLFS and infoAdvantage®. The payroll division ensures state employees are paid, manages HRM, and supports payroll reporting in infoAdvantage®. The technology division provides technical support to ensure all three components of the electronic accounting system operate in an accurate and efficient manner. The CAFR division prepares and submits the state's financial records using information from the electronic accounting system. These functions and activities result in the responsible stewardship of state assets. The public benefits when money is accounted for, obligations are paid, and financial reports are available to decision makers.

2. Alternatives:

There are no alternative courses of action that would result in administration of SAO functions in a more efficient or effective manner. As mentioned above, the SAO is conducting a review of direct payment processes conducted by state agencies to identify processes that could be automated. The development of automatic interfaces could result in more efficient and effective processes.

3. Discontinuation consequences

The consequences of discontinuing activities supporting the key responsibilities listed above could be devastating to the state and could result in a loss of state assets, financial penalties, and litigation.

4. Efficiencies

The SAO believes the methods employed by our office to implement the key activities listed above are cost effective, efficient, and consistent with law while imposing a minimum regulatory burden.

The SAO is considering the development or purchase of a ticketing system to help more efficiently manage agency requests.

5. Prior results and outcomes

The information listed below summarizes results and outcomes achieved by the SAO primarily between January 7, 2019 and August 31, 2019 (eight months). The summarization lists SAO performance measures, highlighting accomplishments achieved under each measure. This information is also included in the SAO's 2019 Annual Report.

- a. **Availability and reliability of the electronic accounting system** (Performance Measure #1)
 - i. *Electronic accounting system upgrade.* In August 2018, the electronic accounting system applications went through a major upgrade to version 3.11.1, a project that began in January 2017. Instead of having additional staff to implement this upgrade, SAO staff worked countless hours to complete this project with minimal impact to operations. Staff worked closely with system users and vendors to support the project scope and schedule, and they continue to work to improve and stabilize the system. The upgrade (1) increased system availability (the system is operational Monday through Sunday, 6:30 a.m. to 10:00 p.m. with maintenance performed two days a month on scheduled weekends); and (2) allowed for additional processing (WOLFS now processes payments nightly rather than twice a week). The upgrade also included the implementation of electronic timesheets and leave requests (ESS) and a new manager self-service module (MSS). The SAO is continuing to work with the vendor to stabilize ESS and MSS and improve functionality.
 - ii. *Availability and reliability of the electronic accounting system.* The electronic accounting system applications (WOLFS, HRM and infoAdvantage®) are continuing to operate successfully and were available to users 99.96% of the time (hours of availability are Monday through Sunday, 6:30 a.m. to 10:00 p.m.). In FY2019, approximately 630,000 vendor payments and 137,000 payroll payments were made to 72,000 unique vendors and 9,500 employees.
 - iii. *Collaboration with agencies to increase efficiencies.* In June 2019, the SAO, in partnership with the Department of Administration and Information, successfully implemented an automated process to adjust pay tables and salaries for state employees (these adjustments were legislatively directed). This automated process eliminated extensive extra manual work for state agencies.
 - iv. *Future upgrades and enhancements to the electronic accounting system.* The following system enhancements have been planned or implemented: (1) WOLFS: Advantage Tax Solution (to generate 1099s); (2) infoAdvantage®: Intelligent Query (IQ) functionality (to allow users the ability to generate dynamic reports); and (3) HRM: Addition of a summary tool that allows payroll records to be sorted based on a defined time period.
- b. **A well-informed, trained, and supported user base of the electronic accounting system** (Performance Measure #2)
 - i. *Comprehensive training suite:* In March 2019, the SAO reorganized divisions and staff to create a more robust approach to training. In August 2019, the SAO launched a new

comprehensive training program based on user feedback. Between eight and sixteen classes are offered each month in the new classroom located on the fourth floor of Herschler East. The current training schedule offers a wide variety of classes and forums (live lecture, web-based and videos). The training classes have been aligned to agency size, user experience (beginner vs. refresher courses), and timelines of state budgeting and fiscal processes. The SAO is also collaborating during these trainings with the Budget Office, Human Resources Division, Procurement, and ETS where appropriate. The response to the new training plan has been overwhelmingly positive, with a high number of registrations and positive survey responses from attendees. The SAO has had to add additional classes to accommodate the large volume of attendees.

c. Timely and accurate vendor and payroll payments (Performance Measure #3)

- i. *Vendor management.* In March, 2019, the SAO modified internal procedures to significantly expedite the vendor application process into WOLFS. In order to accomplish this goal, the SAO eliminated duplicative forms, reclassified vendors (using a miscellaneous vendor category), and reorganized staff resources. The process was streamlined and internal workflow was improved in order to speed up the time between when an agency requires a new vendor and a payment can be processed. Through these efforts, the timeframe for payments has been reduced drastically while maintaining critical controls to protect against vendor fraud.

d. Timely issuance of the CAFR with a clean audit opinion (Performance Measure #4)

- i. *Excellence in financial reporting.* The SAO received its 22nd achievement award for excellence in financial reporting, which is given by the Government Finance Officers Association, for its June 30, 2018 CAFR. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and reporting, and attainment represents a significant accomplishment. The 2019 CAFR, which includes transactions made between July 1, 2018 and June 30, 2019, is being prepared for submission by December 15th.

e. Issuance of, and adherence to, strong internal controls and policies in order to protect state assets and records (Performance Measure #5)

- i. *Pre-audit processes.* The CAFR Division conducts monthly reviews of financial transactions recorded in the electronic accounting system to help agencies monitor and strengthen internal controls. A random number of financial transactions across all agencies is selected and audited. Audit findings are then discussed with the agencies. Between January and August 2019, 2,400 financial transactions in the amount of approximately \$118 million were reviewed as part of the pre-audit process.
- ii. *Cost accounting.* The SAO continues to support agencies in the implementation of cost accounting and cost allocation. Through these efforts, agencies are able to more efficiently track and leverage federal funds. As of August 2019, 17 of 32 state agencies receiving federal funds were using some form of cost accounting.
- iii. *Purchasing card (P-Card).* The SAO manages the state's purchasing card program, which provides state agencies access to credit cards to make various purchases. In August, 2019, the SAO released a revised P-Card policy that clarified spending limits and authorized purchases. P-Card purchases are audited as part of the pre-audit process.

- f. **Promotion of transparency through readily available access to the state’s financial information** (Performance Measure #6)
- i. *WyOpen launch.* The SAO internally developed a new transparency website, *WyOpen* (wyopen.gov). The website provides an online checkbook ledger of state expenditure data. *WyOpen* includes non-confidential payments made by the state through WOLFS to vendors for the purchase of goods and services. The site launched on July 17, 2019 and has received over 1,000 visits. *WyOpen* will continue to evolve based on user feedback and the work of the Wyoming Financial Transparency Group.
 - ii. *Expenditure and revenue code review.* As part of the development of *WyOpen*, the SAO conducted a review of object and sub-object expenditure codes in WOLFS. These codes are used by agencies to classify and describe each expenditure. In order to redact confidential information from *WyOpen*, the SAO must make sure expenditure coding in WOLFS is up-to-date and is being used correctly. A revised coding list was released to state agencies in July 2019. Training was provided on the updated codes in August 2019.
 - iii. *OpentheBooks lawsuit.* In March 2019, a lawsuit filed by American Transparency d/b/a openthebooks.com (and others) against the Wyoming State Auditor was dismissed after the SAO produced six years of state expenditure data. *WyOpen* should help expedite public records requests and prevent future lawsuits.

Conclusion

The SAO has developed a practical, but aggressive strategic approach to the 2021-2022 biennium and looks forward to continuing to ensure Wyoming state government is a responsible steward of state assets and that the government effectively responds to the needs of residents and guests.