



# **State of Wyoming**

## **Compliance Report**

**Fiscal Year Ended  
June 30, 2018**

# **STATE OF WYOMING**

**ENTITY IDENTIFICATION NUMBER 83-0208667**

**COMPLIANCE REPORT**

**JUNE 30, 2018**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

Honorable Governor, Members of the Legislature  
State of Wyoming  
Cheyenne, Wyoming

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Wyoming (the "State") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated December 14, 2018. Our report includes a reference to other auditors who audited the financial statements of the Wyoming Community Development Authority, the University of Wyoming, the University of Wyoming Foundation (a component unit of the University of Wyoming), and the Wyoming Retirement System, as described in our report on the State's financial statements. The financial statements of the University of Wyoming Foundation were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the State's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the State's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs, identified as items 2018-001 through 2018-002, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs, identified as items 2018-003 through 2018-007, to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The State's Response to Findings**

The State's responses to the findings identified in our audit are described in the accompanying Corrective Action Plans (Exhibit I). The State's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the State's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*McGee, Hearne & Paiz, LLP*

Cheyenne, Wyoming  
December 14, 2018



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Governor, Members of the Legislature  
State of Wyoming  
Cheyenne, Wyoming

**Report on Compliance for Each Major Federal Program**

We have audited the State of Wyoming's (the "State") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the State's major Federal programs for the year ended June 30, 2018. The State's major Federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

The State of Wyoming's basic financial statements include the operations of the Wyoming Business Council, the Wyoming Community Development Authority, the Wyoming Department of Transportation, and the University of Wyoming, which expended approximately \$471.5 million in Federal awards which are not included in the accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2018. Our audit, described below, did not include the operations of the Wyoming Business Council, the Wyoming Community Development Authority, the Wyoming Department of Transportation, or the University of Wyoming because these entities had separate audits of compliance performed in accordance with Uniform Guidance.

***Management's Responsibility***

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the State's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified and unmodified opinions on compliance for major Federal programs. However, our audit does not provide a legal determination of the State's compliance.

### **Basis for Qualified Opinion on Rehabilitation Services Vocational Rehabilitation Grants to States**

As described in the accompanying Schedule of Findings and Questioned Costs, the State of Wyoming did not comply with requirements regarding CFDA #84.126 Rehabilitation Services Vocational Rehabilitation Grants to States as described in finding number 2018-014 for Earmarking. Compliance with such requirements is necessary, in our opinion, for the State of Wyoming to comply with the requirements applicable to that program.

### **Qualified Opinion on Rehabilitation Services Vocational Rehabilitation Grants to States**

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the State of Wyoming complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA #84.126 Rehabilitation Services Vocational Rehabilitation Grants to States for the year ended June 30, 2018.

### **Unmodified Opinion on Each of the Other Major Federal Programs**

In our opinion, the State of Wyoming complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major programs identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2018.

### ***Other Matters***

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2018-008 and 2018-010 through 2018-013. Our opinion on each major Federal program is not modified with respect to these matters.

The State's responses to the noncompliance findings identified in our audit are described in the accompanying Corrective Action Plans (Exhibit I). The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

### **Report on Internal Control over Compliance**

Management of the State is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the State's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major Federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2018-014 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program, that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2018-008 through 2018-2013 to be significant deficiencies.

The State's responses to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plans (Exhibit I). The State's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on them.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Wyoming as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the State of Wyoming's basic financial statements. We issued our report thereon dated December 14, 2018, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the Wyoming Community Development Authority, the University of Wyoming, or the University of Wyoming Foundation (a component unit of the University of Wyoming), which are shown as discretely presented component units. In addition, we did not audit the financial statements of the Wyoming Retirement System, which is shown as a fiduciary fund. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wyoming Community Development Authority, the University of Wyoming, the University of Wyoming Foundation, and the Wyoming Retirement System, is based solely on the reports of the other auditors.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*McGee, Hearn & Paiz, LLP*

Cheyenne, Wyoming

March 12, 2019, except for that portion which addresses the Schedule of Expenditures of Federal Awards, as to which the date is December 14, 2018

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2018

Federal Grantor	Total Federal Expenditures	Total Passed Through to Sub-Recipients
Direct Funding:		
U.S. Department of Health and Human Services	\$ 474,473,435	\$ 32,603,396
U.S. Department of the Interior	169,287,950	94,927,193
U.S. Department of Education	98,637,549	78,516,596
U.S. Department of Labor	94,930,943	162,590
U.S. Department of Agriculture	89,926,957	31,105,942
U.S. Department of Defense	41,049,177	-
U.S. Environmental Protection Agency	29,110,996	19,504,132
U.S. Department of Homeland Security	7,080,751	4,960,465
U.S. Department of Justice	6,316,361	4,164,868
U. S. Social Security Administration	2,884,167	-
U.S. Department of Transportation	1,914,868	171,976
National Endowment for the Arts	1,787,089	441,253
U.S. Department of Energy	1,072,511	947,006
Executive Office of the President	997,511	627,594
Other Federal Financial Awards	647,694	-
U.S. Department of Housing and Urban Development	537,786	279,680
U.S. Department of Veterans Affairs	90,204	-
National Archives and Records Administration	19,311	10,812
U.S. Department of Commerce	1,230	-
<b>Total Direct Funding</b>	<b>\$ 1,020,766,490</b>	<b>\$ 268,423,503</b>
Pass-Through Funding:		
U.S. Department of Education		
University of Wyoming	107,411	-
<b>Total Pass-Through Funding</b>	<b>107,411</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>	<b>\$ 1,020,873,901</b>	<b>\$ 268,423,503</b>

## STATE OF WYOMING

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>Aging Cluster</u></b>			
<b>U.S. Department of Health and Human Services</b>			
<i>Administered by the State of Wyoming Department of Health</i>			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	\$ 1,545,678	\$ 1,418,623
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	3,090,523	2,740,733
Nutrition Services Incentive Program	93.053	878,245	878,245
<b>Total Aging Cluster</b>		<b>5,514,446</b>	<b>5,037,601</b>
<b><u>CCDF Cluster</u></b>			
<b>U.S. Department of Health and Human Services</b>			
<i>Administered by the State of Wyoming Department of Family Services</i>			
Child Care and Development Block Grant	93.575	3,851,024	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	7,050,917	-
<b>Total CCDF Cluster</b>		<b>10,901,941</b>	<b>-</b>
<b><u>Child Nutrition Cluster</u></b>			
<b>U.S. Department of Agriculture</b>			
<i>Administered by the State of Wyoming Department of Education</i>			
School Breakfast Program	10.553	4,147,714	4,147,714
National School Lunch Program	10.555	14,984,224	14,984,224
Special Milk Program for Children	10.556	23,422	23,422
Summer Food Service Program for Children	10.559	944,536	910,055
<b>Total Child Nutrition Cluster</b>		<b>20,099,896</b>	<b>20,065,415</b>
<b><u>Clean Water State Revolving Fund Cluster</u></b>			
<b>U.S. Environmental Protection Agency</b>			
<i>Administered by the State of Wyoming Department of Environmental Quality</i>			
Capitalization Grants for Clean Water State Revolving Funds	66.458	20,666	-
<i>Administered by the State of Wyoming Office of State Lands and Investments</i>			
Capitalization Grants for Clean Water State Revolving Funds	66.458	7,050,591	3,537,649
<b>Total Clean Water State Revolving Fund Cluster</b>		<b>7,071,257</b>	<b>3,537,649</b>
<b><u>Disability Insurance/SSI Cluster</u></b>			
<b>U.S. Social Security Administration</b>			
<i>Administered by the State of Wyoming Department of Workforce Services</i>			
Supplemental Security Income (SSI)	96.006	2,884,167	-
<b>Total Disability Insurance/SSI Cluster</b>		<b>2,884,167</b>	<b>-</b>
<b><u>Drinking Water State Revolving Fund Cluster</u></b>			
<b>U.S. Environmental Protection Agency</b>			
<i>Administered by the State of Wyoming Department of Environmental Quality</i>			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	24,991	-
<i>Administered by the State of Wyoming Water Development Commission</i>			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	45,307	-
<i>Administered by the State of Wyoming Office of State Lands and Investments</i>			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	15,097,972	14,769,755
<b>Total Drinking Water State Revolving Fund Cluster</b>		<b>15,168,270</b>	<b>14,769,755</b>

Continued

## STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*  
Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>Employment Service Cluster</u></b>			
<b>U.S. Department of Labor</b>			
<i>Administered by the State of Wyoming Department of Workforce Services</i>			
Employment Service/Wagner-Peyser Funded Activities	17.207	\$ 4,133,135	\$ -
Disabled Veterans Outreach Program (DVOP)	17.801	522,729	-
<b>Total Employment Service Cluster</b>		<b>4,655,864</b>	<b>-</b>
<b><u>Fish and Wildlife Cluster</u></b>			
<b>U.S. Department of the Interior</b>			
<i>Administered by the State of Wyoming Game and Fish Department</i>			
Sport Fish Restoration Program	15.605	5,824,039	217,358
Wildlife Restoration and Basic Hunter Education	15.611	16,711,794	546,372
<b>Total Fish and Wildlife Cluster</b>		<b>22,535,833</b>	<b>763,730</b>
<b><u>Food Distribution Cluster</u></b>			
<b>U.S. Department of Agriculture</b>			
<i>Administered by the State of Wyoming Department of Family Services</i>			
Emergency Food Assistance Program (Administrative Costs)	10.568	141,655	141,655
Emergency Food Assistance Program (Food Commodities)	10.569	860,027	860,027
<b>Total Food Distribution Cluster</b>		<b>1,001,682</b>	<b>1,001,682</b>
<b><u>Highway Planning and Construction Cluster</u></b>			
<b>U.S. Department of Transportation</b>			
<i>Administered by the State of Wyoming Department of Audit</i>			
Highway Planning and Construction	20.205	41,992	-
<i>Administered by the State of Wyoming Department of State Parks and Cultural Resources</i>			
Recreational Trails Program	20.219	1,435,077	137,974
<b>Total Highway Planning and Construction Cluster</b>		<b>1,477,069</b>	<b>137,974</b>
<b><u>Highway Safety Cluster</u></b>			
<b>U.S. Department of Transportation</b>			
<i>Administered by the State of Wyoming Department of Health</i>			
State and Community Highway Safety	20.600	24,200	-
National Priority Safety Programs	20.616	1,498	-
<i>Administered by the State of Wyoming Attorney General's Office</i>			
State and Community Highway Safety	20.600	33,845	-
National Priority Safety Programs	20.616	115,297	-
<b>Total Highway Safety Cluster</b>		<b>174,840</b>	<b>-</b>
<b><u>Medicaid Cluster</u></b>			
<b>U.S. Department of Health and Human Services</b>			
<i>Administered by the State of Wyoming Attorney General's Office</i>			
State Medicaid Fraud Control Units	93.775	364,436	-
<i>Administered by the State of Wyoming Department of Health</i>			
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	1,103,770	-
Medical Assistance Program	93.778	363,088,289	-
<b>Total Medicaid Cluster</b>		<b>364,556,495</b>	<b>-</b>

*Continued*

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*  
 Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>SNAP Cluster</u></b>			
<b>U.S. Department of Agriculture</b>			
<i>Administered by the State of Wyoming Department of Family Services</i>			
Supplemental Nutrition Assistance Program	10.551	\$ 42,529,679	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	7,119,397	1,816,934
<b>Total SNAP Cluster</b>		49,649,076	1,816,934
<b><u>Special Education Cluster (IDEA)</u></b>			
<b>U.S. Department of Education</b>			
<i>Administered by the State of Wyoming Department of Education</i>			
Special Education – Grants to States (IDEA, Part B)	84.027	27,714,066	23,282,561
Special Education – Preschool Grants (IDEA, Preschool)	84.173	967,222	141,724
<b>Total Special Education Cluster (IDEA)</b>		28,681,288	23,424,285
<b><u>TANF Cluster</u></b>			
<b>U.S. Department of Health and Human Services</b>			
<i>Administered by the State of Wyoming Department of Family Services</i>			
Temporary Assistance for Needy Families (TANF) State Programs	93.558	18,345,607	5,889,663
<b>Total TANF Cluster</b>		18,345,607	5,889,663
<b><u>WIOA Cluster</u></b>			
<b>U.S. Department of Labor</b>			
<i>Administered by the State of Wyoming Department of Workforce Services</i>			
WIA/WIOA Adult Program	17.258	1,208,825	-
WIA/WIOA Youth Activities	17.259	1,378,471	-
WIA/WIOA Dislocated Worker Formula Grants	17.278	422,385	-
<b>Total WIOA Cluster</b>		3,009,681	-

*Continued*

## STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*  
Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>OTHER PROGRAMS – DIRECT</u></b>			
<b>U.S. Department of Agriculture</b>			
<i>Administered by the State of Wyoming Livestock Board</i>			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	\$ 239,385	\$ -
<i>Administered by the State of Wyoming Game and Fish Department</i>			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	132,294	-
Voluntary Public Access and Habitat Incentive Program	10.093	291,177	-
<i>Administered by the State of Wyoming Department of Agriculture</i>			
Market Protection and Promotion	10.163	8,400	-
Specialty Crop Block Grant Program - Farm Bill	10.170	319,375	235,594
Organic Certification Cost Share Programs	10.171	31,296	-
State Mediation Grants	10.435	68,037	-
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	366,665	-
Forest Health Protection	10.680	120,375	116,068
<i>Administered by the State of Wyoming Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	7,093,362	-
<i>Administered by the State of Wyoming Department of Education</i>			
Child and Adult Care Food Program	10.558	4,771,980	4,771,980
State Administrative Expenses for Child Nutrition	10.560	1,160,566	11,000
Child Nutrition Discretionary Grants Limited Availability	10.579	26,379	26,379
Fresh Fruit and Vegetable Program	10.582	1,675,768	1,566,261
<i>Administered by the State of Wyoming Office of State Lands and Investments</i>			
Cooperative Forestry Assistance	10.664	2,698,428	1,445,707
Forest Legacy Program	10.676	13,779	-
Forest Health Protection	10.680	115,615	48,922
Good Neighbor Authority	10.691	43,422	-
<b>Total U.S. Department of Agriculture</b>		<b>19,176,303</b>	<b>8,221,911</b>
<b>U.S. Department of Commerce</b>			
<i>Administered by the State of Wyoming Enterprise Technology Services</i>			
State and Local Implementation Grant Program	11.549	1,230	-
<b>Total U.S. Department of Commerce</b>		<b>1,230</b>	<b>-</b>
<b>U.S. Department of Defense</b>			
<i>Administered by the State of Wyoming Department of Environmental Quality</i>			
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	83,248	-
<i>Administered by the State of Wyoming Adjutant General (Military Department)</i>			
Military Construction, National Guard	12.400	18,781,721	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	20,155,781	-
National Guard ChalleNGe Program	12.404	2,028,427	-
<b>Total U.S. Department of Defense</b>		<b>41,049,177</b>	<b>-</b>
<b>U.S. Department of Housing and Urban Development</b>			
<i>Administered by the State of Wyoming Department of Family Services</i>			
Emergency Solutions Grant Program	14.231	284,108	279,680
Continuum of Care Program	14.267	19,270	-
<i>Administered by the State of Wyoming Department of Health</i>			
Housing Opportunities for Persons with AIDS	14.241	234,408	-
<b>Total U.S. Department of Housing and Urban Development</b>		<b>537,786</b>	<b>279,680</b>

*Continued*

## STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*  
Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>OTHER PROGRAMS – DIRECT, Continued</u></b>			
<b>U.S. Department of the Interior</b>			
<i>Administered by the State of Wyoming Game and Fish Department</i>			
BLM Wildland Urban Interface Community Fire Assistance	15.228	\$ 32,900	\$ -
Fish, Wildlife and Plant Conservation Resource Management	15.231	375,766	223,741
Fish and Wildlife Management Assistance	15.608	170,276	-
Cooperative Endangered Species Conservation Fund	15.615	106,918	72,589
Juvenile Justice and Delinquency Prevention	15.628	5,286	-
State Wildlife Grants	15.634	652,671	383,838
Endangered Species Conservation – Recovery Implementation Funds	15.657	349,426	-
Endangered Species Conservation – Wolf Livestock Loss Compensation and Prevention	15.666	4,753	-
<i>Administered by the State of Wyoming Office of State Lands and Investments</i>			
Forest and Woodlands Resource Management	15.233	3,893	-
<i>Administered by the State of Wyoming Department of Environmental Quality</i>			
Environmental Quality and Protection Resource Management	15.236	432,599	-
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	2,047,377	-
Abandoned Mine Land Reclamation (AMLR)	15.252	125,158,505	81,759,282
<i>Administered by the State of Wyoming Department of State Parks and Cultural Resources</i>			
Challenge Cost Share	15.238	(54,608)	-
Recreation Resources Management	15.524	171,536	-
Historic Preservation Fund Grants-In-Aid	15.904	824,463	80,816
Outdoor Recreation Acquisition, Development and Planning	15.916	72,032	65,000
<i>Administered by the State of Wyoming Department of Audit</i>			
Federal Oil and Gas Royalty Management State and Tribal Coordination	15.427	2,462,423	-
<i>Administered by the State of Wyoming Water Development Commission</i>			
Abandoned Mine Land Reclamation (AMLR)	15.252	11,534,258	11,534,258
Title II, Colorado River Basin Salinity Control	15.509	48,495	43,939
<i>Administered by the State of Wyoming Geological Survey</i>			
National Cooperative Geologic Mapping	15.810	173,963	-
<i>Administered by the State of Wyoming Construction Department</i>			
Abandoned Mine Land Reclamation (AMLR)	15.252	2,179,185	-
<b>Total U.S. Department of the Interior</b>		146,752,117	94,163,463
<b>U.S. Department of Justice</b>			
<i>Administered by the State of Wyoming Attorney General's Office</i>			
Sexual Assault Services Formula Program	16.017	315,756	315,756
Missing Children's Assistance	16.543	261,888	32,188
National Criminal History Improvement Program (NCHIP)	16.554	313,578	-
Crime Victim Assistance	16.575	3,210,686	2,866,967
Crime Victim Compensation	16.576	549,282	-
Violence Against Women Formula Grants	16.588	714,522	607,621
Special Data Collections and Statistical Studies	16.734	138,591	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	394,111	342,336
DNA Backlog Reduction Program	16.741	155,074	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	41,252	-
Support for Adam Walsh Act Implementation Grant Program	16.750	47,489	-
Edward Byrne Memorial Competitive Grant Program	16.751	15,778	-
<i>Administered by the State of Wyoming Department of Family Services</i>			
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	6,714	-
<i>Administered by the State of Wyoming Department of Corrections</i>			
State Criminal Alien Assistance Program (SCAAP)	16.572	4,966	-
Residential Substance Abuse Treatment for State Prisoners	16.593	96,702	-
<i>Administered by the State of Wyoming Supreme Court</i>			
Crime Victim Compensation	16.576	24,212	-
<i>Administered by the State of Wyoming State Public Defenders Office</i>			
John R. Justice Prosecutors and Defenders Incentive Act	16.816	25,760	-
<b>Total U.S. Department of Justice</b>		6,316,361	4,164,868

*Continued*

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*  
 Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>OTHER PROGRAMS – DIRECT, Continued</u></b>			
<b>U.S. Department of Labor</b>			
<i>Administered by the State of Wyoming Department of Workforce Services</i>			
Labor Force Statistics	17.002	\$ 710,532	\$ -
Compensation and Working Conditions	17.005	148,812	-
Unemployment Insurance	17.225	85,195,960	-
Senior Community Service Employment Program	17.235	197,544	162,590
Trade Adjustment Assistance	17.245	22,420	-
Work Opportunity Tax Credit Program (WOTC)	17.271	61,990	-
Temporary Labor Certification for Foreign Workers	17.273	(10,627)	-
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	260,520	-
WIA/WIOA Dislocated Worker National Reserve Technical Assistance and Training	17.281	2,093	-
Occupational Safety and Health State Program	17.503	299,044	-
Consultation Agreements	17.504	377,110	-
<b>Total U.S. Department of Labor</b>		87,265,398	162,590
<b>U.S. Department of Transportation</b>			
<i>Administered by the State of Wyoming Public Service Commission</i>			
Pipeline Safety Program State Base Grant	20.700	195,200	-
PHMSA Pipeline Safety Program One Call Grant	20.721	10,000	-
<i>Administered by the State of Wyoming Office of Homeland Security</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	57,759	34,002
<b>Total U.S. Department of Transportation</b>		262,959	34,002
<b>National Endowment for the Arts</b>			
<i>Administered by the State of Wyoming Department of State Parks and Cultural Resources</i>			
Promotion of the Arts Partnership Agreements	45.025	678,279	441,253
<i>Administered by the State of Wyoming Department of Administration &amp; Information</i>			
Grants to States	45.310	1,108,810	-
<b>Total National Endowment for the Arts</b>		1,787,089	441,253
<b>U.S. Department of Veterans Affairs</b>			
<i>Administered by the State of Wyoming Adjutant General (Military Department)</i>			
All-Volunteer Force Educational Assistance	64.124	90,204	-
<b>Total U.S. Department of Veterans Affairs</b>		90,204	-
<b>U.S. Environmental Protection Agency</b>			
<i>Administered by the State of Wyoming Department of Health</i>			
State Indoor Radon Grants	66.032	27,226	150
<i>Administered by the State of Wyoming Department of Environmental Quality</i>			
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	198,391	-
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	120,202	32,371
Water Quality Management Planning	66.454	90,999	40,000
Nonpoint Source Implementation Grants	66.460	941,404	931,299
Performance Partnership Grants	66.605	3,464,758	52,877
Environmental Information Exchange Network Grant Program and Related Assistance	66.608	27,036	-
Source Reduction Assistance	66.717	3,365	-
Underground Storage Tank Prevention, Detection and Compliance Program	66.804	316,478	-
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805	507,000	-
State and Tribal Response Program Grants	66.817	603,184	-

*Continued*

## STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*  
Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b>OTHER PROGRAMS – DIRECT, <i>Continued</i></b>			
<b>U.S. Environmental Protection Agency, <i>Continued</i></b>			
<i>Administered by the State of Wyoming Oil and Gas Conservation Commission</i>			
State Underground Water Source Protection	66.433	\$ 205,000	\$ -
<i>Administered by the State of Wyoming Game and Fish Department</i>			
Nonpoint Source Implementation Grants	66.460	100,000	-
Regional Wetland Program Development Grants	66.461	140,031	140,031
<i>Administered by the State of Wyoming Department of Agriculture</i>			
Performance Partnership Grants	66.605	126,395	-
<b>Total U.S. Environmental Protection Agency</b>		6,871,469	1,196,728
<b>U.S. Department of Energy</b>			
<i>Administered by the State of Wyoming Department of Family Services</i>			
Weatherization Assistance for Low-Income Persons	81.042	1,005,774	947,006
<i>Administered by the State of Wyoming Department of Environmental Quality</i>			
Fossil Energy Research and Development	81.089	4,340	-
<i>Administered by the State of Wyoming Office of Homeland Security</i>			
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106	62,397	-
<b>Total U.S. Department of Energy</b>		1,072,511	947,006
<b>U.S. Department of Education</b>			
<i>Administered by the Wyoming Community College Commission</i>			
Adult Education – Basic Grants to States	84.002	887,607	887,607
<i>Administered by the State of Wyoming Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	33,054,697	32,628,402
Migrant Education State Grant Program	84.011	31,870	31,160
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	785,829	591,385
Career and Technical Education – Basic Grants to States	84.048	4,217,162	3,543,323
Education for Homeless Children and Youth	84.196	137,434	91,609
Twenty-First Century Community Learning Centers	84.287	5,702,798	5,446,098
Special Education – State Personnel Development	84.323	438,053	-
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	119,176	-
Rural Education	84.358	38,034	37,008
English Language Acquisition State Grants	84.365	448,260	314,984
Mathematics and Science Partnerships	84.366	341,652	305,810
Supporting Effective Instruction State Grant (formerly <i>Improving Teacher Quality State Grants</i> )	84.367	8,633,103	8,371,123
Grants for State Assessments and Related Activities	84.369	2,619,912	-
Student Support and Academic Enrichment Program	84.424	991,057	975,955
NAEP State Coordinator	84.U01	158,041	-
Performance Grant	84.U02	6,045	-
Ed Facts	84.U03	16,250	-
NCES	84.U04	7,637	-
<i>Administered by the State of Wyoming Department of Health</i>			
Special Education – Grants for Infants and Families	84.181	2,047,992	1,636,797
<i>Administered by the State of Wyoming Department of Workforce Services</i>			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	9,011,025	-
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177	231,050	231,050
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	31,577	-
<b>Total U.S. Department of Education</b>		69,956,261	55,092,311

*Continued*

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*  
 Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b>OTHER PROGRAMS – DIRECT, <i>Continued</i></b>			
<b>National Archives and Records Administration</b>			
<i>Administered by the State of Wyoming Department of State Parks and Cultural Resources</i>			
National Historical Publications and Records Grants	89.003	\$ 19,311	\$ 10,812
<b>Total National Archives and Records Administration</b>		<b>19,311</b>	<b>10,812</b>
<b>U.S. Department of Health and Human Services</b>			
<i>Administered by the State of Wyoming Department of Health</i>			
Special Programs for the Aging Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	22,507	22,507
Special Programs for the Aging Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	80,033	80,033
Special Programs for the Aging Title III, Part D, Disease Prevention and Health Promotion Services	93.043	27,536	27,536
National Family Caregiver Support, Title III, Part E	93.052	627,891	561,758
Public Health Emergency Preparedness	93.069	3,907,988	1,993,062
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	212,545	123,593
Maternal and Child Health Federal Consolidated Programs	93.110	176,419	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	132,016	-
Emergency Medical Services for Children	93.127	44,829	-
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	175,295	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	235,121	194,086
Projects for Assistance in Transition from Homelessness (PATH)	93.150	332,806	329,876
Grants to States for Loan Repayment Program	93.165	110,000	110,000
State Rural Hospital Flexibility Program	93.241	521,754	367,341
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	2,669,483	1,573,277
Universal Newborn Hearing Screening	93.251	274,926	274,926
Immunization Cooperative Agreements (Administrative)	93.268	1,058,206	-
Immunization Cooperative Agreements (Value of Vaccine)	93.268	4,900,255	-
Adult Viral Hepatitis Prevention and Control	93.270	69,993	-
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	13,365	-
Small Rural Hospital Improvement Grant Program	93.301	117,757	109,341
National State Based Tobacco Control Programs	93.305	839,705	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	148,241	148,225
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1,182,071	-
Behavioral Risk Factor Surveillance System	93.336	253,485	-
PPHF National Public Health Improvement Initiative	93.507	(370)	-
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF	93.521	225,490	-
Building Capacity of the Public Health System to Improve Population Health through National, Non-Profit Organizations - financed in part by Prevention and Public Health Funds (PPHF)	93.524	14,979	14,979
Community Services Block Grant	93.569	2,939,108	2,601,308
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	93.733	38,667	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations, financed in part by Prevention and Public Health Funds	93.752	1,327	-
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	1,169,209	36,020
Preventive Health and Health Services Block Grant, funded solely with Prevention and Public Health Funds (PPHF)	93.758	264,428	12,974

*Continued*

## STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*  
Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b>OTHER PROGRAMS – DIRECT, <i>Continued</i></b>			
<b>U.S. Department of Health and Human Services, <i>Continued</i></b>			
<i>Administered by the State of Wyoming Department of Health, <i>Continued</i></i>			
Children's Health Insurance Program	93.767	\$ 13,165,813	\$ -
Opioid STR	93.788	1,867,121	1,771,974
State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid Domestic Ebola Supplement to the	93.796	754,389	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815	62,687	-
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	254,394	174,292
National Bioterrorism Hospital Preparedness Program	93.889	784,565	438,336
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1,258,678	1,500
Grants to States for Operation of State Offices of Rural Health	93.913	167,449	906
HIV Care Formula Grants	93.917	855,507	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	257,102	-
HIV Prevention Activities – Health Department Based	93.940	801,915	36,885
Human Immunodeficiency Virus (HIV)/			
Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	76,401	-
Cooperative Agreements to Support State-Based			
Safe Motherhood and Infant Health Initiative Programs	93.946	115,567	-
Block Grants for Community Mental Health Services	93.958	605,159	521,628
Block Grants for Prevention and Treatment of Substance Abuse	93.959	3,778,136	3,557,689
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	166,448	-
Maternal and Child Health Services Block Grant to the States	93.994	828,408	263,031
Assisted Outpatient Treatment	93.997	(14,492)	(14,492)
<i>Administered by the State of Wyoming Department of Insurance</i>			
Medicare Enrollment Assistance Program	93.071	16,032	16,032
State Health Insurance Assistance Program	93.324	268,938	268,938
<i>Administered by the State of Wyoming Department of Agriculture</i>			
Food and Drug Administration Research	93.103	473,158	-
<i>Administered by the State of Wyoming Department of Workforce Services</i>			
ACL Independent Living State Grants	93.369	310,633	310,633
Head Start	93.600	49,116	-
<i>Administered by the State of Wyoming Department of Family Services</i>			
Promoting Safe and Stable Families	93.556	300,597	-
Child Support Enforcement	93.563	5,716,081	-
Low-Income Home Energy Assistance	93.568	9,299,204	4,473,895
Community-Based Child Abuse Prevention Grants	93.590	92,441	-
Grants to States for Access and Visitation Programs	93.597	77,591	47,938
Chafee Education and Training Vouchers Program (ETV)	93.599	68,970	-
Adoption and Legal Guardianship Incentive Payments	93.603	82,903	-
Children's Justice Grants to States	93.643	60,223	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	435,294	-
Foster Care Title IV-E	93.658	3,781,468	-
Adoption Assistance	93.659	808,485	-
Social Services Block Grant	93.667	2,871,836	-
Child Abuse and Neglect State Grants	93.669	112,200	-
Chafee Foster Care Independence Program	93.674	509,479	501,200
<i>Administered by the State of Wyoming Supreme Court</i>			
State Court Improvement Program	93.586	205,022	-
<i>Administered by the State of Wyoming Attorney General's Office</i>			
Developmental Disabilities Basic Support and Advocacy Grants	93.630	363,235	52,307
Family Violence Prevention and Services/			
Domestic Violence Shelter and Supportive Services	93.671	679,728	672,598
<b>Total U.S. Department of Health and Human Services</b>		<b>75,154,946</b>	<b>21,676,132</b>

*Continued*

## STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*  
Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>OTHER PROGRAMS – DIRECT, Continued</u></b>			
<b>Executive Office of The President</b>			
<i>Administered by the State of Wyoming Attorney General's Office</i>			
High Intensity Drug Trafficking Areas Program	95.001	\$ 997,511	\$ 627,594
<b>Total Executive Office of The President</b>		<b>997,511</b>	<b>627,594</b>
<b>U.S. Department of Homeland Security</b>			
<i>Administered by the State of Wyoming Game and Fish Department</i>			
Boating Safety Financial Assistance	97.012	289,658	-
<i>Administered by the State of Wyoming Office of Homeland Security</i>			
Community Assistance Program State Support Services Element (CAP-SSSE)	97.023	57,659	-
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	1,051,192	1,051,192
Hazard Mitigation Grant	97.039	55,928	37,424
Emergency Management Performance Grants	97.042	2,431,646	1,174,607
Pre-Disaster Mitigation	97.047	249,260	249,260
Homeland Security Grant Program	97.067	2,286,676	2,197,144
<i>Administered by the State of Wyoming State Engineer</i>			
National Dam Safety Program	97.041	133,757	-
<i>Administered by the State of Wyoming Office of State Lands and Investments</i>			
Fire Management Assistance Grant	97.046	522,157	250,838
<i>Administered by the State of Wyoming Department of Fire Prevention and Electrical Safety</i>			
NFA16	97.U01	1,428	-
NFA17	97.U02	1,390	-
<b>Total U.S. Department of Homeland Security</b>		<b>7,080,751</b>	<b>4,960,465</b>
<b><u>OTHER FEDERAL FINANCIAL AWARDS – DIRECT</u></b>			
<i>Administered by the State of Wyoming Game &amp; Fish Department</i>			
Bald Eagle Survey (BES3)	none	3,000	-
Beetle Kill & Elk (BEE0)	none	3,358	-
Big Horn Sheep Monitoring	none	8,450	-
Nuisance Wildlife Pronghorn Hunter Management (PRH0)	none	3,509	-
South Pass Aspen Restoration (PAR3)	none	157,000	-
Sunlight Irrigated Meadow Enhancement (SUN4)	none	45,000	-
Sunlight Wildlife Habitat River Restoration (SLG1)	none	9,091	-
Thunder Basin National Grassland Raptor Surveys (TBS0)	none	5,575	-
WGFC Aquatic Invasive Species Prev (BCS0)	none	39,302	-
WGFC Bridger-Teton Amphibian Habitat Use and Survival	none	3,400	-
<i>Administered by the State of Wyoming Department of Health</i>			
Hunter Registry	none	184,000	-
Vital Records	none	167,772	-
<i>Administered by the State of Wyoming Department of Workforce Services</i>			
Soc. Sec. Reimb./Prog. Inc.	none	18,237	-
<b>Total Other Federal Financial Awards</b>		<b>647,694</b>	<b>-</b>
<b>Total Direct Awards</b>		<b>1,020,766,490</b>	<b>268,423,503</b>
<b><u>PASS-THROUGH FUNDING</u></b>			
University of Wyoming:			
<i>Administered by the State of Wyoming Department of Education</i>			
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	107,411	-
<b>Total Pass-Through Funding</b>		<b>107,411</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>		<b>\$ 1,020,873,901</b>	<b>\$ 268,423,503</b>

The accompanying notes are an integral part of this Schedule.

## STATE OF WYOMING

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS Year Ended June 30, 2018

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#### **Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the Federal award activity of the State of Wyoming under programs of the Federal government for the year ended June 30, 2018, except as described in Note 2. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the State of Wyoming, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the State of Wyoming.

#### **Note 2. Content**

In accordance with the provisions of the Uniform Guidance, 2 CFR 200.514(a), the accompanying Schedule does not include the departments or agencies listed below which were separately audited and reported on in compliance with the Uniform Guidance:

Wyoming Department of Transportation  
University of Wyoming  
Wyoming Business Council  
Wyoming Community Development Authority

#### **Note 3. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

#### **Note 4. Indirect Cost Rate**

The State of Wyoming has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance as the State of Wyoming has various Federally negotiated indirect cost rates that are being used for Federal awards or utilizes the indirect cost rates specified in the Federal awards.

#### **Note 5. Noncash Awards**

The Schedule includes the following noncash items as expenditures: USDA Commodities (CFDA #10.569) of \$860,027; SNAP Benefits (CFDA #10.551) of \$42,514,331; and the value of vaccines (CFDA #93.268) of \$4,900,255. The values of USDA Commodities and Vaccines have been recorded at the Federally negotiated costs at the date of issuance. Food Stamps are valued at face value.

#### **Note 6. Unemployment Insurance Compensation**

The Schedule of Expenditures of Federal Awards includes approximately \$49 million of State Unemployment Insurance Compensation Benefits (SUICB) (CFDA #17.225). The SUICB is included in the Schedule pursuant to a directive issued by the Department of Labor, Office of Inspector General.

**STATE OF WYOMING**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018**

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**I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: McGee, Hearne & Paiz, LLP has audited the basic financial statements of the State of Wyoming as of and for the year ended June 30, 2018 and have issued their report thereon dated December 14, 2018. They did not audit the financial statements of the Wyoming Community Development Authority, the University of Wyoming, or the University of Wyoming Foundation, which are shown as discretely presented component units. They also did not audit the Wyoming Retirement System, which is shown as a fiduciary fund. Those financial statements were audited by other auditors. The opinion on the basic financial statements of the State was unmodified, based on the opinions of McGee, Hearne & Paiz, LLP and the reports of other auditors.

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major Federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Type of auditor's report issued on compliance for major Federal programs: Unmodified for all major Federal programs, except for CFDA #84.126 Rehabilitation Services Vocational Rehabilitation Grants to States, which was qualified.

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?  Yes  No

**STATE OF WYOMING**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2018**

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Identification of major Federal programs:

CFDA Number	Name of Federal Program or Cluster
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining
15.252	Abandoned Mine Land Reclamation (AMLR)
17.225	Unemployment Insurance
84.010	Title I Grants to Local Educational Agencies
84.048	Career and Technical Education – Basic Grants to States
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
84.181	Special Education – Grants for Infants and Families
84.287	Twenty-First Century Community Learning Centers
84.367	Supporting Effective Instruction State Grant
84.369	Grants for State Assessments and Related Activities
93.069	Public Health Emergency Preparedness
93.268	Immunization Cooperative Agreements
93.959	Block Grants for Prevention and Treatment of Substance Abuse
Cluster	Disability Insurance/SSI Cluster
Cluster	Employment Service Cluster
Cluster	Medicaid Cluster
Cluster	Special Education Cluster (IDEA)
Cluster	WIOA Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$3,062,622

Auditee qualified as low-risk auditee?  Yes  No

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2018

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#### I. FINANCIAL STATEMENT FINDINGS

##### **2018-001: State Treasurer's Office (STO) – Internal Controls and Audit Adjustments Related to Pooled Cash and Investments**

**Criteria:** An internal control structure should be designed to identify adjusting journal entries that are significant to the State's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Condition/Context:** Adjusting journal entries were proposed and recorded as follows:

- Within all fund classes participating in the Permanent Mineral Trust Fund and the State Agency Pool to correct an improper allocation of unrealized gains and losses in the amount of approximately \$141 million.
- Within certain fund classes participating in the Permanent Mineral Trust Fund and the State Agency Pool to correct an improper allocation of accrued interest attributable to public purpose investments in the amount of approximately \$4 million.

In addition to the adjusting journal entries proposed, it was identified that certain spreadsheets prepared by the STO and used to allocate pooled cash and investment balances contained formula errors, as well as unsupported activity.

**Effect:** Prior to the adjusting journal entries, the government-wide and fund-level financial statements were not properly stated in accordance with U.S. GAAP.

In addition, errors in the spreadsheets used to allocate pooled cash and investments could result in misstatements of the year-end balances and related disclosures.

**Cause:** The STO has an established internal control system in place for identifying and accounting for year-end adjustments to the State's financial statements related to pooled cash and investments. However, the errors resulting from inputting incorrect or incomplete data into internal spreadsheets are as follows:

- The spreadsheet utilized by the STO to allocate unrealized gains and losses to the investment pools contained formulas which, for four investment managers, did not properly allocate balances to the State Agency Pool. As the STO's spreadsheet has a built-in formula to allocate variances to the Permanent Mineral Trust Fund (designed to eliminate rounding differences), the Permanent Mineral Trust Fund was also misstated by the improper allocation to the State Agency Pool.
- The spreadsheet utilized by the STO to allocate public purpose investment accrued interest was inadvertently updated with interest for the fiscal year as opposed to the interest that should be accrued at year-end.
- The responsibility for the preparation of the spreadsheets utilized by the STO to determine the cash and pooled investment allocation percentages was transitioned among several individuals throughout the fiscal year, and the spreadsheets were not subject to independent review. In addition, there were no documented procedures in place to ensure the spreadsheets were updated consistently.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2018

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**Identification as a Repeat Finding:** Yes.

**Recommendation:** We recommend the STO continue its efforts to transition from the use of internal spreadsheets to system-generated reports, which will assist in reducing data entry errors that impact the accounting and reporting of pooled cash and investments. When internal spreadsheets are used, we recommend that the STO ensure there are documented procedures in place to ensure consistent completion of such spreadsheets and that the spreadsheets are then subjected to independent review processes.

**Views of Responsible Officials and Planned Corrective Actions:** See Exhibit I.

#### **2018-002: State Auditor's Office (SAO) – Internal Controls and Audit Adjustment to Claims and Benefits Payable**

**Criteria:** An internal control structure should be designed to identify adjusting journal entries that are significant to the State's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Condition/Context:** An adjusting journal entry was proposed and recorded within the Workers' Compensation Insurance Fund to increase the claims and benefits payable and the corresponding expense by approximately \$285 million.

The error within the spreadsheet provided by the SAO was not identified during their review and compilation of the information for posting to the State's financial statements.

**Effect:** Prior to the adjusting journal entry, the government-wide and fund-level financial statements were not properly stated in accordance with U.S. GAAP.

**Cause:** The SAO inadvertently omitted the amount of claims incurred during the current year in the spreadsheet used to calculate the adjustment to the claims and benefit liability.

**Identification as a Repeat Finding:** Yes.

**Recommendation:** We recommend the SAO continue to refine its internal review process in order to determine the propriety of the journal entries posted during the preparation of the State's financial statements. In addition, the SAO may also want to consider performing a high-level analytical review of the financial statement balances after adjustment to assist in identifying unusual changes in account balances.

**Views of Responsible Officials and Planned Corrective Actions:** See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018

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**2018-003: State Auditor’s Office (SAO) – Internal Controls and Audit Adjustment to Compensated Absences Payable**

**Criteria:** An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Condition/Context:** An adjusting journal entry was proposed and recorded in the government-wide financial statements to increase the compensated absences liability and the corresponding expense by approximately \$9 million.

The error within the spreadsheet provided by the SAO was not identified during their review and compilation of the information for posting to the State’s financial statements.

**Effect:** Prior to the adjusting journal entry, the government-wide financial statements were not properly stated in accordance with U.S. GAAP.

**Cause:** The SAO inadvertently entered zero as the “distribution percentage” in certain portions of the spreadsheet used to calculate the compensated absences liability, which resulted in an inaccurate calculation of the sick leave portion of the liability.

**Identification as a Repeat Finding:** No.

**Recommendation:** We recommend the SAO continue to refine its internal review process in order to determine the propriety of the journal entries posted during the preparation of the State’s financial statements. In addition, the SAO may also want to consider performing a high-level analytical review of the financial statement balances after adjustment to assist in identifying unusual changes in account balances.

**Views of Responsible Officials and Planned Corrective Actions:** See Exhibit I.

**2018-004: State Auditor’s Office (SAO) – Internal Controls and Audit Adjustment to Government-Wide Eliminations**

**Criteria:** An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Condition/Context:** An adjusting journal entry was proposed and recorded in the government-wide Statement of Activities to reverse the elimination of approximately \$55 million in revenues and expenses related to operating transfers.

The error within the spreadsheet provided by the SAO was not identified during their review and compilation of the information for posting to the State’s financial statements.

**Effect:** Prior to the adjusting journal entry, the government-wide financial statements were not properly stated in accordance with U.S. GAAP.

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2018

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**Cause:** The calculation of the government-wide elimination has several components which can vary from year to year. Based on changes that occurred from the prior year, the SAO did not identify the need to exclude the amount related to operating transfers from the elimination entry.

**Identification as a Repeat Finding:** Yes.

**Recommendation:** We recommend the SAO continue to refine its internal review process in order to determine the propriety of the journal entries posted during the preparation of the State's financial statements. In addition, the SAO may also want to consider performing a high-level analytical review of the financial statement balances after adjustment to assist in identifying unusual changes in account balances.

**Views of Responsible Officials and Planned Corrective Actions:** See Exhibit I.

#### **2018-005: State Auditor's Office (SAO) – Internal Controls and Audit Reclassifications Related to Fund Balance Restatements**

**Criteria:** An internal control structure should be designed to identify adjusting journal entries that are significant to the State's financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Condition/Context:** Reclassifying journal entries were proposed and recorded as follows:

- Within the Environmental Quality Fund – Committed, approximately \$21 million was reclassified to Federal aid and grants revenue from recreation and resource development expense.
- Within the Special Projects Fund – Committed, approximately \$500,000 was reclassified to deferred revenue from accounts payable.

The errors within the spreadsheet provided by the SAO were not identified during their review and compilation of the information for posting to the State's financial statements.

**Effect:** Prior to the reclassifying journal entries, the government-wide and fund-level financial statements were not properly stated in accordance with U.S. GAAP.

**Cause:** The SAO inadvertently posted entries related to contra-account balances created during the fund balance restatement process to the incorrect financial statement line item.

**Identification as a Repeat Finding:** No.

**Recommendation:** We recommend the SAO continue to refine its internal review process in order to determine the propriety of the journal entries posted during the preparation of the State's financial statements. In addition, the SAO may also want to consider performing a high-level analytical review of the financial statement balances after adjustment to assist in identifying unusual changes in account balances.

**Views of Responsible Officials and Planned Corrective Actions:** See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018

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**2018-006: Department of Workforce Services (DWS) –  
Internal Controls and Audit Adjustment to Federal Revenue**

**Criteria:** An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Condition/Context:** An adjusting journal entry was proposed within the General Fund to increase Federal revenue and reduce related assets, liability, and the beginning fund balances by approximately \$10 million.

The prior period corrections and errors within the Schedule of Expenditures of Federal Awards (SEFA) submitted by the DWS were not communicated to the SAO and/or identified by the DWS during DWS’s review and compilation of the SEFA.

**Effect:** Prior to the proposed adjusting journal entry, the government-wide and fund-level financial statements were not properly stated in accordance with U.S. GAAP.

**Cause:** During the past fiscal year, DWS experienced a significant amount of turnover within the Office of the Director. As a result, DWS performed a 100% review of all line items within their SEFA, including beginning balances, and, in the course of doing so, identified several significant errors that had carried forward from prior years resulting in inaccurate beginning receivables and deferred revenues.

In addition, DWS did not accurately complete the SEFA spreadsheet with respect to the ending receivables and deferred revenues, which resulted in an understatement of the Federal revenue and associated receivables recorded within the State’s financial statements.

As there were no identified misstatements to the Federal expenditures provided in the SEFA, the errors noted had no impact on the related Single Audit.

**Identification as a Repeat Finding:** No.

**Recommendation:** We recommend DWS continue to review its SEFA prior to submission to the SAO to ensure the accuracy and completeness of all Federal programs’ activity. When amounts are identified within the “Difference” column of the SEFA spreadsheet, they should be evaluated for financial statement impact and communicated to the SAO to ensure the activity is properly reflected in the State’s financial statements.

**Views of Responsible Officials and Planned Corrective Actions:** See Exhibit I.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2018

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#### **2018-007: Enterprise Technology Services (ETS) – Information Technology Risk Assessment**

**Criteria:** ETS was established in fiscal year 2012 by the Wyoming State Legislature to coordinate, consolidate, and provide information technology (“IT”) services; to promote economy and efficiency in government use of IT; and to establish uniform standards of IT administration. Many of the IT systems previously housed by individual agencies have been brought under the purview of ETS in recent years, which includes several IT systems that manage and report the State’s financial data. As a result, the controls in place at ETS have increased in their significance to the State and its financial and compliance reporting and data safeguarding responsibilities.

**Condition/Context:** During the Information Systems General Controls Review, we noted no new observations with respect to ETS. Of the two observations noted in the prior year, ETS implemented procedures to remedy one of the observations; however, the following observation remains open:

1. A risk assessment for ETS has not been performed since August of 2010.

**Effect:** A risk assessment enables an organization to identify threats and associated vulnerabilities with the potential to negatively impact their business. Resources can then be effectively allocated to implement controls that reduce the likelihood and/or the potential impact of the threat being realized. If risk assessments are not performed at least annually or upon significant changes, the State may not keep up-to-date with organizational changes and evolving threats, trends and technologies.

**Cause:** ETS has been faced with budgetary constraints. As a result, there has been delays in the implementation of policies for which funding had not been made available.

**Identification as a Repeat Finding:** Yes.

**Recommendation:** We recommend that ETS perform a risk assessment on an annual basis in order to assess current risks and potential vulnerabilities. The State needs to be aware of the risks and vulnerabilities to determine if existing controls are in place to adequately mitigate potential threats. In addition, the State should add additional security measures where controls are identified as being “not in place” or lacking to protect against the threat.

**Views of Responsible Officials and Planned Corrective Actions:** See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018

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II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**2018-008: Sub-recipient Monitoring**

<b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b> <ol style="list-style-type: none"><li>1. CFDA #84.010 Title I Grants to Local Educational Agencies</li><li>2. CFDA #84.048 Career and Technical Education – Basic Grants to States</li><li>3. CFDA #84.287 Twenty-first Century Community Learning Centers</li><li>4. CFDA #84.367 Supporting Effective Instruction State Grant</li><li>5. Special Education Cluster</li></ol>
<b>Federal Agency Name:</b> U.S. Department of Education
<b>Pass-Through Entity Name (if applicable):</b> Not applicable
<b>Award Numbers:</b> <ol style="list-style-type: none"><li>1. S010A140050; S010A150050; S010A160050; S010A170050</li><li>2. V048A150050; V048A160050; V048A170050</li><li>3. S287C150051; S287C160051</li><li>4. S367A140048; S367A150048; S367B150043</li><li>5. H027A150014; H027A160014; H173A130076; H173A150076; H173A160076</li></ol>
<b>Award Years:</b> Miscellaneous
<b>Department:</b> Wyoming Department of Education

**Criteria:** Per 31 USC 7502(f)(2)(B) (Single Audit Act Amendments of 1996 (Pub. L. No. 104-156)); 2 CFR sections 200.505, 200.521, and 200.331; program legislation; and Federal awarding agency regulations and terms and conditions of the award, all pass-through entities must ensure that every sub-award is clearly identified to the sub-recipient as a sub-award and includes the following information at the time of the sub-award and, if any of these data elements change, includes the changes in subsequent sub-award modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and sub-award. Required information includes, but is not limited to:

- Federal Award Identification
- Sub-recipient name
- Sub-recipient's unique entity identifier
- Federal Award Identification Number
- Federal Award Date
- Sub-award Period of Performance Start and End Date
- Amount of Federal Funds Obligated by this action by the pass-through entity to the sub-recipient
- Total Amount of Federal Funds Obligated to the sub-recipient by the pass-through entity including the current obligation
- Total Amount of the Federal Award committed to the sub-recipient by the pass-through entity

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2018

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- Federal award project description, as required, to be responsive to the Federal Funding Accountability and Transparency Act
- Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the pass-through entity
- CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement
- Identification of whether the award is R&D
- Indirect cost rate for the Federal award

Per 2 CFR 200.331, all pass-through entities must evaluate each sub-recipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the sub-award for purposes of determining the appropriate sub-recipient monitoring.

Per 2 CFR 200.331, all pass-through entities must verify that every sub-recipient is audited as required when it is expected that the sub-recipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR 200.501.

**Condition/Context:** There are various components of sub-recipient monitoring, which include Award Identification (providing complete and accurate information to the sub-recipient), During-the-Award Monitoring (risk assessment and monitoring the sub-recipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the sub-recipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that sub-award performance goals are achieved), and the Audit Requirement (verify that every sub-recipient is audited as required).

Uniform Grant Guidance, which went into effect for all awards made on or after December 26, 2014, requires that pass-through entities perform formal risk assessments of each sub-recipient in conjunction with others during the award monitoring (desk audits/on-site reviews). These risk assessments are then used to drive how and to what extent the pass-through entity monitors each sub-recipient. The Special Education cluster programs (CFDA #84.027 and CFDA #84.173) did not perform and document these assessments for the year under audit.

The requirements for Award Identification were not fully met. The Department of Education did not modify their sub-award agreements for *any* of the programs tested in the current year. (See full listing of CFDA numbers listed above.) As a result, some of the required award identification under Uniform Grant Guidance was not properly provided to the Department's sub-recipients.

**Questioned Costs:** None.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2018

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**Effect:** If a non-Federal entity fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal awarding agency may impose additional conditions, which include requiring payments as reimbursements rather than advance payments, withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance, require additional, more detailed financial reports, require additional project monitoring, require the non-Federal entity to obtain technical or management assistance, and establish additional prior approvals. If the Federal awarding agency determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency may take one or more of the following actions, as appropriate in the circumstances: (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency. (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance. (c) Wholly or partly suspend or terminate the Federal award. (d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or, in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency). (e) Withhold further Federal awards for the project or program. (f) Take other remedies that may be legally available.

**Cause:** The Department did not have a control process in place to identify and fully enforce the new Federal requirements surrounding sub-recipient monitoring.

**Identification as a Repeat Finding:** No; while there was a sub-recipient monitoring finding in the prior year, the current year finding is in different programs.

**Recommendation:** We recommend that the Department/Programs develop and implement a standard control system over the monitoring and management of sub-recipients. The Department/Programs should ensure the control system is inclusive of all Federally required communications and actions. This includes reviewing award documents to ensure that all required award identification information is provided to the sub-recipient. In addition, the Departments/Programs should ensure that risk assessment procedures are documented.

**Views of Responsible Officials:** Management concurs with the finding.

**Planned Corrective Actions:** See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018

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**2018-009: Suspension and Debarment**

<b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b> <ol style="list-style-type: none"><li>1. CFDA #84.010 Title I Grants to Local Educational Agencies</li><li>2. CFDA #84.369 Grants for State Assessments and Related Activities</li></ol>
<b>Federal Agency Names:</b> <ol style="list-style-type: none"><li>1. U.S. Department of Education</li><li>2. U.S. Department of Education</li></ol>
<b>Pass-Through Entity Names (if applicable):</b> <ol style="list-style-type: none"><li>1. Not applicable</li><li>2. Not applicable</li></ol>
<b>Award Numbers:</b> <ol style="list-style-type: none"><li>1. S010A140050; S010A150050; S010A160050; S010A170050</li><li>2. S369A160052; S369A150052</li></ol>
<b>Award Years:</b> <ol style="list-style-type: none"><li>1. July 1, 2016 – September 30, 2017; July 1, 2016 – September 30, 2018; July 1, 2017 – September 30, 2019</li><li>2. July 1, 2016 – September 30, 2017; July 1, 2016 – September 30, 2018</li></ol>
<b>Departments:</b> <ol style="list-style-type: none"><li>1. Wyoming Department of Education</li><li>2. Wyoming Department of Education</li></ol>

**Criteria:** Per 2 CFR 200.212, non-Federal entities are prohibited from contracting with or making sub-awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Covered transactions include contracts for goods and services awarded under a non-procurement transaction that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR Section 180.220. All non-procurement transactions entered into by a pass-through entity (i.e., sub-awards to sub-recipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 CFR Section 180.215.

**Condition/Context:** We noted the following:

1. During our review of three vendors selected for testing compliance with the suspension and debarment requirements for the Title I Grants to Local Educational Agencies program (CFDA #84.010), we were not able to verify that the Department ensured one vendor was not suspended or debarred prior to entering into the contract with the vendor. It is the Department's practice to include a suspension and debarment clause within the contract with the vendor, which was absent. In addition, the Program did not have evidence that suspension and debarment was checked per review of [www.sam.gov](http://www.sam.gov).
2. During our review of the ten vendors selected for testing compliance with the suspension and debarment requirements for the Grants for State Assessments and Related Activities (CFDA #84.369), we were not able to verify that the Department ensured two vendors were not suspended or debarred prior to entering into the contract with the vendor. It is the Department's practice to include a suspension and debarment clause within the contract with the vendor, which was absent. In addition, the Program did not have evidence that suspension and debarment was checked, per review of [www.sam.gov](http://www.sam.gov).

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2018

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The above did not result in a compliance finding or questioned costs as the vendors with whom the Department contracted were not suspended or debarred.

**Questioned Costs:** None.

**Cause:** The Department did not have a control process in place to ensure that the suspension and debarment clauses are included in all appropriate contracts with vendors, nor were there mitigating controls to ensure compliance.

**Effect:** If a non-Federal entity fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal awarding agency may impose additional conditions, which include requiring payments as reimbursements rather than advance payments, withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance, require additional, more detailed financial reports, require additional project monitoring, require the non-Federal entity to obtain technical or management assistance, and establish additional prior approvals. If the Federal awarding agency determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency may take one or more of the following actions, as appropriate in the circumstances: (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency. (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance. (c) Wholly or partly suspend or terminate the Federal award. (d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or, in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency). (e) Withhold further Federal awards for the project or program. (f) Take other remedies that may be legally available.

**Recommendation:** We recommend the Department review and revise current control systems to require that all contracts be initiated through a procurement process, which includes the suspension and debarment certification process. If this is not feasible, we recommend that a secondary control system be established to ensure that all contracts entered into outside of the procurement process be reviewed to ensure compliance with all necessary Federal requirements, including suspension and debarment.

**Identification as a Repeat Finding:** No; while there was a suspension and debarment finding in the prior year, the current year finding is in different programs.

**Views of Responsible Officials:** Management concurs with the finding.

**Planned Corrective Actions:** See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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**2018-010: Eligibility**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 1. CFDA #84.126 Rehabilitation Services Vocational Rehabilitation Grants to States
<b>Federal Agency Name:</b> 1. U.S. Department of Education
<b>Pass-Through Entity Name (if applicable):</b> 1. Not applicable
<b>Award Numbers/Names:</b> 1. H126A160075; H126A170075; H126A180075
<b>Award Years:</b> 1. October 1, 2015 – September 30, 2017; October 1, 2016 – September 30, 2018; October 1, 2017 – September 30, 2019
<b>Department:</b> 1. Wyoming Department of Workforce Services

**Criteria:** Per 29 U.S.C. 16, Part A, Section 722 (a)(6), the designated state unit shall determine whether an individual is eligible for vocational rehabilitation services within a reasonable period of time, not to exceed 60 days after the individual has submitted an application for the services.

**Condition/Context:** Out of 60 participants selected for testing for compliance with the eligibility requirements, we noted five instances where the participant did not have an eligibility determination within 60 days of application or the approved extension date (generally, 120 days).

**Questioned Costs:** None.

**Effect:** If a non-Federal entity fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal awarding agency may impose additional conditions, which include requiring payments as reimbursements rather than advance payments, withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance, require additional, more detailed financial reports, require additional project monitoring, require the non-Federal entity to obtain technical or management assistance, and establish additional prior approvals. If the Federal awarding agency determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency may take one or more of the following actions, as appropriate in the circumstances: (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency. (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance. (c) Wholly or partly suspend or terminate the Federal award. (d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or, in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency). (e) Withhold further Federal awards for the project or program. (f) Take other remedies that may be legally available.

**Cause:** Regarding the determination of eligibility, caseload at the time prevents the eligibility determinations from occurring within the required time frame.

**STATE OF WYOMING**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018**

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**Identifications as a Repeat Finding:** Yes. See 2017-010.

**Recommendation:** We recommend the Department continue to identify areas subject to error and implement employee trainings and quality control procedures to address those areas more susceptible to human error.

**Views of Responsible Officials:** Management concurs with the finding.

**Planned Corrective Actions:** See Exhibit I.

**2018-011: Special Test N – Completion of Individualized Plans for Employment (IPEs)**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 1. CFDA #84.126 Rehabilitation Services Vocational Rehabilitation Grants to States
<b>Federal Agency Name:</b> 1. Department of Education
<b>Pass-Through Entity Name (if applicable):</b> 1. Not applicable
<b>Award Numbers/Names:</b> 1. H126A160075; H126A170075; H126A180075
<b>Award Years:</b> 1. October 1, 2015 – September 30, 2017; October 1, 2016 – September 30, 2018; October 1, 2017 – September 30, 2019
<b>Department:</b> 1. Wyoming Department of Workforce Services

**Criteria:** Per 29 U.S.C. 16, Part A, Section 722 (b)(3)(F), the individualized plan for employment shall be developed as soon as possible, but not later than a deadline of 90 days after the date of the determination of eligibility, unless the designated State unit and the eligible individual agree to an extension of that deadline to a specific date by which the individualized plan for employment shall be completed.

**Condition/Context:** Out of 50 participants selected for testing, we noted seven instances where participants did not have an individualized employment plan drafted within 90 days of the eligibility determination.

**Questioned Costs:** None.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2018

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**Effect:** If a non-Federal entity fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal awarding agency may impose additional conditions, which include requiring payments as reimbursements rather than advance payments, withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance, require additional, more detailed financial reports, require additional project monitoring, require the non-Federal entity to obtain technical or management assistance, and establish additional prior approvals. If the Federal awarding agency determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency may take one or more of the following actions, as appropriate in the circumstances: (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency. (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance. (c) Wholly or partly suspend or terminate the Federal award. (d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or, in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency). (e) Withhold further Federal awards for the project or program. (f) Take other remedies that may be legally available.

**Cause:** In a recent prior year, the standard for IPE completion changed from a generic 8 to 12 weeks to the required 90 days. Through oversight, the change in the requirement was not firmly communicated to vocational rehabilitation staff. Program staff have made efforts to train staff on the new 90-day requirement.

**Identifications as a Repeat Finding:** Yes. See 2017-010.

**Recommendation:** We recommend the Department continue to identify areas subject to error and implement employee trainings and quality control procedures to address those areas more susceptible to human error.

**Views of Responsible Officials:** Management concurs with the finding.

**Planned Corrective Actions:** See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018

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**2018-012: Allowable Cost/Cost Principles**

<b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b> <ol style="list-style-type: none"><li>1. CFDA #17.225 Unemployment Insurance</li><li>2. WIOA Cluster</li></ol>
<b>Federal Agency Names:</b> <ol style="list-style-type: none"><li>1. U.S. Department of Labor</li><li>2. U.S. Department of Labor</li></ol>
<b>Pass-Through Entity Names (if applicable):</b> <ol style="list-style-type: none"><li>1. Not applicable</li><li>2. Not applicable</li></ol>
<b>Award Numbers/Names:</b> <ol style="list-style-type: none"><li>1. UI-31385-18-55-A-56</li><li>2. AA-26816-15-55-A-56; AA-28353-16-55-A-56; AA-30844-17-55-A-56</li></ol>
<b>Award Years:</b> <ol style="list-style-type: none"><li>1. October 1, 2017 – December 31, 2020</li><li>2. April 1, 2015 – June 30, 2018; April 1, 2016 – June 30, 2019; April 1, 2017 – June 30, 2020</li></ol>
<b>Departments:</b> <ol style="list-style-type: none"><li>1. Wyoming Department of Workforce Services</li><li>2. Wyoming Department of Workforce Services</li></ol>

**Criteria:** 2 CFR 200.405(d) indicates that, if a cost benefits two or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit. However, if a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, then, notwithstanding paragraph (c) of this section, the costs may be allocated or transferred to benefitted projects on any reasonable documented basis.

**Condition/Context:**

Instance One: Of the 40 items selected for allowable costs/cost principles for the Unemployment Insurance Program, the Program improperly allocated one expenditure. Specifically, the expenditure benefitted the Unemployment Insurance Program as well as the Workers' Compensation Program. This expenditure was not allocated based on proportional benefit to each program. Instead, personnel used a 2/3<sup>rd</sup> and 1/3<sup>rd</sup> allocation methodology for all invoices benefitting both programs.

Instance Two: Of the 40 items selected for allowable costs/cost principles for the WIOA Cluster Program, the Program could not provide support for the rationale behind the allocation of the expenditures charged to the Program. Three of the expenditures were for travel reimbursement, one was for conference space rental, and one was for catering services.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2018

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#### **Questioned Costs:**

Instance One: \$12,574 known; \$ 361,000 projected

Instance Two: \$ 3,013 known; \$ 69,000 projected

**Effect:** If a non-Federal entity fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal awarding agency may impose additional conditions, which include requiring payments as reimbursements rather than advance payments, withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance, require additional, more detailed financial reports, require additional project monitoring, require the non-Federal entity to obtain technical or management assistance, and establish additional prior approvals. If the Federal awarding agency determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency may take one or more of the following actions, as appropriate in the circumstances: (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency. (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance. (c) Wholly or partly suspend or terminate the Federal award. (d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or, in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency). (e) Withhold further Federal awards for the project or program. (f) Take other remedies that may be legally available.

#### **Cause:**

Instance One: Staff allocated 1/3<sup>rd</sup>; 2/3<sup>rd</sup> and did not realize that using this methodology was noncompliant with the Uniform Guidance.

Instance Two: DWS staff were allocating board costs to whatever Program had sufficient funding. Meals for program-wide training were allocated evenly to each program. Staff did not realize that using this methodology was noncompliant with the Uniform Guidance.

**Identifications as a Repeat Finding:** No.

**Recommendation:** We recommend the Department document its cost allocation methodologies for all shared costs not assigned to the indirect cost pools. The documentation must include (a) the methodologies to be used for each type of transaction; and (b) evidence that both fiscal and program staff are trained in the methodologies and understand the impact of the failure to allocate costs based on relative benefits received.

**Views of Responsible Officials:** Management concurs with the finding.

**Planned Corrective Actions:** See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018

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**2018-013: Sub-recipient Monitoring**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 1. CFDA #93.959 Block Grants for Prevention and Treatment of Substance Abuse
<b>Federal Agency Name:</b> 1. U.S. Department of Health and Human Services
<b>Pass-Through Entity Name (if applicable):</b> 1. Not applicable
<b>Award Numbers/Names:</b> 1. TI010059-16; TI010059-17
<b>Award Years:</b> 1. October 1, 2015 – September 30, 2017; October 1, 2016 – September 30, 2018
<b>Department:</b> 1. Wyoming Department of Health

**Criteria:** Per 2 CFR 200.331, all pass-through entities must evaluate each sub-recipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the sub-award for purposes of determining the appropriate sub-recipient monitoring.

Also per 2 CFR 200.331, pass-through entities must monitor the activities of the sub-recipient as necessary to ensure that the sub-award is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the sub-award; and that sub-award performance goals are achieved. Pass-through entity monitoring of the sub-recipient must include:

1. Reviewing financial and performance reports required by the pass-through entity.
2. Following-up and ensuring that the sub-recipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the sub-recipient from the pass-through entity detected through audits, on-site reviews, and other means.
3. Issuing a management decision for audit findings pertaining to the Federal award provided to the sub-recipient from the pass-through entity as required by §200.521 Management decision.

**Condition/Context:** There are various components of sub-recipient monitoring, which include Award Identification (providing complete and accurate information to the sub-recipient), During-the-Award Monitoring (risk assessment and monitoring the sub-recipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the sub-recipient administers Federal awards in compliance with laws regulations, and the provisions of contracts or grant agreements and that sub-award performance goals are achieved), and the Audit Requirement (verify that every sub-recipient is audited as required).

Uniform Grant Guidance, which went into effect for all awards made on or after December 26, 2014, requires that pass-through entities perform formal risk assessments of each sub-recipient in conjunction with other during the award monitoring (desk audits/on-site reviews) were put into place. These risk assessments are then used to drive how and to what extent the pass-through entity monitor each sub-recipient. The Program did not perform and document these assessments for the year under audit.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2018

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In addition, of the five sub-recipients selected for testing, two of the sub-recipients were required to receive a single audit for their fiscal year 2017. While these audits were completed and communicated to the Program, the findings and deficiencies noted from these single audits were not followed up on by Program or fiscal personnel. In addition, management decisions were not issued to the sub-recipients for findings identified in the single audit report. As a result, the Program did not fully/effectively monitor the award during the award year.

**Questioned Costs:** None.

**Effect:** If a non-Federal entity fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal awarding agency may impose additional conditions, which include requiring payments as reimbursements rather than advance payments, withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance, require additional, more detailed financial reports, require additional project monitoring, require the non-Federal entity to obtain technical or management assistance, and establish additional prior approvals. If the Federal awarding agency determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency may take one or more of the following actions, as appropriate in the circumstances: (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency. (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance. (c) Wholly or partly suspend or terminate the Federal award. (d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or, in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency). (e) Withhold further Federal awards for the project or program. (f) Take other remedies that may be legally available.

**Cause:** The Program did not have a control process in place to identify and enforce a portion of the new Federal requirements surrounding sub-recipient monitoring (risk assessment).

In addition, while the Program does have a process in place to obtain, review, and identify deficiencies identified in sub-recipient audit reports, the Program does not have a sufficient process in place to ensure management responses are issued on all identified findings and deficiencies, nor is there a process in place to track the corrective action process on those findings and deficiencies.

**Identifications as a Repeat Finding:** No.

**Recommendation:** We recommend that the Department/Programs develop and implement a standard control system over the monitoring and management of sub-recipients. The Department/Programs should ensure the control system is inclusive of all Federally required communications and actions. This includes reviewing award documents to ensure that all required award identification information is provided to the sub-recipient. In addition, the Departments/Programs should ensure that risk assessment procedures are documented.

**Views of Responsible Officials:** Management concurs with the finding.

**Planned Corrective Actions:** See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2018

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**2018-014: Earmarking**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 1. CFDA #84.126 Rehabilitation Services Vocational Rehabilitation Grants to States
<b>Federal Agency Name:</b> 1. U.S. Department of Education
<b>Pass-Through Entity Name (if applicable):</b> 1. Not applicable
<b>Award Number/Name:</b> 1. H126A160075
<b>Award Years:</b> 1. October 1, 2015 – September 30, 2017
<b>Department:</b> 1. Wyoming Department of Workforce Services

**Criteria:** Per 29 U.S.C. 16 Part B, Section 730(d)(1), a State shall not reserve less than 15 percent of the allotted funds for the provision of pre-employment transition services.

**Condition/Context:** Program guidelines require that 15% of each grant award should be earmarked for pre-employment transition services to student with disabilities. For the 2016 grant award, the program only earmarked \$740,002 for pre-employment transition services, which is 8% of the 2016 award amount (\$8,881,107).

**Questioned Costs:** \$592,164

**Effect:** If a non-Federal entity fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal awarding agency may impose additional conditions, which include requiring payments as reimbursements rather than advance payments, withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance, require additional, more detailed financial reports, require additional project monitoring, require the non-Federal entity to obtain technical or management assistance, and establish additional prior approvals. If the Federal awarding agency determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency may take one or more of the following actions, as appropriate in the circumstances: (a) Temporarily withhold cash payments pending correction of the deficiency by the non-Federal entity or more severe enforcement action by the Federal awarding agency. (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance. (c) Wholly or partly suspend or terminate the Federal award. (d) Initiate suspension or debarment proceedings as authorized under 2 CFR Part 180 and Federal awarding agency regulations (or, in the case of a pass-through entity, recommend such a proceeding be initiated by a Federal awarding agency). (e) Withhold further Federal awards for the project or program. (f) Take other remedies that may be legally available.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2018

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**Cause:** The earmarking requirement was a new aspect of the compliance supplement for the 2015 award; as such, there was not an established method to track and monitor the spending of pre-employment transition services expenditures. The Program is in the process of adjusting the State Plan and budget to address this earmark. This is an ongoing process.

**Identifications as a Repeat Finding:** Yes. See prior year finding 2017-011.

**Recommendation:** We recommend the Program implement a tracking system which will allow personnel to monitor the earmarking requirement to ensure that it will be met when the grant is closed.

**Views of Responsible Officials:** Management concurs with the finding.

**Planned Corrective Actions:** See Exhibit I.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2018

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#### FINANCIAL STATEMENT PRIOR AUDIT FINDINGS:

##### **2017-001: Wyoming Department of Education – Audit Adjustments to Accounts Payable**

**Condition/Context:** The WDE failed to identify accounts payable related to retirement contribution reimbursements to multiple Wyoming school districts. As a result, an adjusting journal entry was proposed and recorded within the Foundation Program Fund to increase accounts payable and the corresponding education expense by \$4,697,816. WDE correctly identified additional payments owed to the school districts that should also be included in accounts payable during the current year. However, as these payments were also made in the prior year and expensed rather than being included in accounts payable as of June 30, 2016, there is an overstatement of expenditures as of June 30, 2017. As a result, a second adjusting journal entry was proposed and recorded within the Foundation Program Fund to decrease the corresponding education expense and restate the beginning fund balance by \$8,634,919.

**Status:** The WDE conducted a thorough review of the School Foundation Program and various payments to identify any other areas of concern with regard to service dates. The WDE fiscal staff involved with entering and approving School Foundation Program payments have been alerted to the service date issue and have received instructions for using the correct service dates on the applicable payments going forward. To ensure compliance, the School Foundation Program Manager notates the correct period of service on the payment documentation during initial approval. In addition, the Finance Pre-Auditor and Post-Auditor review all service dates to ensure that the correct dates are entered into the WOLFS accounting system. At the end of the current fiscal year, the Finance Director met with the Pre-Auditor and Post-Auditor responsible for entering these payments to review the correct service dates for payments in the new fiscal year that should be recorded to the prior year.

**Auditor's Comments:** Based on audit work performed, the above processes and procedures were implemented, and no similar issues were noted during the 2018 audit. This finding is considered resolved.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2018

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#### **2017-002: Wyoming Department of Workforce Services and State Auditor's Office – Audit Adjustment to Claims and Benefits Payable**

**Condition/Context:** DWS miscalculated the claims and benefits payable related to the Workers' Compensation Insurance Fund. As a result, an adjusting journal entry was proposed and recorded within the Workers' Compensation Insurance Fund to increase the claims and benefits payable and the corresponding expense by \$44,544,978. The errors in the spreadsheets provided by DWS were also not identified by the SAO CAFR Division during their review and compilation of the information for posting to the State's financial statements.

**Status:** DWS – Workers' Compensation fiscal staff added additional employees to the process of the preparation and review of schedules before submitting calculations and information to the SAO CAFR Division. One of these reviews was conducted by the CFO of DWS. DWS also worked in conjunction with the SAO CAFR Division to provide an additional level of expertise and review.

DWS – Workers' Compensation also continues to work with their Actuary to obtain the necessary information that the SAO CAFR Division requires, thus allowing DWS staff the opportunity to minimize the chance of incorrectly interpreting or inputting errors upon transferring Actuary data to financial reporting templates. Additionally, in an effort to simplify the annual reporting process and to reduce the possibility of potential reporting issues, DWS – Workers' Compensation worked with the SAO CAFR Division to improve the liability templates currently used in reporting to the SAO CAFR Division to provide for easier input and review.

**Auditor's Comments:** Based on audit work performed, the above processes and procedures were implemented by the DWS – Workers' Compensation fiscal staff. However, we noted an error was made in the spreadsheet used by the SAO CAFR Division to compile the information received from DWS – Workers' Compensation. See repeat finding 2018-002.

#### **2017-003: State Auditor's Office (SAO CAFR Division) – Non-Recurring Audit Adjustments**

**Condition/Context:** The audit adjustments are as follows:

- An adjusting journal entry was proposed and recorded within the General Fund to restate the beginning fund balance, record current year loan activity, and re-establish the ending loans receivable balance related to the Wyoming Business Council of \$12,290,441.
- An adjusting journal entry was proposed within the Capital Project and General Funds to eliminate the impact to fiscal year 2016 state construction expenditures and restate the beginning fund balance in the amount of \$6,442,803.
- An adjusting journal entry was proposed and recorded at the entity-wide Statement of Activities to reverse the elimination of \$440,093,007 in revenues and expenses related to inter-fund loan activity and operating transfers.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2018

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**Status:** The SAO CAFR Division included communications to State agencies in the year-end projects and procedures to include questions related to non-recurring items. The SAO CAFR Division staff also evaluated special transaction requests and analyzed the need for potential adjustments for financial reporting purposes.

**Auditor's Comments:** Based on audit work performed, the above processes and procedures were implemented with respect to the first and second bullets listed above, and no similar issues were noted during the 2018 audit. Those aspects of the finding are considered resolved. However, with respect to the third bullet, we noted a similar adjusting journal entry was proposed and recorded during the current year. See repeat finding 2018-004.

**2017-004: State Auditor's Office (SAO CAFR Division) –  
Audit Adjustments to Net Investment Income**

**Condition/Context:** Throughout the fiscal year, the State incurs manager fees on its investment portfolio. For the fees that are paid directly, investment income is diverted from participating funds to the General Fund to allow for a centralized payment. At year end, the SAO CAFR Division records an adjustment to record the income diverted for the June manager fees. However, the June activity, in addition to the fiscal year's activity recorded solely within the General Fund, should have been allocated to all participating fund classes. As a result, adjusting journal entries were proposed and recorded within the General Fund to reduce net investment income and the associated cash and investment and accounts payable balances by a net amount of \$5,275,304.

**Status:** As accounting principles generally accepted in the United State of America do not require that investment income and expenses be reflected on a gross basis within the State's financial statements, it was determined that adjustments to gross up this activity were no longer considered necessary and no adjustments were posted for the year ended June 30, 2018.

**Auditor's Comments:** Based on audit work performed, we concur with the SAO CAFR Division's accounting treatment. This finding is considered resolved.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2018

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#### **2017-005: State Auditor's Office (SAO CAFR Division) – Audit Adjustment to Unearned Revenue**

**Condition/Context:** The Office of State Lands and Investments (OSLI) enters into grazing leases, which typically have a term of ten years with payments required annually. The OSLI records the entire amount of annual grazing lease revenue in the year in which the payment is received. However, as the term of the leases cross fiscal year end, a portion of the revenue should be recorded as unearned as of the beginning and end of the fiscal year. An adjusting journal entry was proposed by OSLI within the Foundation Program Fund to record unearned revenue as of year-end of \$3,041,839, with a corresponding reduction in revenue; however, the adjustment was inadvertently not posted.

**Status:** The SAO CAFR Division has improved written procedures and implemented a checklist to ensure the unearned revenue is properly recorded as it relates to grazing leases.

**Auditor's Comments:** Based on audit work performed, the above processes and procedures were implemented and no similar issues were noted during the 2018 audit. This finding is considered resolved.

#### **2017-006: State Treasurer's Office – Audit Adjustment to Investment Income**

**Condition/Context:** For financial statement reporting purposes, the STO is required to allocate the State's investment portfolio across the respective investment pools and corresponding State funds. Due to an error in the percentage of ownership of an alternative investment across the investment pools, the corresponding investment activity was misallocated amongst the applicable State funds. As a result, the following adjusting journal entries were proposed during the audit as follows:

1. To re-allocate the unrealized gain of approximately \$3,149,000 on the alternative investment to the Permanent Mineral Trust Fund primarily from the Common School Land Fund.
2. To re-allocate the investment income of approximately \$742,000 on the alternative investment from the Foundation Program Fund primarily to the Permanent Mineral Trust Fund.

**Status:** The STO will continue to utilize enhanced accounting processes and systems to ensure future investment allocations are completed accurately and efficiently. It has been and continues to be the priority of the STO to locate systems and processes to advance our accounting practices to match the State's flourishing investments. In addition, the STO will enforce a more advantageous and diligent independent review process. This review will be implemented throughout the fiscal year. The enhancement in accounting processes and a diligent independent review procedure will ensure accurate future allocations.

**Auditor's Comments:** Based on audit work performed, the STO is still in the process of implementing their corrective action plans. See repeat finding 2018-001.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2018

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#### **2017-007: Wyoming Department of Health – Review of Service Organization (SOC 1) Report**

**Condition/Context:** During the Information Systems General Controls Review, we noted the SOC 1 Report for Goold Health Systems ("GHS"), which is a service provider used within the Medicaid Program to adjudicate and process pharmacy claims, had a qualified opinion due to lack of evidence that the information technology controls over logical access processes, physical access to data centers, data backup controls, and job scheduling had been placed into operation. The Department of Health (the "DOH") personnel did not review the GHS SOC 1 Report, and as such, were unaware of these findings and had not determined the impact, if any, of the control deficiencies on the Medicaid claims processed by GHS on behalf of the State.

**Status:** The Agency (Wyoming Department of Health, Division of Healthcare Financing, Pharmacy Services) has taken the following steps to remediate this finding:

1. The status of the SOC 1 report (in process, completed, available for State review) is specified on each semi-annual operations report produced by Change Healthcare (formerly Goold Health Systems) for State review.
2. Additionally, Change Healthcare notifies the Agency that the SOC 1 report is available for State review within three (3) business days of its release and produces it to the Agency for review.
3. The Agency contract manager for the Change Healthcare Pharmacy Benefits Management System reviews the provided SOC 1 report within twenty (20) business days of receipt including a review of any findings or deviations.

Documentation of the SOC 1 review and findings is created by the Agency contract manager and includes a statement by the Agency regarding the sufficiency of controls listed within the SOC 1 report to maintain compliance with Federal regulations and service organization controls. Documentation by the Agency also addresses the impact of any instances of non-compliance, as well as complementary controls implemented to maintain the service organizations' controls.

**Auditor's Comments:** Based on audit work performed, the above processes and procedures were implemented and no similar issues were noted during the 2018 audit. This finding is considered resolved.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2018

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#### **2017-008: Enterprise Technology Services – Information Technology Controls**

**Condition/Context:** During the Information Systems General Controls Review, we noted no new observations with respect to Enterprise Technology Services ("ETS"). Of the six observations noted in previous years, ETS implemented procedures to remedy four of the observations; however, the following observations remain open:

1. ETS is performing an information and undocumented user access review of their own employees including Active Directory, network hardware, and servers. Additionally, guidance for completing the user access review, including frequency, extent, scope, etc., has not been defined in a policy.
2. The risk assessment for ETS was not provided during the on-site visit and has not been reviewed or updated on an annual basis.

**Status:**

1. ETS completed a statewide 8-phase active directory project. Each phase required the clean-up of working groups by roles, changing or deleting user permissions groups, and ensuring administrative privileges were correct. In addition, ETS actively monitors active directory admin accounts, service accounts, or groups with elevated privileges. These logs are retained for 90 days. Any modifications are documented in Google spreadsheets and responded to as necessary.
2. ETS has started to implement the Factor Analysis of Information Risk (FAIR) risk model. Currently, ETS is working towards getting the proper staff members trained on this model. After the training is complete, they will begin conducting risk analysis for executive branch agencies upon their request.

**Auditor's Comments:** Based on audit work performed, the above processes and procedures were implemented with respect to the first observation listed above, and no similar issues were noted during the 2018 audit. That aspect of the finding is considered resolved. However, with respect to the second observation, ETS is still in the process of implementing their corrective action plans. See repeat finding 2018-007.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2018

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**FEDERAL AWARD AND QUESTIONED COSTS PRIOR AUDIT FINDINGS:**

**2016-010: Sub-recipient Monitoring**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> CFDA #93.558 Temporary Assistance for Needy Families (TANF Cluster)
<b>Federal Agency Name:</b> U.S. Department of Health and Human Services
<b>Pass-Through Entity Name (if applicable):</b> N/A
<b>Award Numbers:</b> 2016G996115; 2015G996115
<b>Award Years:</b> October 1, 1999 – September 30, 2016
<b>Department:</b> Wyoming Department of Family Services

**Condition/Context:** There are various components of sub-recipient monitoring, which include *Award Identification* (providing complete and accurate information to the sub-recipient), *During-the-Award Monitoring* (monitoring the sub-recipient’s use of Federal awards through reporting, regular contact, or other means to provide reasonable assurance that the sub-recipient administers Federal awards in compliance with laws regulations, and the provisions of contracts or grant agreements and that sub-award performance goals are achieved), and the *Audit Requirement* (verifying that every sub-recipient is audited as required).

In addition, the Uniform Grant Guidance (UGG) went into effect for all awards made on or after December 26, 2014. This significantly expanded the *Award Identification* elements that need to be included with each sub-award. As a part of *During-the-Award Monitoring*, the UGG also established a requirement that pass-through entities must perform formal risk assessments of each sub-recipient. These risk assessments are then used to drive *how* and to *what extent* the pass-through entity monitor each sub-recipient.

One Department of Family Services program failed to perform or provide documentation for one or more of the components of sub-recipient monitoring, including the new UGG requirements. During the course of testing performed, the following item was noted:

1. Due to the award periods, this finding is evaluated under both Circular A-133 and the UGG. Of the five sub-recipients subjected to testing for the TANF Cluster, there were five instances in which the sub-awards failed to contain all required award information. In addition, of the five sub-recipients selected for testing, the Program was required to perform risk assessment procedures on four of those sub-recipients in conjunction with the UGG. In all four instances tested, the Program failed to perform and document the required risk assessment procedures.

**Status:** The Department is not considering an independent review process at this time. Currently the development of a standard control system for sub-recipient monitoring is underway. Furthermore, the project has been expanded to include the development of a Grants Management Policy & Procedure Manual. This manual will be completed in April of 2019 and added to the Accounting Policy & Procedures Manual. This will ensure processes and controls are in place to provide sub-recipient monitoring and effective grants management.

**Auditor’s Comments:** Based on the above, the Program is still in the process of implementing their corrective action plan. This finding remains open.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2018

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**2017-009: Sub-recipient Monitoring**

<p><b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b></p> <ol style="list-style-type: none"><li>1. Aging Cluster, CFDA #93.044 Special Programs for the Aging – Title III, Part B – Grants for Supportive Services and Senior Centers</li><li>2. Aging Cluster, CFDA #93.045 Special Programs for the Aging – Title III, Part C – Nutrition Services</li><li>3. Aging Cluster, CFDA #93.053 Nutrition Services Incentive Program</li><li>4. CFDA #93.569 Community Service Block Grant (CSBG)</li><li>5. CFDA #16.575 Crime Victim Assistance</li><li>6. CFDA #66.460 Non-point Source Implementation Grants</li><li>7. Highway Planning and Construction Cluster</li></ol>
<p><b>Federal Agency Names:</b></p> <ol style="list-style-type: none"><li>1. U.S. Department of Health and Human Services</li><li>2. U.S. Department of Health and Human Services</li><li>3. U.S. Department of Health and Human Services</li><li>4. U.S. Department of Health and Human Services</li><li>5. U.S. Department of Justice</li><li>6. U.S. Environmental Protection Agency</li><li>7. U.S. Department of Transportation</li></ol>
<p><b>Pass-Through Entity Name (if applicable):</b> N/A</p>
<p><b>Award Numbers:</b></p> <ol style="list-style-type: none"><li>1. 16AAWYT3SS; 17AAWYT3SS</li><li>2. 16AAWYT3CM; 17AAWYT3CM; 15AAWYT3HD; 16AAWYT3HD; 17AAWYT3HD</li><li>3. 16AAWYNSIP; 17AAWYNSIP</li><li>4. 15B1WYCOSR; 16B1WYCOSR</li><li>5. 2015-VA-GX-0067</li><li>6. C9-000863015-0; C9-00863016-0</li><li>7. Multiple</li></ol>
<p><b>Award Years:</b></p> <ol style="list-style-type: none"><li>1. October 1, 2015 – September 30, 2016; October 1, 2016 – September 30, 2017</li><li>2. October 1, 2015 – September 30, 2016; October 1, 2016 – September 30, 2017; October 1, 2014 – September 30, 2015; October 1, 2015 – September 30, 2016 ; October 1, 2016 – September 30, 2017</li><li>3. October 1, 2015 – September 30, 2016; October 1, 2016 – September 30, 2017</li><li>4. October 1, 2014 – September 30, 2016; October 1, 2015 – September 30, 2017</li><li>5. October 1, 2014 – September 30, 2018</li><li>6. April 15, 2015 – April 14, 2020; May 15, 2016 – May 14, 2021</li><li>7. Multiple</li></ol>

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2018

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**Departments:**

1. Wyoming Department of Health
2. Wyoming Department of Health
3. Wyoming Department of Health
4. Wyoming Department of Health
5. Wyoming Attorney General's Office
6. Wyoming Department of Environmental Quality
7. Wyoming State Parks and Cultural Resources

**Condition/Context:** There are various components of sub-recipient monitoring, which include *Award Identification* (providing complete and accurate information to the sub-recipient), *During-the-award Monitoring* (monitoring the sub-recipient's use of Federal awards through reporting, regular contact, or other means to provide reasonable assurance that the sub-recipient administers Federal awards in compliance with laws regulations, and the provisions of contracts or grant agreements and that sub-award performance goals are achieved), and the *Audit Requirement* (verifying that every sub-recipient is audited as required).

In addition, the Uniform Grant Guidance (UGG) went into effect for all awards made on or after December 26, 2014. This significantly expanded the *Award Identification* elements that need to be included with each sub-award. As a part of *During-the-award Monitoring*, the UGG also established a requirement that pass-through entities must perform formal risk assessments of each sub-recipient. These risk assessments are then used to drive *how* and to *what extent* the pass-through entity monitors each sub-recipient.

Two Wyoming Department of Health programs failed to perform or provide documentation for one or more of the components of sub-recipient monitoring, including the new UGG requirements. During the course of testing performed, the following items were noted:

1. Of the five sub-recipients subjected to testing for the Aging Cluster (items 1 – 3 above), there were five instances in which the sub-awards failed to contain all required award information. In addition, of the five sub-recipients selected for testing, the Program was required to perform risk assessment procedures on all five sub-recipients in conjunction with the UGG. In all five instances tested, the Program failed to perform and document the required risk assessment procedures.
2. Of the 5 sub-recipients selected for testing for the Community Service Block Grant (item 4 above), the Program was required to perform risk assessment procedures on all five sub-recipients in conjunction with the UGG. In all five instances tested, the Program failed to perform and document the required risk assessment procedures.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2018

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One Attorney General's Office program failed to perform or provide documentation for one or more of the components of sub-recipient monitoring, including the new UGG requirements. During the course of testing performed, the following items were noted:

3. Of the six sub-recipients subjected to testing for the Crime Victims Assistance Program (item 5 above), there were six instances in which the sub-awards failed to contain all required award information. In addition, of the six sub-recipients selected for testing, the Program was required to perform risk assessment procedures on all six sub-recipients in conjunction with the UGG. In all six instances tested, the Program failed to perform and document the required risk assessment procedures. There were also two additional instances out of the six tested where the Program failed to perform an on-site visit or a desk audit, as required by the Program's internal controls.

One Wyoming Department of Environmental Quality program failed to perform or provide documentation for one or more of the components of sub-recipient monitoring, including the new UGG requirements. During the course of testing performed, the following items were noted:

4. Of the four sub-recipients subjected to testing for the Non-point Source Program (item 6 above), two sub-recipients were tested against the UGG requirements. For both sub-recipients tested, the sub-awards failed to contain all required award information. In addition, the Program was required to perform risk assessment procedures on both sub-recipients in conjunction with the UGG and in both instances tested, the Program failed to perform and document the required risk assessment procedures. Of the six awards tested against the Audit Requirement, there was one instance where the Program failed to obtain the audit report.

One Wyoming State Parks and Cultural Resources Department program failed to perform or provide documentation for one or more of the components of sub-recipient monitoring, including the new UGG requirements. During the course of testing performed, the following items were noted:

5. Of the three sub-recipients subjected to testing for the Recreational Trails Program (item 7 above), there were three instances in the sub-awards that failed to contain all required award information. In addition, of the three sub-recipients selected for testing, the Program was required to perform risk assessment procedures on all three sub-recipients in conjunction with the UGG. In all three instances tested, the Program failed to perform and document the required risk assessment procedures. Finally, all three sub-recipients subject to testing under the UGG were not monitored throughout the life of the grant in order to ensure that either the single audit requirements were being met if the sub-recipient had received over \$750,000 in Federal funds, or that proper evidence was maintained that the sub-recipient was not required to have a single audit.

**Status:** *Wyoming Department of Health – Aging Cluster:* The WDH Community Living Section developed a Sub-recipient Grant Award Cover Sheet ("Cover Sheet"). This Cover Sheet is filled out by the Community Living Section upon receipt of the first Notice of Award from the Administration on Aging for the Federal Fiscal Year. It is then sent to the WDH's Fiscal Office for review, who then sends the Cover Sheet to the respective sub-recipient. The Cover Sheet provides the sub-recipient with grant information, the grant agreement information, funding information and a notice to the grantee about Federal funds aimed at complying with 2 CFR §200.331. In addition, the WDH Community Living Section has taken steps to ensure all monitoring activities shall be completed and the level of monitoring will be tracked for the ongoing quality assurance activities. Finally, the Community Living Section has implemented the WDH's policy to conduct a high-risk analysis of each sub-recipient at the start of the award period. The Community Living Section uses the WDH's approved Sub-Grantee Risk-Based Assessment to evaluate a sub-recipient's level of risk and then schedules site/desk reviews accordingly.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2018

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**Auditor's Comments:** *Wyoming Department of Health – Aging Cluster:* The corrective action plan has been implemented. This finding is resolved.

**Status:** *Wyoming Department of Health –CSBG:* The Community Service Program (CSP) has utilized the WDH risk assessment for FFY2016-2017. For the FFY 2017-2018 CSP developed a risk assessment tool specific to CSBG. This tool is now part of our onsite and desk monitoring that will occur each year prior to awarding the next year's funding. We will be doing a second assessment with two of our new grant recipients sometime in April.

**Auditor's Comments:** *Wyoming Department of Health – CSBG:* The corrective action plan has been implemented. This finding is resolved.

**Status:** *Wyoming Attorney General's Office:* The fiscal year 2019 contract template was modified to be in compliance with 2 CFR 200.331. In addition, a comprehensive risk assessment has been completed for each sub-recipient program and is on file at the Division office. An On-site Review Schedule is maintained by the Division's Senior Program Manager which assures on-site monitoring is conducted for each program at least once every two calendar years.

**Auditor's Comments:** *Wyoming Attorney General's Office:* The corrective action plan has been implemented. This finding is resolved.

**Status:** *Wyoming Department of Environmental Quality:* Wyoming Department of Environmental Quality: DEQ notified each sub-recipient of the required information via letter. Similar letters accompany any new agreements and we have added this letter as a required item on DEQ's internal contract route slip. The corrective action plan to ensure sub-recipients to certify and provide a copy of their audit has not been implemented.

**Auditor's Comments:** *Wyoming Department of Environmental Quality:* This corrective action plan has been partially implemented. The portion regarding the Program's internal control process to oversee obtaining sub-recipient audit reports remains open.

**Status:** *Wyoming State Parks and Cultural Resources:* The Program implemented a risk assessment process that included a two part questionnaire, one that Program staff completed and one part completed by the applicants. This risk assessment is utilized by the Department in the sub-recipient monitoring process.

**Auditor's Comments:** *Wyoming State Parks and Cultural Resources:* The corrective action plan was implemented. This finding is considered resolved.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2018

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**2017-010: Eligibility and Special Test N: Completion of Individualized Plans for Employment (IPEs)**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> CFDA #84.126 Rehabilitation Services Vocational Rehabilitation Grants to States
<b>Federal Agency Name:</b> U.S. Department of Education
<b>Pass-Through Entity Name (if applicable):</b> N/A
<b>Award Numbers:</b> 1. H126A150075 2. H126A160075 3. H126A170075
<b>Award Years:</b> 1. October 1, 2014 – September 30, 2015 2. October 1, 2015 – September 30, 2016 3. October 1, 2016 – September 30, 2017

**Condition/Context:** Out of 60 participants selected for testing for compliance with the eligibility requirements, we noted 11 instances where the participant did not have an eligibility determination within 60 days of application. In addition, we noted 16 instances where the participant did not have an individualized employment plan drafted within 90 days of the eligibility determination.

**Status:** WY DVR is in the process of implementing training for all field staff on status 02 and status 10 timeframes. In addition, WY DVR is implementing individual performance evaluations that will be documented for staff that continue to have issues completing programs within the set timeframes. In addition, the Program is also implementing system alerts to identify cases that are reaching the end of the time in certain status codes.

**Auditor’s Comments:** Based on current year testing, the Program is still in the process of implementing their corrective action. See repeat findings at 2018-010 and 2018-011.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2018

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**2017-011: Earmarking**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> CFDA #84.126 Rehabilitation Services Vocational Rehabilitation Grants to States
<b>Federal Agency Name:</b> U.S. Department of Education
<b>Pass-Through Entity Name (if applicable):</b> N/A
<b>Award Number:</b> 1. H126A150075
<b>Award Year:</b> 1. October 1, 2014 – September 30, 2016

**Condition/Context:** Program guidelines require that 15% of each grant award should be earmarked for pre-employment transition services to students with disabilities. For the 2015 grant award, the program only earmarked \$467,671 for pre-employment transition services, which is 5% of the 2015 award amount (\$8,986,583).

**Status:** WY DVR continues to make purposeful changes to the State Plan and budget to improve controls and promote spending of earmarked funds. WY DVR anticipates meeting the requirement for the 2017 grant.

**Auditor's Comments:** Based on current year testing, the Program is still in the process of implementing their corrective action. See repeat finding at 2018-014.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2018

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**2017-012: Reporting**

<b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b> <ol style="list-style-type: none"><li>1. CFDA #66.460 Non-point Source Implementation Grants</li><li>2. CFDA #66.605 Performance Partnership Grant</li></ol>
<b>Federal Agency Name:</b> <ol style="list-style-type: none"><li>1. U.S. Environmental Protection Agency</li><li>2. U. S. Environmental Protection Agency</li></ol>
<b>Pass-Through Entity Name (if applicable):</b> N/A
<b>Award Numbers:</b> <ol style="list-style-type: none"><li>1. C9-000863015-0; C9-00863016-0</li><li>2. BG-99861916</li></ol>
<b>Award Years:</b> <ol style="list-style-type: none"><li>1. April 15, 2015 – April 14, 2020; May 15, 2016 – May 14, 2021</li><li>2. October 1, 2015 – September 30, 2017</li></ol>

**Condition/Context:** During testing of compliance with reporting requirements, we noted the following:

In instances #1 and #2 above, the following items occurred:

1. The Federal Financial Report (Form SF-425) was not submitted for the Federal fiscal year ended September 30, 2016. The report for all open grants is due to the Las Vegas Financial Center within 90 days following the end of each Federal fiscal year.
2. The “MBE/WBE Utilization under Federal Grants, Cooperative Agreements and Interagency Agreements” Report (EPA Form 5700-52A) was not submitted during State fiscal year 2017. The report is required to be completed annually by October 30<sup>th</sup> of each year.

**Status:** The Department has created an accounting electronic calendar, which lists due dates. In addition, a detailed listing was also created that lists each required report and when it is due. The Federal Financial Report and MBE/WBE for awards C9-000863015-0 and C9-00863016-0 have been submitted.

**Auditor’s Comments:** The corrective action plan has been implemented. This finding is considered resolved.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2018

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**2017-013: Suspension and Debarment**

<p><b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b></p> <ol style="list-style-type: none"><li>1. CFDA #12.404 National Guard Challenge Program</li><li>2. Highway Planning and Construction Cluster</li><li>3. Fish and Wildlife Cluster, CFDA #15.605 Sport Fish Restoration Program</li><li>4. Fish and Wildlife Cluster, CFDA #15.611 Wildlife Restoration and Basic Hunter Education Program</li></ol>
<p><b>Federal Agency Names:</b></p> <ol style="list-style-type: none"><li>1. U.S. Department of Defense</li><li>2. U.S. Department of Transportation</li><li>3. U.S. Department of Interior</li><li>4. U.S. Department of Interior</li></ol>
<p><b>Pass-Through Entity Name (if applicable):</b> N/A</p>
<p><b>Award Numbers:</b></p> <ol style="list-style-type: none"><li>1. W912L3-14-2-4002; W912L3-16-2-4001</li><li>2. Multiple</li><li>3. F15AF00625; F14AF01026</li><li>4. F16AF00698; F16AF00695</li></ol>
<p><b>Award Years:</b></p> <ol style="list-style-type: none"><li>1. October 1, 2013 – September 30, 2018 and October 1, 2015 – September 30, 2020</li><li>2. Multiple</li><li>3. July 1, 2014 – December 31, 2015; July 1, 2015 – June 30, 2016</li><li>4. July 1, 2016 – December 31, 2018; July 1, 2016 – June 30, 2018</li></ol>
<p><b>Departments:</b></p> <ol style="list-style-type: none"><li>1. Wyoming Military Department</li><li>2. Wyoming State Parks and Cultural Resources</li><li>3. Wyoming Game and Fish Department</li><li>4. Wyoming Game and Fish Department</li></ol>

**Condition/Context:** We noted the following:

1. During our review of two vendors selected for testing compliance with the suspension and debarment requirements for the National Guard Challenge Program (CFDA #12.404), we were not able to verify that the Department ensured one vendor was not suspended or debarred prior to entering into the contract with the vendor. It was noted that only construction contracts are susceptible to this control deficiency as contracts with other vendors include a suspension and debarment clause.
2. During our review of the three vendors selected for testing compliance with the suspension and debarment requirements for the Recreational Trails Program (CFDA #20.219), the Department did not perform any procedures to ensure the three vendors were not suspended or debarred. The entire population subject to testing consisted of eight vendors and eight sub-recipients.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2018

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3. During our review of vendors selected for testing compliance with the suspension and debarment requirements for the Fish and Wildlife Cluster (CFDA #15.605 and #15.611), the Department did not perform any procedures to ensure vendors were not suspended or debarred. It was noted that, due to the cause of the errors, only Federal expenditures disbursed to vendors would be susceptible to this control deficiency.

The above did not result in a compliance finding or questioned costs as the vendors with which the Departments contracted were not suspended or debarred.

**Status:** *Wyoming Military Department:* The Department's standard contract template was modified to include suspension and debarment language.

**Auditor's Comments:** *Wyoming Military Department:* The corrective action plan was implemented. This finding is considered resolved.

**Status:** *Wyoming State Parks and Cultural Resources:* The Department's standard contract template was modified to include suspension and debarment language.

**Auditor's Comments:** *Wyoming State Parks and Cultural Resources:* The corrective action plan was implemented. This finding is considered resolved.

**Status:** *Wyoming Game and Fish Department:* CAP completed late June 2017. Contract template modifications were made to address suspension and debarment. As reported in the CAP dated March 28, 2018; during the review process, the Wyoming Game and Fish Department acknowledged upon discovery of the control deficiency regarding suspension and debarment verification for goods and services and immediately modified all contract templates to include suspension and debarment language to ensure compliance with all Federal requirements regardless of the funding source. The modified templates were finalized and posted for use at the end of June 2017.

**Auditor's Comments:** *Wyoming Game and Fish Department:* The corrective action plan has been implemented. This finding is considered resolved.

# **EXHIBIT I**

## **CORRECTIVE ACTION PLANS**

**STATE OF WYOMING**  
**CORRECTIVE ACTION PLANS**  
**JUNE 30, 2018**

The following are the corrective action plans for the *Schedule of Findings and Questioned Costs* reported in the June 30, 2018 Compliance Report for the State of Wyoming.

**2018-001: State Treasurer's Office (STO) – Internal Controls and Audit Adjustments  
Related to Pooled Cash and Investments**

**Condition/Context:** Adjusting journal entries were proposed and recorded as follows:

- Within all fund classes participating in the Permanent Mineral Trust Fund and the State Agency Pool to correct an improper allocation of unrealized gains and losses in the amount of approximately \$141 million.
- Within certain fund classes participating in the Permanent Mineral Trust Fund and the State Agency Pool to correct an improper allocation of accrued interest attributable to public purpose investments in the amount of approximately \$4 million.

In addition to the adjusting journal entries proposed, it was identified that certain spreadsheets prepared by the STO and used to allocate pooled cash and investment balances contained formula errors, as well as unsupported activity.

**Recommendation:** We recommend the STO continue its efforts to transition from the use of internal spreadsheets to system-generated reports, which will assist in reducing data entry errors that impact the accounting and reporting of pooled cash and investments. When internal spreadsheets are used, we recommend that the STO ensure there are documented procedures in place to ensure consistent completion of such spreadsheets and that the spreadsheets are then subjected to independent review processes.

**Corrective Action Planned:** The State Treasurer's Office will continue to utilize enhanced accounting processes and systems to ensure future investment allocations are completed accurately and efficiently. It has been and continues to be the priority of the State Treasurer's Office to locate systems and processes to advance our accounting practices to match the State's flourishing investments. In addition, the State Treasurer's Office will enforce a more advantageous and diligent independent review process. This review will be implemented throughout the fiscal year.

The enhancement in accounting processes and a diligent independent review procedure will ensure accurate future allocations.

**Contact:** Dawn Williams, Deputy Director

**Anticipated Completion Date:** For the year ended June 30, 2019

# STATE OF WYOMING

## CORRECTIVE ACTION PLANS

JUNE 30, 2018

### **2018-002: State Auditor's Office (SAO) – Internal Controls and Audit Adjustment to Claims and Benefits Payable**

**Condition/Context:** An adjusting journal entry was proposed and recorded within the Workers' Compensation Insurance Fund to increase the claims and benefits payable and the corresponding expense by approximately \$285 million.

The error within the spreadsheet provided by the SAO was not identified during their review and compilation of the information for posting to the State's financial statements.

**Recommendation:** We recommend the SAO continue to refine its internal review process in order to determine the propriety of the journal entries posted during the preparation of the State's financial statements. In addition, the SAO may also want to consider performing a high-level analytical review of the financial statement balances after adjustment to assist in identifying unusual changes in account balances.

**Corrective Action Planned:** The State Auditor's Office (SAO) has added additional procedures to the project for the calculation of the accrual, as well as included additional items on the review checklist when the project is reviewed. The SAO will implement a reasonableness or analytical review for the adjusted account balances.

**Contact:** Barb Wallace, CAFR Division Manager

**Anticipated Completion Date:** June 30, 2019

### **2018-003: State Auditor's Office (SAO) – Internal Controls and Audit Adjustment to Compensated Absences Payable**

**Condition/Context:** An adjusting journal entry was proposed and recorded in the government-wide financial statements to increase the compensated absences liability and the corresponding expense by approximately \$9 million.

The error within the spreadsheet provided by the SAO was not identified during their review and compilation of the information for posting to the State's financial statements.

**Recommendation:** We recommend the SAO continue to refine its internal review process in order to determine the propriety of the journal entries posted during the preparation of the State's financial statements. In addition, the SAO may also want to consider performing a high-level analytical review of the financial statement balances after adjustment to assist in identifying unusual changes in account balances.

**Corrective Action Planned:** The State Auditor's Office (SAO) has added additional procedures to the project for the calculation of the accrual, as well as included additional items on the review checklist when the project is reviewed. The SAO will also implement a reasonableness or analytical review for the adjusted account balances.

**Contact:** Barb Wallace, CAFR Division Manager

**Anticipated Completion Date:** June 30, 2019

# STATE OF WYOMING

## CORRECTIVE ACTION PLANS

JUNE 30, 2018

### **2018-004: State Auditor's Office (SAO) – Internal Controls and Audit Adjustment to Government-Wide Eliminations**

**Condition/Context:** An adjusting journal entry was proposed and recorded in the government-wide Statement of Activities to reverse the elimination of approximately \$55 million in revenues and expenses related to operating transfers.

The error within the spreadsheet provided by the SAO was not identified during their review and compilation of the information for posting to the State's financial statements.

**Recommendation:** We recommend the SAO continue to refine its internal review process in order to determine the propriety of the journal entries posted during the preparation of the State's financial statements. In addition, the SAO may also want to consider performing a high-level analytical review of the financial statement balances after adjustment to assist in identifying unusual changes in account balances.

*Corrective Action Planned:* The State Auditor's Office (SAO) has added additional procedures and clarification to the project for the entity-wide eliminations to include this elimination requirement.

*Contact:* Barb Wallace, CAFR Division Manager

*Anticipated Completion Date:* June 30, 2019

### **2018-005: State Auditor's Office (SAO) – Internal Controls and Audit Reclassifications Related to Fund Balance Restatements**

**Condition/Context:** Reclassifying journal entries were proposed and recorded as follows:

- Within the Environmental Quality Fund – Committed, approximately \$21 million was reclassified to Federal aid and grants revenue from recreation and resource development expense.
- Within the Special Projects Fund – Committed, approximately \$500,000 was reclassified to deferred revenue from accounts payable.

The errors within the spreadsheet provided by the SAO were not identified during their review and compilation of the information for posting to the State's financial statements.

**Recommendation:** We recommend the SAO continue to refine its internal review process in order to determine the propriety of the journal entries posted during the preparation of the State's financial statements. In addition, the SAO may also want to consider performing a high-level analytical review of the financial statement balances after adjustment to assist in identifying unusual changes in account balances.

*Corrective Action Planned:* The State Auditor's Office (SAO) has added additional procedures and altered the timeline on the fund balance restatement project. The SAO has improved the review process on the Fund Balance Restatement Project to allow for adequate review time.

*Contact:* Barb Wallace, CAFR Division Manager

*Anticipated Completion Date:* June 30, 2019

# STATE OF WYOMING

## CORRECTIVE ACTION PLANS

JUNE 30, 2018

**2018-006: Department of Workforce Services (DWS) –  
Internal Controls and Audit Adjustment to Federal Revenue**

**Condition/Context:** An adjusting journal entry was proposed within the General Fund to increase Federal revenue and reduce related assets, liability, and the beginning fund balances by approximately \$10 million.

The prior period corrections and errors within the Schedule of Expenditures of Federal Awards (SEFA) submitted by the DWS were not communicated to the SAO and/or identified by the DWS during DWS's review and compilation of the SEFA.

**Recommendation:** We recommend DWS continue to review its SEFA prior to submission to the SAO to ensure the accuracy and completeness of all Federal programs' activity. When amounts are identified within the "Difference" column of the SEFA spreadsheet, they should be evaluated for financial statement impact and communicated to the SAO to ensure the activity is properly reflected in the State's financial statements.

*Corrective Action Planned:* DWS will continue to review its SEFA quarterly to ensure the accuracy and completeness of all Federal programs' activities. DWS has scheduled a meeting with the SAO CAFR to discuss and communicate clean-up items. As corrections are needed, DWS will work directly with the SAO CAFR to eliminate mistakes that have been carried forward onto the SEFA as the result of putting program expenditures on the grant module, halfway through the applicable grant periods in BFY 2013. All differences and corrections will be evaluated for financial statement impact and communicated to the SAO CAFR to ensure accurate reflection in the annual financial statements.

*Contact:* Kristin Burkhart, CFO

*Anticipated Completion Date:* Corrections will be implemented for the June 30, 2019 CAFR

# STATE OF WYOMING

## CORRECTIVE ACTION PLANS

JUNE 30, 2018

### **2018-007: Enterprise Technology Services (ETS) – Information Technology Risk Assessment**

**Condition/Context:** During the Information Systems General Controls Review, we noted no new observations with respect to ETS. Of the two observations noted in the prior year, ETS implemented procedures to remedy one of the observations; however, the following observation remains open:

1. A risk assessment for ETS has not been performed since August of 2010.

**Recommendation:** We recommend that ETS perform a risk assessment on an annual basis in order to assess current risks and potential vulnerabilities. The State needs to be aware of the risks and vulnerabilities to determine if existing controls are in place to adequately mitigate potential threats. In addition, the State should add additional security measures where controls are identified as being “not in place” or lacking to protect against the threat.

**Corrective Action Planned:** ETS has started to implement the Factor Analysis of Information Risk (FAIR) risk model. Currently, ETS is working towards getting the proper staff members trained on this model. After the training is complete, they will begin conducting risk analysis for executive branch agencies upon their request.

**Contact:** Nicholas Gronski, Governance Analyst, Process and Innovation Team,  
Wyoming Department of Enterprise Technology Services

**Anticipated Completion Date:** June 2019

# STATE OF WYOMING

## CORRECTIVE ACTION PLANS

JUNE 30, 2018

### **2018-008: Sub-recipient Monitoring**

<b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b> <ol style="list-style-type: none"><li>1. CFDA #84.010 Title I Grants to Local Educational Agencies</li><li>2. CFDA #84.048 Career and Technical Education – Basic Grants to States</li><li>3. CFDA #84.287 Twenty-first Century Community Learning Centers</li><li>4. CFDA #84.367 Supporting Effective Instruction State Grant</li><li>5. Special Education Cluster</li></ol>
<b>Federal Agency Name:</b> U.S. Department of Education
<b>Pass-Through Entity Name (if applicable):</b> Not applicable
<b>Award Numbers:</b> <ol style="list-style-type: none"><li>1. S010A140050; S010A150050; S010A160050; S010A170050</li><li>2. V048A150050; V048A160050; V048A170050</li><li>3. S287C150051; S287C160051</li><li>4. S367A140048; S367A150048; S367B150043</li><li>5. H027A150014; H027A160014; H173A130076; H173A150076; H173A160076</li></ol>
<b>Award Years:</b> Miscellaneous
<b>Department:</b> Wyoming Department of Education

**Condition/Context:** There are various components of sub-recipient monitoring, which include Award Identification (providing complete and accurate information to the sub-recipient), During-the-Award Monitoring (monitoring the sub-recipient’s use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the sub-recipient administers Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements, and that sub-award performance goals are achieved), and the Audit Requirement (verify that every sub-recipient is audited as required).

Uniform Grant Guidance, which went into effect for all awards made on or after December 26, 2014, requires that pass-through entities perform formal risk assessments of each sub-recipient in conjunction with others during the award monitoring (desk audits/on-site reviews). These risk assessments are then used to drive how and to what extent the pass-through entity monitors each sub-recipient. The Special Education cluster programs (CFDA #84.027 and CFDA #84.173) did not perform and document these assessments for the year under audit.

The requirements for Award Identification were not fully met. The Department of Education did not modify their sub-award agreements for *any* of the programs tested in the current year. (See full listing of CFDA numbers listed above.) As a result, all required award identification under Uniform Grant Guidance was not properly provided to the Department’s sub-recipients.

**Recommendation:** We recommend that the Department/Programs develop and implement a standard control system over the monitoring and management of sub-recipients. The Department/Programs should ensure the control system is inclusive of all Federally required communications and actions. This includes reviewing award documents to ensure that all required award identification information is provided to the sub-recipient. In addition, the Departments/Programs should ensure that risk assessment procedures are documented.

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## CORRECTIVE ACTION PLANS JUNE 30, 2018

Corrective Action Planned: To achieve compliance with the requirements of pass-through entities listed under the Federal OMB Uniform Grant Guidance, the Wyoming Department of Education (WDE) – School Support Division fiscal analyst will include the required award identification elements in the narrative section of the Local Education Agency (LEA) grant award notification provided to grant recipients. In addition, the WDE will leverage the risk assessment system already in use by other consolidated grant programs for the Special Education cluster programs.

Contact: Trent Carroll, Chief Operations Officer

Anticipated Completion Date: June 30, 2019

### **2018-009: Suspension and Debarment**

<b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b> <ol style="list-style-type: none"><li>1. CFDA #84.010 Title I Grants to Local Educational Agencies</li><li>2. CFDA #84.369 Grants for State Assessments and Related Activities</li></ol>
<b>Federal Agency Names:</b> <ol style="list-style-type: none"><li>1. U.S. Department of Education</li><li>2. U.S. Department of Education</li></ol>
<b>Pass-Through Entity Names (if applicable):</b> <ol style="list-style-type: none"><li>1. Not applicable</li><li>2. Not applicable</li></ol>
<b>Award Numbers:</b> <ol style="list-style-type: none"><li>1. S010A140050; S010A150050; S010A160050; S010A170050</li><li>2. S369A160052; S369A150052</li></ol>
<b>Award Years:</b> <ol style="list-style-type: none"><li>1. July 1, 2016 – September 30, 2017; July 1, 2016 – September 30, 2018; July 1, 2017 – September 30, 2019</li><li>2. July 1, 2016 – September 30, 2017; July 1, 2016 – September 30, 2018</li></ol>
<b>Departments:</b> <ol style="list-style-type: none"><li>1. Wyoming Department of Education</li><li>2. Wyoming Department of Education</li></ol>

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**Condition/Context:** We noted the following:

1. During our review of three vendors selected for testing compliance with the suspension and debarment requirements for the Title I Grants to Local Educational Agencies program (CFDA #84.010), we were not able to verify that the Department ensured one vendor was not suspended or debarred prior to entering into the contract with the vendor. It is the Department's practice to include a suspension and debarment clause within the contract with the vendor, which was absent. In addition, the Program did not have evidence that suspension and debarment was checked per review of [www.sam.gov](http://www.sam.gov).
2. During our review of the ten vendors selected for testing compliance with the suspension and debarment requirements for the Grants for State Assessments and Related Activities (CFDA #84.369), we were not able to verify that the Department ensured two vendors were not suspended or debarred prior to entering into the contract with the vendor. It is the Department's practice to include a suspension and debarment clause within the contract with the vendor, which was absent. In addition, the Program did not have evidence that suspension and debarment was checked, per review of [www.sam.gov](http://www.sam.gov).

The above did not result in a compliance finding or questioned costs as the vendors with whom the Department contracted were not suspended or debarred.

**Recommendation:** We recommend the Department review and revise current control systems to require that all contracts be initiated through a procurement process, which includes the suspension and debarment certification process. If this is not feasible, we recommend that a secondary control system be established to ensure that all contracts entered into outside of the procurement process be reviewed to ensure compliance with all necessary Federal requirements, including suspension and debarment.

Corrective Action Planned: To ensure the suspension and debarment clause is included in all future contracts, the WDE Finance Division has collaborated with the Wyoming Attorney General's Office to modify contract templates and add the standard clause in all contract templates, regardless of funding source. In addition, the Finance Division has implemented a new control activity as a secondary safeguard. During the contract review and encumbering process, Finance Division personnel will use the SAM.gov website to determine if a contract vendor has been suspended or debarred. A screenshot of the search results will be filed with each contract.

Contact: Trent Carroll, Chief Operations Officer

Anticipated Completion Date: June 30, 2019

# STATE OF WYOMING

## CORRECTIVE ACTION PLANS

JUNE 30, 2018

### **2018-010: Eligibility**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 1. CFDA #84.126 Rehabilitation Services Vocational Rehabilitation Grants to States
<b>Federal Agency Name:</b> 1. U.S. Department of Education
<b>Pass-Through Entity Name (if applicable):</b> 1. Not applicable
<b>Award Numbers/Names:</b> 1. H126A160075; H126A170075; H126A180075
<b>Award Years:</b> 1. October 1, 2015 – September 30, 2017; October 1, 2016 – September 30, 2018; October 1, 2017 – September 30, 2019
<b>Department:</b> 1. Wyoming Department of Workforce Services

**Condition/Context:** Out of 60 participants selected for testing for compliance with the eligibility requirements, we noted five instances where the participant did not have an eligibility determination within 60 days of application or the approved extension date (generally, 120 days).

**Recommendation:** We recommend the Department continue to identify areas subject to error and implement employee trainings and quality control procedures to address those areas more susceptible to human error.

*Corrective Action Planned:* WY DVR views Eligibility finding and the Special Test N finding as related and sharing core causes. For both Status 02 and Status 10 timeframes, training to all field staff regarding the time limits specific to status 02 and 10 has been completed. Reinforcement training continues on a regular basis. To further reinforce to staff the seriousness of this issue, individual performance evaluations have documented for staff that continue to have issues completing programs within the set timeframes.

A system has been developed using an Alert list report on DVR's case management System (WINRS) that identifies individuals reaching the end of the time in status. A series of checks have been established in each field office that assures a daily review and status check. Each Area Manager monitors these checks and reports to the DVR Administrator. Daily, weekly, and monthly reminders are sent out statewide to staff. Direct communication is sent to individual staff members that have a case(s) that are critical of going over the established timeframes.

DVR has reclassified two staff positions in our largest office (Cheyenne) to Vocational Rehabilitation Coordinators. Part of the responsibilities of these two positions are to monitor the statuses of cases, track the information that is needed to determine eligibility and/or write an Individualized Plan for Employment in order to assist the VR counselors in completing these items in a timely manner. DVR anticipates expanding these positions to other areas of the state as positions are available to reclassify and need for the position is present.

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## CORRECTIVE ACTION PLANS

JUNE 30, 2018

Contact: Brian Hickman – Program Coordinator

Anticipated Completion Date: September 30, 2019

### **2018-011: Special Test N – Completion of Individualized Plans for Employment (IPEs)**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 1. CFDA #84.126 Rehabilitation Services Vocational Rehabilitation Grants to States
<b>Federal Agency Name:</b> 1. Department of Education
<b>Pass-Through Entity Name (if applicable):</b> 1. Not applicable
<b>Award Numbers/Names:</b> 1. H126A160075; H126A170075; H126A180075
<b>Award Years:</b> 1. October 1, 2015 – September 30, 2017; October 1, 2016 – September 30, 2018; October 1, 2017 – September 30, 2019
<b>Department:</b> 1. Wyoming Department of Workforce Services

**Condition/Context:** Out of 50 participants selected for testing, we noted seven instances where participants did not have an individualized employment plan drafted within 90 days of the eligibility determination.

**Recommendation:** We recommend the Department continue to identify areas subject to error and implement employee trainings and quality control procedures to address those areas more susceptible to human error.

**Corrective Action Planned:** WY DVR views Eligibility finding and the Special Test N finding as related and sharing core causes. For both Status 02 and Status 10 timeframes, training to all field staff regarding the time limits specific to status 02 and 10 has been completed. Reinforcement training continues on a regular basis. To further reinforce to staff the seriousness of this issue, individual performance evaluations have documented for staff that continue to have issues completing programs within the set timeframes.

A system has been developed using an Alert list report on DVR's case management System (WINRS) that identifies individuals reaching the end of the time in status. A series of checks have been established in each field office that assures a daily review and status check. Each Area Manager monitors these checks and reports to the DVR Administrator. Daily, weekly, and monthly reminders are sent out statewide to staff. Direct communication is sent to individual staff members that have a case(s) that are critical of going over the established timeframes.

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DVR has reclassified two staff positions in our largest office (Cheyenne) to Vocational Rehabilitation Coordinators. Part of the responsibilities of these two positions are to monitor the statuses of cases, track the information that is needed to determine eligibility and/or write an Individualized Plan for Employment in order to assist the VR counselors in completing these items in a timely manner. DVR anticipates expanding these positions to other areas of the state as positions are available to reclassify and need for the position is present.

Contact: Brian Hickman – Program Coordinator

Anticipated Completion Date: September 30, 2019

### **2018-012: Allowable Cost/Cost Principles**

<b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b> <ol style="list-style-type: none"><li>1. CFDA #17.225 Unemployment Insurance</li><li>2. WIOA Cluster</li></ol>
<b>Federal Agency Names:</b> <ol style="list-style-type: none"><li>1. U.S. Department of Labor</li><li>2. U.S. Department of Labor</li></ol>
<b>Pass-Through Entity Names (if applicable):</b> <ol style="list-style-type: none"><li>1. Not applicable</li><li>2. Not applicable</li></ol>
<b>Award Numbers/Names:</b> <ol style="list-style-type: none"><li>1. UI-31385-18-55-A-56</li><li>2. AA-26816-15-55-A-56; AA-28353-16-55-A-56; AA-30844-17-55-A-56</li></ol>
<b>Award Years:</b> <ol style="list-style-type: none"><li>1. October 1, 2017 – December 31, 2020</li><li>2. April 1, 2015 – June 30, 2018; April 1, 2016 – June 30, 2019; April 1, 2017 – June 30, 2020</li></ol>
<b>Departments:</b> <ol style="list-style-type: none"><li>1. Wyoming Department of Workforce Services</li><li>2. Wyoming Department of Workforce Services</li></ol>

### **Condition/Context:**

Instance One: Of the 40 items selected for allowable costs/cost principles, the Program improperly allocated one expenditure. Specifically, the expenditure benefited the Unemployment Insurance program as well as the Workers' Compensation program. This expenditure was not allocated based on proportional benefit to each program. Instead, personnel used a 2/3<sup>rd</sup> and 1/3<sup>rd</sup> allocation methodology for all invoices benefitting both programs.

Instance Two: Of the 40 items selected for allowable costs/cost principles, the Program could not provide support for the rationale behind the allocation of the expenditures charged to the Program. Three of the expenditures were for travel reimbursement, one was for conference space rental, and one was for catering services.

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**Recommendation:** We recommend the Department document its cost allocation methodologies for all shared costs not assigned to the indirect cost pools. The documentation must include (a) the methodologies to be used for each type of transaction; and (b) evidence that both fiscal and program staff are trained in the methodologies and understand the impact of the failure to allocate costs based on relative benefits received.

**Corrective Action Planned:** DWS is in the process of developing operating guidance for the allocation of shared costs and a written cost allocation methodology plan. DWS will ensure that the written plan includes the methodologies to be used for each type of transaction. This plan will be reviewed by our Federal partners, the U.S. Department of Labor (USDOL). Once the plan has been approved by USDOL, DWS will train both our fiscal and program staff on the allocation methodology and the impact of not allocating costs based on relative benefits received.

**Contact:** Kristin Burkart, CFO

**Anticipated Completion Date:** Corrections will be implemented by June 30, 2019

### **2018-013: Sub-recipient Monitoring**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 1. CFDA #93.959 Block Grants for Prevention and Treatment of Substance Abuse
<b>Federal Agency Name:</b> 1. U.S. Department of Health and Human Services
<b>Pass-Through Entity Name (if applicable):</b> 1. Not applicable
<b>Award Numbers/Names:</b> 1. TI010059-16; TI010059-17
<b>Award Years:</b> 1. October 1, 2015 – September 30, 2017; October 1, 2016 – September 30, 2018
<b>Department:</b> 1. Wyoming Department of Health

**Condition/Context:** There are various components of sub-recipient monitoring, which include Award Identification (providing complete and accurate information to the sub-recipient), During-the-Award Monitoring (monitoring the sub-recipient's use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the sub-recipient administers Federal awards in compliance with laws regulations, and the provisions of contracts or grant agreements and that sub-award performance goals are achieved), and the Audit Requirement (verify that every sub-recipient is audited as required).

Uniform Grant Guidance, which went into effect for all awards made on or after December 26, 2014, requires that pass-through entities perform formal risk assessments of each sub-recipient in conjunction with other during the award monitoring (desk audits/on-site reviews) were put into place. These risk assessments are then used to drive how and to what extent the pass-through entity monitor each sub-recipient. The Program did not perform and document these assessments for the year under audit.

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In addition, of the five sub-recipients selected for testing, two of the sub-recipients were required to receive a single audit for their fiscal year 2017. While these audits were completed and communicated to the Program, the findings and deficiencies noted from these single audits were not followed up on by Program or fiscal personnel. In addition, management decisions were not issued to the sub-recipients for findings identified in the single audit report. As a result, the Program did not fully/effectively monitor the award during the award year.

**Recommendation:** We recommend that the Department/Programs develop and implement a standard control system over the monitoring and management of sub-recipients. The Department/Programs should ensure the control system is inclusive of all Federally required communications and actions. This includes reviewing award documents to ensure that all required award identification information is provided to the sub-recipient. In addition, the Departments/Programs should ensure that risk assessment procedures are documented.

Corrective Action Planned: The Department has developed a Risk Assessment and a Grant Monitoring form that the Program will utilize beginning in January 2019. The program will complete a risk assessment for the subrecipients currently receiving block grant funds and will use the results in conjunction with the bi-annual review of performance on contract deliverables. The results of the risk assessments will be sent to the Department's Grants Management team for tracking. Once all assessments are complete, the Program will determine a routine schedule for completion of the assessments on an annual basis. The frequency of the assessments for each sub recipient will be determined by their risk level score.

The Department's Grants Management team has begun development of the management decision template letter that will be sent to all SABG subrecipients as applicable based on the audit findings. The Grants Management team will copy the Program when sending the management decision letter so if additional follow up is required, the Program may work with the subrecipient to get the information or impose some type of corrective action on the subrecipient for non-compliance with the regulations.

Additionally, the Department's Grant Management team and the Program will collaborate in the development of written policies and procedures to ensure the execution of timely and appropriate risk assessments and management of standardized sub recipient monitoring tracking tools and processes. The use of management decision letter and associated follow up with the sub recipient will also be formalized through written procedure.

Contact: Dani Sullivan, State Planner, Behavioral Health Division, Department of Health

Anticipated Completion Date: June 30, 2019

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## CORRECTIVE ACTION PLANS JUNE 30, 2018

### **2018-014: Earmarking**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> 1. CFDA #84.126 Rehabilitation Services Vocational Rehabilitation Grants to States
<b>Federal Agency Name:</b> 1. U.S. Department of Education
<b>Pass-Through Entity Name (if applicable):</b> 1. Not applicable
<b>Award Number/Name:</b> 1. H126A160075
<b>Award Years:</b> 1. October 1, 2015 – September 30, 2017
<b>Department:</b> 1. Wyoming Department of Workforce Services

**Condition/Context:** Program guidelines require that 15% of each grant award should be earmarked for pre-employment transition services to student with disabilities. For the 2016 grant award, the program only earmarked \$740,002 for pre-employment transition services, which is 8% of the 2016 award amount (\$8,881,107).

**Recommendation:** We recommend the Program implement a tracking system which will allow personnel to monitor the earmarking requirement to ensure that it will be met when the grant is closed.

**Corrective Action Planned:** WY DVR has made purposeful changes to the State Plan and budget to improve controls and promote the spending of earmarked funds. WY DVR's changes in controls and the addition of tracking mechanisms in the case management system have had a positive impact and the 2017 earmark has been fully expended per the requirement. WY DVR will continue these successful practices and re-evaluate at the end of FY2019.

**Contact:** Andy Losasso, Fiscal Manager

**Anticipated Completion Date:** September 30, 2019