

# **STATE OF WYOMING**

## **STATE AUDITOR'S OFFICE**

**Agency 003**



## **ANNUAL REPORT**

**FY 2021**

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**KRISTI J. RACINES**

**STATE AUDITOR**

# Wyoming Annual Report

## FY 2021

### General Information

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### Websites

**[sao.wyo.gov](http://sao.wyo.gov)**

**[wyopen.gov](http://wyopen.gov)**

### Statutory References

- W.S. 9-1-402 – W.S. 9-1-408 - state auditor, general duties.
- W.S. 9-1-403 – Annual Financial Report [amended per Senate File 0072 in FY2021]
- 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 – Non-appropriated 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- W.S. 9-4-216 – Financial advisory council [Repealed per Senate File 0072 in FY2021]
- W.S. 9-4-217 – Uniform state accounting system.

## 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. W.S. 9-1-402. Design and maintenance of the state's uniform electronic accounting system (electronic accounting system), which tracks the state's revenue, budget, and expenditure transactions, is the Auditor's responsibility. W.S. 9-4-217. Additionally, the State Auditor's Office (SAO) prepares Wyoming's annual financial report known as the annual comprehensive financial report. W.S. 9-1-403(a)(v).

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. W.S. 9-4-217. 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.

## Basic Information

The SAO has 24 authorized full-time positions. The SAO anticipates eliminating an additional HR position as this position is no longer needed due to the statewide human resource consolidation.

## Clients Served

The SAO serves Wyoming residents, vendors doing business with the state, State of Wyoming employees, and approximately 90 state agencies.

## Budget Information

The final SAO budget for the 2021-2022 biennium budget is \$15,244,322 and is 100% general fund. In FY2021, the SAO's budget was reduced by 10% as part of required budget cuts.

## Primary Responsibilities

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.

Five divisions support the SAO: (1) Administration, (2) Fiscal, (3) Payroll, (4) Accounting, 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

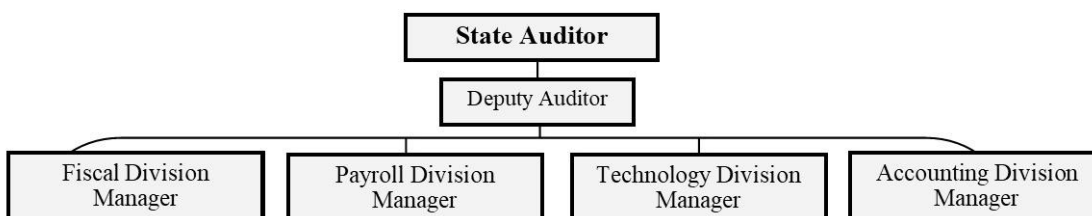
financial data. The fiscal division is responsible for supporting the state’s purchasing card (P-Card) program, delivering fiscal training, performing federal tax reporting functions (e.g. issuing 1099s to vendors) and operating a helpdesk.

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 training 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.

Accounting: The accounting division is responsible for preparation, compilation and publication of the State’s Annual Comprehensive Financial Report (ACFR) 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 accounting 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. The accounting division also provides fiscal and budget training to state agency staff.

Wyoming State Auditor’s Office Organizational Chart



Electronic Accounting System: In order to account for and track state monies 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 electronic accounting system. The SAO contracts with CGI Technologies for use of their Advantage ERP® software to operate and host the electronic accounting system. All branches of government and state agencies use the system either through direct entry or through system interfaces. The SAO reduced the current CGI contract by over \$1.2 million as part of required FY2021 budget cuts.

As mentioned above, the electronic accounting system consists of three major components: WOLFS, HRM, and infoAdvantage®. There are approximately 800 WOLFS users, 215 HRM users and 950 infoAdvantage® users. The SAO maintains the security and workflow for user access into the secure system. The SAO tracks fund balances and cash balances and reconciles to the State Treasurer’s account balances.

## Performance Highlights and Accomplishments

The information listed below summarizes results and outcomes achieved by the SAO between July 1, 2020 and June 30, 2021. The summarization lists SAO performance measures, highlighting accomplishments achieved under each measure.

### 1. **Availability and reliability of the electronic accounting system (Performance Measure #1)**

- a. **Sub-measure: Percentage of time the electronic accounting system applications (WOLFS, HRM and infoAdvantage®) are available to users.** The WOLFS system was available to users from 6:30 a.m. to 6:30 p.m. Monday through Friday and on weekends from 6:30 a.m. to 10:00 p.m., except for monthly cycle work and system maintenance. The system was down three days during July 2020 for routine annual fiscal year end close processing. Accessibility to WOLFS was available to users 99.69% of the planned schedule during FY2021. The HRM system was available from 6:30 a.m. to 8:00 p.m. Monday through Friday and on weekends for the same time. When the monthly HRM pay cycle is processing, the system is unavailable to users for three working days each month. The HRM system was available 99.69% of the planned schedule during FY2021. The infoAdvantage® system was available twenty-four hours, seven days a week except for database refreshment cycles, during system maintenance weekends and for each monthly HRM pay cycle. The infoAdvantage® system was available 99.81% of the planned schedule during the FY2021.
- b. **Sub-measure: The number and dollar amount of vendor payments processed annually.** Between July 2020 and June 2021, the SAO processed \$7.2 billion in payments on behalf of the State of Wyoming. This consisted of 237,949 electronic payments totaling \$5,143,867,996 and 191,095 warrants (paper checks) totaling \$2,142,558,055.
- c. **Sub-measure: The number and dollar amount of payroll records processed annually.** Between July 2020 and June 2021, the SAO processed payroll payments to approximately 9,322 unique employees for total of \$375.5 million; 98.5% by electronic payment and 1.5% by warrant.
- d. **Sub-measure: The number of electronic accounting system and other technology enhancements deployed to improve system functionality, user experience, and transparency.**
  - i. In May 2021, the SAO launched the recently developed "New Interface Process" that allows for files to be processed automatically once they are uploaded by state agencies. This process loads pertinent information online in the payroll and financial systems so the agency can approve or reject online without any intervention from SAO staff through an online page named Interface Summary Page (INTFSUMM). The implementation of the new interface process has saved both SAO technology staff members and agency interfacing personnel considerable time, as the need for email correspondence and manual processing of interface files has been eliminated.
  - ii. In FY2021, the payroll division implemented HRM ESS timesheets (time keeping system) with two new agencies (Military Department and Enterprise Technology Services). There are now 47 agencies and approximately 3,500 employees using ESS timesheets.
  - iii. The SAO deployed infoAdvantage® Intelligent Query in October 2019 and continues to support its use internally and externally. Intelligent Query allows for substantially enhanced and customizable financial reporting capability for SAO staff, which is in turn used by agencies and decision makers.

- iv. In March 2020, the SAO released an improved website found at [sao.wyo.gov](http://sao.wyo.gov). and continues to make improvements to the site. The website's format and content is focused on user experience and functionality. Citizens can easily locate publications such as the ACFR and the Statewide Single Audit and access SAO's WyOpen and other state fiscal websites. Agency fiscal and payroll staff, state employees, and vendors use the website frequently to access forms, training, and employee self-service.
  - v. The SAO receives approximately 10,000 messages (calls and emails) annually through its payroll and fiscal helpdesks. This workload had previously been managed with email tracking only. In May 2020, the SAO piloted and then implemented a low-cost ticketing system to track helpdesk tickets. The new ticketing system is now being used in three divisions and ensures timely and accurate responses to agencies and system users. Based on recent ticketing system data, the SAO has successfully responded to incoming email inquiries in a timely manner, with a median first response speed under 1 hour. The SAO plans to develop additional customer service related metrics which can be tracked and monitored through the ticketing system.
  - vi. The SAO has released a series of updated and user-friendly manuals to help improve users' experience and effectiveness. In FY2021, the fiscal division improved available resources by updating and consolidating seven manuals into one WOLFS User Handbook. Several updated or new chapters were released: WOLFS Navigation, Accounts Payable, Modifications, Vendor Management, Procurement Documents, infoAdvantage, and Cost Accounting. SAO will continue to expand and update the WOLFS User Handbook.
  - vii. The SAO has worked hard to continually evaluate, clean up and modernize expenditure coding within the chart of accounts. In July 2021, the SAO published a new listing of expenditure codes and, for the first time, published a listing of revenue codes.
- e. **Sub-measure: The number of interfaces developed and successfully operating to automatically process payment documents received from agencies.** Between July 2020 and June 2021, the technical division completed 14 payroll interfaces and 45 WOLFS interfaces, excluding temporary Coronavirus Aid, Relief, and Economic Security (CARES) Act and Emergency Rental Assistance Program (ERAP) interfaces. The influx of federal CARES Act and American Rescue Plan Act (ARPA) funds has significantly impacted the SAO and other state agencies. The SAO worked with the Wyoming Business Council (WBC) and Department of Family Services (DFS) to develop secure application processes and interfaces to support the implementation of CARES Act business relief programs and ERAP. The development of additional processes and interfaces allowed small business owners, landlords and others to receive federal payments swiftly, accurately and safely. As a result, the SAO was able to safely add and make payments to thousands of vendors over the course of several months.

2. **A well-informed, trained, and supported user base of the electronic accounting system (Performance Measure #2)**

In August 2019, the SAO launched a new comprehensive training program and has continued to expand and develop trainings through June 2021. The SAO found it necessary to cancel trainings in March and April 2020 due to the COVID-19 pandemic. During this time, it quickly became clear that trainings were still necessary and very much in demand by agency users. In May 2020,

the SAO began offering classes remotely. The SAO conducted all trainings remotely between June 2020 and July 2021. Participation was better than expected and employees from outside the Cheyenne area were able to participate without having to travel. The feedback received indicates that employees would like the SAO to continue to offer remote trainings indefinitely. In August, 2021 the SAO plans to offer a mix of small in-person trainings and remote trainings.

- a. **Sub-measure: The average number of attendees at each training.**
    - i. The average number of registered attendees per training is 7.
  - b. **Sub-measure: The number and variety of trainings developed and delivered to users.**
    - i. The SAO staff conducted a total of 181 training classes to over 30 agencies and 250 unique individuals.
    - ii. The fiscal division conducted a total of 39 classes that included WOLFS Navigation, General Expenditures, Vendor Management, Introduction to Cost Accounting, WOLFS infoAdvantage® Navigation, Procurement Documents, Refunds and Revenue, UMB Portal Navigation, Advanced infoAdvantage, and Do This, Not That.
    - iii. The accounting division conducted 54 classes on Budget, three levels of Cost Accounting, Fixed Assets, SEFA, Write-Offs, Object Sub/Object Training and Internal Exchange Transactions. The accounting division held eight Agency Year End Reporting classes to help prepare agencies for what will be reported in the ACFR.
    - iv. The payroll division conducted 40 varying classes from Payroll Navigation, five levels of training from Introduction to Advanced Payroll, infoAdvantage® for Payroll, Payroll Survival, and ESS/MSS Training.
  - c. **Sub-measure: The number of superior ratings on training surveys completed by training attendees.** Satisfaction surveys are distributed at the end of every class. While completion is not required, the SAO receives great feedback, including 209 superior ratings over the course of the year. Feedback is utilized to evaluate and alter class structure and content, as well as for employee development.
3. **Timely and accurate vendor and payroll payments (Performance Measure #3)**
- 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.** The fiscal division averages 1 day between the time a vendor document is submitted by the user in WOLFS (vendor requested) and the vendor is ready to be used by an agency (vendor document is approved). The division processed an average of 1,530 vendor additions and changes per month. As previously mentioned, SAO supported multiple agencies with CARES Act and ERAP distributions, including WBC and DFS, resulting in a higher average of vendor additions and changes per month. In total during FY2021, 9,895 new vendors were added to WOLFS, many of which were related to over \$483 million in CARES distributions.
  - b. **Sub-measure: The number and dollar amount of vendor payments processed timely.** In FY2021, the SAO processed \$7.2 billion in payments on behalf of the State of Wyoming. This total consisted of 429,044 vendor payments, 55% of which were distributed by electronic fund transfers and 45% distributed by warrants (paper checks).
  - c. **Sub-measure: The number and dollar amount of payroll records processed timely.** The SAO made 133,032 payroll payments for the year, which is an average of 11,085 per month. Of those payments 98.5% were electronic and 1.5% were warrants (paper checks). The dollar total of these payments was \$375,544,447.

4. **Timely issuance of the Annual Comprehensive Financial Report (ACFR) with a clean audit opinion (Performance Measure #4)**
  - a. **Sub-measure: The submission of the ACFR by December 31st of each calendar year.** The preliminary ACFR was completed by December 15, 2020. The fiscal year 2020 ACFR was dated February 26, 2021 and released on March 25, 2021. The influx of federal funds through the CARES Act and delayed federal audit guidance contributed to a later ACFR release date in 2021.
  - b. **Sub-measure: The attainment of a certificate of achievement from the Government Finance Officers Association.** The SAO received their 24th achievement award for excellence in financial reporting, which is given by the Government Finance Officers Association (GFOA), for its June 30, 2019 ACFR. The GFOA Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting and receipt of this award represents a significant accomplishment for the State of Wyoming. The state has submitted its June 30, 2020 ACFR for consideration as well.
  - c. **Sub-measure: The successful implementation of Governmental Accounting Standards Boards requirements.** The accounting division began implementation of several significant Governmental Accounting Standards Boards (GASB) requirements in FY2021, including GASB 84 (fiduciary activities) and GASB 87 (governmental leases). The implementation of GASB 87 required electronic accounting system changes and the SAO was able to leverage an existing debt management module within the system to track leases.
  
5. **Issuance of, and adherence to, strong internal controls and policies in order to protect state assets and records (Performance Measure #5)**
  - a. **Sub-measure: The number and dollar amount of transactions reviewed as part of the pre-audit process.** In FY2021, the accounting division requested and reviewed 1,626 individual transactions from 61 unique agencies, totaling \$10,968,350. Additionally, in an attempt to ensure the state will receive maximum COVID-19 related federal funding, the accounting division added COVID related expenses to their pre-audit process verifying the expenses are accurately reported. The accounting division reviewed 1,046 number of CARES Act transactions between July 1, 2020 through June 30, 2021 totaling \$73,566,004. The payroll division also began piloting a payroll pre-audit process in 2021. The process involves an examination of pay and leave events as well as verification of several payroll entries and processes entered by agencies.
  - b. **Sub-measure: The number of agencies using cost accounting to monitor and leverage the expenditure of federal funds.** There were 27 agencies that filed a federal Schedule of Expenditure of Federal Awards (SEFA) report in FY2021. Of those 27 agencies, 16, or 59%, are using cost accounting to track federal funds. An additional three agencies are using cost accounting to track various funding specific to their agency needs. The SAO continues to work closely with additional agencies in an effort to expand cost accounting throughout the state.
  - c. The SAO manages the state's purchasing card program, which provides state agencies access to credit cards to make various purchases. In FY2021, the fiscal and technology divisions implemented an automated interface process for P-Card purchases, saving the SAO and agencies time and resources each month. Additionally, the SAO re-negotiated the existing purchasing card contract with the vendor (UMB), which now requires additional monthly and annual reporting requirements which will assist in monitoring p-card expenditures.



6. **Promotion of transparency through readily available access to the state’s financial information (Performance Measure #6)**
  - a. In July 2019, the technical division launched the transparency platform, WyOpen. The goal of the site is to post non-confidential payments online, i.e. the state’s “checkbook”. The site has seen increased traffic and received over 107,000 visits between July 1, 2020 and June 30, 2021 averaging approximately 16,000 hits per month. SAO technology staff created special sections on the website to provide additional transparency related to the CARES Act and ARPA expenditures. The SAO launched an updated version of WyOpen on July 15, 2021. This new version provides additional expenditure information including invoice numbers and allowed SAO to discontinue the duplicative “vendor payment” portal.
  
7. **Support and assistance in the expenditure and reporting of federal stimulus funds (Performance Measure #7)**
  - a. The SAO has assisted multiple agencies, like WBC and DFS, in developing CARES and ARPA programs, specifically assisting with vendor enrollment, adding additional expenditure codes (for reporting), developing interfaces and making payments. The SAO experienced an increase in helpdesk calls and the number of 1099s issued as a direct result of CARES Act program payments. The SAO is currently supporting DFS in their operation of ERAP and expects that several additional federal programs will be developed in the fall.
  - b. The SAO staffed the CARES Act Business Taskforce which was formed in March 2020 and discontinued in September 2020. This taskforce and subcommittees met approximately 40 times during FY21.
  - c. The SAO assisted with the federal reporting of CARES Act funds, submitting federally required reports in July 2020, October 2020, January 2021, April 2021 and July 2021.
  - d. The SAO is assisting with a preliminary financial review of CARES Act funds which is currently being conducted by an external auditing firm.

### **Conclusion**

The State Auditor’s Office has made significant achievements since July 1, 2020 in spite of budget cuts and the COVID-19 pandemic. COVID-19 and the influx of federal stimulus dollars continues to add many challenges to the agency, but staff are responding in kind. Time and again, they have proven to be flexible, helpful, and always willing to go out of their way to serve state agencies and Wyoming citizens.