



# State of Wyoming

## Compliance Report

Fiscal Year Ended

June 30, 2017



# **STATE OF WYOMING**

**ENTITY IDENTIFICATION NUMBER 83-0208667**

**COMPLIANCE REPORT**

**JUNE 30, 2017**

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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, 2017, 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 18, 2017. Our report includes a reference to other auditors who audited the financial statements of the Wyoming Community Development Authority and the University of Wyoming Foundation (a component unit of the University of Wyoming), which are shown as discretely presented component units, and the Wyoming Retirement System, which is shown as a fiduciary fund. 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 2017-001 through 2017-003, 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 2017-004 through 2017-008, 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 Schedule of Findings and Questioned Costs. 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 & Paig, LLP*

Cheyenne, Wyoming  
December 18, 2017



**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, 2017. 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 Lottery Corporation, Wyoming Business Council, Wyoming Community Development Authority, Wyoming Pipeline Authority, Wyoming Infrastructure Authority, Wyoming Department of Transportation, and the University of Wyoming, all of which received approximately \$422.6 million in Federal awards which are not included in the accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2017. Our audit, described below, did not include the operations of the Wyoming Lottery Corporation, Wyoming Business Council, Wyoming Community Development Authority, Wyoming Pipeline Authority, Wyoming Infrastructure Authority, Wyoming Department of Transportation, and the University of Wyoming because these entities either had separate audits performed and reported on in accordance with the Uniform Guidance, or were not required to have an audit performed in accordance with the 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 2017-011 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, 2017.

### **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, 2017.

### ***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 2017-009 through 2017-012. 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 2017-011 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 2017-009, 2017-010, 2017-012, and 2017-013 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 (except as noted below), each major fund, and the aggregate remaining fund information of the State of Wyoming as of and for the year ended June 30, 2017, 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 18, 2017, which contained an unmodified opinion on those financial statements that collectively comprise the basic financial statements. We did not audit the financial statements of the Wyoming Community Development Authority, Wyoming Retirement System, and the University of Wyoming Foundation included in the University of Wyoming, which are shown as discretely presented component units. 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, Wyoming Retirement System, and the University of Wyoming Foundation portion of the University of Wyoming component units, are based 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 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 financial statements as a whole.

*McLee, Hearne & Paiz, LLP*

Cheyenne, Wyoming

March 30, 2018, except for that portion which addresses the Schedule of Expenditures of Federal Awards, as to which the date is December 18, 2017



**STATE OF WYOMING**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2017**

<b>Federal Grantor</b>	<b>Total Federal Expenditures</b>	<b>Total Passed Through to Sub-Recipients</b>
Direct Funding:		
U.S. Department of Agriculture	\$ 96,864,301	\$ 28,882,670
U.S. Department of Commerce	5,019	-
U.S. Department of Defense	27,269,815	-
U.S. Department of Housing and Urban Development	353,715	-
U.S. Department of the Interior	168,951,454	124,404,788
U.S. Department of Justice	5,835,777	3,938,569
U.S. Department of Labor	134,045,583	1,069,639
U.S. Department of Transportation	1,353,057	295,684
National Endowment for the Arts and the Humanities	1,731,189	458,948
U.S. Department of Veterans Affairs	95,773	-
Environmental Protection Agency	19,982,279	11,343,683
U.S. Department of Energy	1,129,478	979,539
U.S. Department of Education	103,763,353	84,408,766
National Archives and Records Administration	14,076	10,574
U.S. Election Assistance Commission	52,081	42,395
U.S. Department of Health and Human Services	458,573,167	25,490,208
Executive Office of the President	985,466	725,518
Social Security Administration	3,009,435	-
U.S. Department of Homeland Security	8,130,724	4,947,251
Other Federal Financial Awards	335,028	-
<b>Total Direct Funding</b>	<b>1,032,480,770</b>	<b>286,998,232</b>
Pass-Through Funding:		
U.S. Department of Education		
University of Wyoming	90,415	-
<b>Total Pass-Through Funding</b>	<b>90,415</b>	<b>-</b>
<b>Total Expenditures of Federal Awards</b>	<b>\$ 1,032,571,185</b>	<b>\$ 286,998,232</b>

## STATE OF WYOMING

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2017

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	\$ 48,151,327	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	8,752,909	212,338
<b>Total SNAP Cluster</b>		<b>56,904,236</b>	<b>212,338</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	4,004,755	4,004,755
National School Lunch Program	10.555	15,225,051	15,225,051
Special Milk Program for Children	10.556	27,970	27,970
Summer Food Service Program for Children	10.559	965,592	896,131
<b>Total Child Nutrition Cluster</b>		<b>20,223,368</b>	<b>20,153,907</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	103,558	-
Emergency Food Assistance Program (Commodities)	10.568	882,810	-
<b>Total Food Distribution Cluster</b>		<b>986,368</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	5,918,956	-
Wildlife Restoration and Basic Hunter Education	15.611	13,053,977	-
<b>Total Fish and Wildlife Cluster</b>		<b>18,972,933</b>	<b>-</b>
<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	4,975,405	-
Disabled Veterans' Outreach Program (DVOP)	17.801	500,494	-
<b>Total Employment Service Cluster</b>		<b>5,475,899</b>	<b>-</b>
<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	3,582,376	-
<b>Total WIA/WIOA Cluster</b>		<b>3,582,376</b>	<b>-</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 State Parks and Cultural Resources</i>			
Recreational Trails Program	20.219	1,083,055	293,952
<b>Total Highway Planning and Construction Cluster</b>		<b>1,083,055</b>	<b>293,952</b>

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>Highway Safety Cluster</u></b>			
<b>U.S. Department of Transportation</b>			
<i>Administered by the State of Wyoming Attorney General's Office</i>			
National Priority Safety Programs	20.616	\$ 55,251	\$ -
<b>Total Highway Safety Cluster</b>		<u>55,251</u>	<u>-</u>
<b><u>Clean Water State Revolving Fund Cluster</u></b>			
<b>U.S. Environmental Protection Agency</b>			
<i>Administered by the State of Wyoming Office of State Lands and Investments</i>			
Capitalization Grants for Clean Water State Revolving Funds	66.458	3,456,544	-
<i>Administered by the State of Wyoming Department of Environmental Quality</i>			
Capitalization Grants for Clean Water State Revolving Funds	66.458	140,012	-
<b>Total Clean Water State Revolving Fund Cluster</b>		<u>3,596,556</u>	<u>-</u>
<b><u>Drinking Water State Revolving Fund Cluster</u></b>			
<b>U.S. Environmental Protection Agency</b>			
<i>Administered by the State of Wyoming Office of State Lands and Investments</i>			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	10,336,623	9,978,921
<i>Administered by the State of Wyoming Water Development Commission</i>			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	34,499	-
<b>Total Drinking Water State Revolving Fund Cluster</b>		<u>10,371,122</u>	<u>9,978,921</u>
<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	28,724,602	25,667,521
Special Education – Preschool Grants (IDEA, Preschool)	84.173	672,596	653,433
<b>Total Special Education Cluster (IDEA)</b>		<u>29,397,198</u>	<u>26,320,954</u>
<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	1,576,734	1,421,656
Special Programs for the Aging – Title III, Part C – Nutrition Services	93.045	2,863,693	2,612,530
Nutrition Services Incentive Program	93.053	854,261	854,261
<b>Total Aging Cluster</b>		<u>5,294,688</u>	<u>4,888,447</u>
<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	23,812,146	4,495,306
<b>Total TANF Cluster</b>		<u>23,812,146</u>	<u>4,495,306</u>
<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	3,960,799	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	7,067,181	-
<b>Total CCDF Cluster</b>		<u>11,027,980</u>	<u>-</u>

Continued

## STATE OF WYOMING

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<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	\$ 347,660	\$ -
<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	1,391,494	-
Medical Assistance Program	93.778	342,608,600	-
<b>Total Medicaid Cluster</b>		344,347,754	-
<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>			
Social Security – Disability Insurance (DI)	96.001	3,009,435	-
<b>Total Disability Insurance/SSI Cluster</b>		3,009,435	-
<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	334,265	-
<i>Administered by the State of Wyoming Department of Agriculture</i>			
Market Protection and Promotion	10.163	34,450	-
Specialty Crop Block Grant Program	10.169	146,638	105,120
State Mediation Grants	10.435	54,187	-
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	332,884	-
Cooperative Forestry Assistance	10.664	97,102	96,193
<i>Administered by the State of Wyoming Department of Health</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	7,649,063	-
<i>Administered by the State of Wyoming Department of Education</i>			
Child and Adult Care Food Program	10.558	4,848,144	4,844,398
State Administrative Expenses for Child Nutrition	10.560	652,219	-
Farm to School Grant Program	10.575	34,138	-
Child Nutrition Discretionary Grants Limited Availability	10.579	54,298	52,264
Fresh Fruit and Vegetable Program	10.582	2,076,769	1,974,871
<i>Administered by the State of Wyoming Office of State Lands and Investments</i>			
Cooperative Forestry Assistance	10.664	1,983,316	1,382,581
Rural Development, Forestry, and Communities	10.672	56,303	55,998
Forest Legacy Program	10.676	13,855	5,000
Forest Health Protection	10.680	54,728	-
Good Neighbor Authority	10.691	40,969	-
Participation Agreement	10.U01	4,000	-
<i>Administered by the State of Wyoming Game and Fish Department</i>			
Voluntary Public Access and Habitat Incentive Program	10.093	283,001	-
<b>Total U.S. Department of Agriculture</b>		18,750,329	8,516,425
<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	5,019	-
<b>Total U.S. Department of Commerce</b>		5,019	-

Continued



## STATE OF WYOMING

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<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	\$ 65,316	\$ -
<i>Administered by the State of Wyoming Adjutant General (Military Department)</i>			
Military Construction, National Guard	12.400	1,504,619	-
National Guard Military Operations and Maintenance (O&M) Projects	12.401	24,005,899	-
National Guard ChalleNGe Program	12.404	1,693,981	-
<b>Total U.S. Department of Defense</b>		<b>27,269,815</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	140,231	-
Continuum of Care	14.267	14,670	-
<i>Administered by the State of Wyoming Department of Health</i>			
Housing Opportunities for Persons with AIDS	14.241	198,814	-
<b>Total U.S. Department of Housing and Urban Development</b>		<b>353,715</b>	<b>-</b>
<b>U.S. Department of the Interior</b>			
<i>Administered by the State of Wyoming Department of Audit</i>			
Federal Oil and Gas Royalty Management State and Tribal Coordination	15.427	2,368,035	-
<i>Administered by the State of Wyoming Department of Environmental Quality</i>			
Environmental Quality and Protection Resource Management	15.236	688,587	-
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	1,900,253	-
Abandoned Mine Land Reclamation (AMLR)	15.252	141,846,387	124,012,317
<i>Administered by the State of Wyoming Department of State Parks and Cultural Resources</i>			
Challenge Cost Share	15.238	141,327	29,000
Historic Preservation Fund Grants-In-Aid	15.904	781,310	79,961
Outdoor Recreation Acquisition, Development and Planning	15.916	286,673	283,510
<i>Administered by the State of Wyoming Water Development Commission</i>			
Title II, Colorado River Basin Salinity Control	15.509	169,366	-
<i>Administered by the Wyoming State Geological Survey</i>			
Earthquake Hazards Program Assistance	15.807	4,860	-
National Cooperative Geologic Mapping	15.810	105,441	-
Energy Cooperatives to Support the National Coal Resources Data System (NCRDS)	15.819	30,000	-
<i>Administered by the State of Wyoming State Engineer</i>			
U.S. Geological Survey Research and Data Collection	15.808	19,567	-
<i>Administered by the State of Wyoming Game and Fish Department</i>			
Fish, Wildlife and Plant Conservation Resource Management	15.231	239,797	-
BLM Wildland Urban Interface Community Fire Assistance	15.228	20,000	-
Recreation Resources Management	15.524	427,822	-
Fish and Wildlife Management Assistance	15.608	99,746	-
Cooperative Endangered Species Conservation Fund	15.615	60,382	-
North American Wetlands Conservation Fund	15.623	27,679	-
State Wildlife Grants	15.634	578,153	-
Research Grants (Generic)	15.650	23,570	-
Endangered Species Conservation – Recovery Implementation Funds	15.657	153,780	-
National Wetlands Inventory	15.665	5,786	-
<b>Total U.S. Department of the Interior</b>		<b>149,978,521</b>	<b>124,404,788</b>

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
 Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Justice</b>			
<i>Administered by the State of Wyoming Secretary of State</i>			
Protection of Voting Rights	16.104	\$ 83,509	\$ -
<i>Administered by the State of Wyoming Attorney General's Office</i>			
Sexual Assault Services Formula Program	16.017	277,989	277,989
Missing Children's Assistance	16.543	131,468	21,343
National Criminal History Improvement Program (NCHIP)	16.554	472,294	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	15,001	-
Crime Victim Assistance	16.575	2,772,986	2,658,797
Crime Victim Compensation	16.576	440,203	-
Violence Against Women Formula Grants	16.588	642,934	624,121
Special Data Collections and Statistical Studies	16.734	3,500	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	457,302	356,319
DNA Backlog Reduction Program	16.741	186,226	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	50,991	-
Support for Adam Walsh Act Implementation Grant Program	16.750	18,324	-
Edward Byrne Memorial Competitive Grant Program	16.751	3,285	-
2009 ARRA ICAC	16.800	(983)	-
John R. Justice Prosecutors and Defenders Incentive Act	16.816	30,500	-
<i>Administered by the State of Wyoming Department of Corrections</i>			
Residential Substance Abuse Treatment for State Prisoners	16.593	110,395	-
State Criminal Alien Assistance Program	16.606	103,074	-
<i>Administered by the State of Wyoming Department of Family Services</i>			
Juvenile Accountability Block Grants	16.523	18,155	-
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	18,624	-
<b>Total U.S. Department of Justice</b>		5,835,777	3,938,569
<b>U.S. Department of Labor</b>			
<i>Administered by the State of Wyoming Department of Workforce Services</i>			
Labor Force Statistics	17.002	762,395	-
Compensation and Working Conditions	17.005	168,916	-
Unemployment Insurance	17.225	121,062,193	-
Senior Community Service Employment Program	17.235	478,460	428,454
Trade Adjustment Assistance	17.245	57,565	-
WIA/WIOA Pilots, Demonstrations, and Research Projects	17.261	96,422	-
H-1B Job Training Grants	17.268	711,353	641,185
Temporary Labor Certification for Foreign Workers	17.273	171,227	-
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	68,245	-
WIA/WIOA Dislocated Worker National Reserve Technical Assistance and Training	17.281	22,469	-
Occupational Safety and Health State Program	17.503	810,956	-
Consultation Agreements	17.504	440,700	-
OSHA Data Initiative	17.505	136,407	-
<b>Total U.S. Department of Labor</b>		124,987,308	1,069,639
<b>U.S. Department of Transportation</b>			
<i>Administered by the State of Wyoming Attorney General's Office</i>			
State and Community Highway Safety	20.600	291	-
<i>Administered by the State of Wyoming Department of Health</i>			
State and Community Highway Safety	20.600	17,098	-
<i>Administered by the State of Wyoming Office of Homeland Security</i>			
Alcohol Open Container Requirements	20.607	4,269	-
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	1,732	1,732
<i>Administered by the State of Wyoming Public Service Commission</i>			
Pipeline Safety Program State Base Grant	20.700	181,361	-
PHMSA Pipeline Safety Program One Call Grant	20.721	10,000	-
<b>Total U.S. Department of Transportation</b>		214,751	1,732

*Continued*

## STATE OF WYOMING

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<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	\$ 741,810	\$ 458,948
Grants to States	45.310	989,379	-
<b>Total National Endowment for the Arts</b>		<b>1,731,189</b>	<b>458,948</b>
<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	95,773	-
<b>Total U.S. Department of Veterans Affairs</b>		<b>95,773</b>	<b>-</b>
<b>U.S. Environmental Protection Agency</b>			
<i>Administered by the State of Wyoming Department of Agriculture</i>			
Consolidated Pesticide Enforcement Cooperative Agreements	66.700	61,240	43,600
<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	214,868	-
State Clean Diesel Grant Program	66.040	194,974	194,974
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	379,621	175,885
Water Quality Management Planning	66.454	75,488	38,038
Nonpoint Source Implementation Grants	66.460	907,112	902,016
Performance Partnership Grants	66.605	2,616,845	-
Underground Storage Tank Prevention, Detection and Compliance Program	66.804	284,436	-
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805	507,000	-
State and Tribal Response Program Grants	66.817	550,800	-
<i>Administered by the State of Wyoming Department of Health</i>			
State Indoor Radon Grants	66.032	31,206	10,250
<i>Administered by the State of Wyoming Oil and Gas Conservation Commission</i>			
State Underground Water Source Protection	66.433	165,250	-
<i>Administered by the State of Wyoming Game and Fish Department</i>			
Regional Wetland Program Development Grants	66.461	25,761	-
<b>Total U.S. Environmental Protection Agency</b>		<b>6,014,601</b>	<b>1,364,762</b>
<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	1,035,707	979,539
<i>Administered by the State of Wyoming Department of Environmental Quality</i>			
Fossil Energy Research and Development	81.089	4,794	-
<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	88,977	-
<b>Total U.S. Department of Energy</b>		<b>1,129,478</b>	<b>979,539</b>
<b>U.S. Department of Education</b>			
<i>Administered by the State of Wyoming Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	34,311,932	33,689,464
Migrant Education State Grant Program	84.011	189,676	183,906
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	790,838	783,586
Career and Technical Education – Basic Grants to States	84.048	4,391,761	3,755,382
School Safety National Activities (formerly Safe and Drug-Free Schools and Communities – National Programs )	84.184	114,641	-
Education for Homeless Children and Youth	84.196	176,686	143,906
Twenty-First Century Community Learning Centers	84.287	5,930,341	5,690,603

Continued

## STATE OF WYOMING

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
Special Education – State Personnel Development	84.323	\$ 842,235	\$ -
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	26,934	-
Rural and Low-Income Schools	84.358	3,207	-
English Language Acquisition State Grants	84.365	420,890	304,832
Mathematics and Science Partnerships	84.366	658,184	654,647
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants )	84.367	10,258,390	-
Grants for State Assessments and Related Activities	84.369	3,884,890	-
School Improvement Grants	84.377	317,749	306,349
School Improvement Grants, Recovery Act	84.388A	9,244	-
EDFacts	84.U01	131,512	-
National Assessment of Educational Progress	84.U02	37,522	-
Performance Grant	84.U03	85,706	-
<i>Administered by the State of Wyoming Department of Health</i>			
Special Education – Grants for Infants and Families	84.181	2,061,399	1,777,787
<i>Administered by the State of Wyoming Department of Workforce Services</i>			
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126	8,780,573	-
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177	204,184	204,184
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	85,389	-
<i>Administered by the Wyoming Community College Commission</i>			
Adult Education – Basic Grants to States	84.002	652,272	652,272
<b>Total U.S. Department of Education</b>		<b>74,366,155</b>	<b>58,087,812</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	14,076	10,574
<b>Total National Archives and Records Administration</b>		<b>14,076</b>	<b>10,574</b>
<b>U.S. Election Assistance Commission</b>			
<i>Administered by the State of Wyoming Secretary of State</i>			
Help America Vote Act Requirements Payments	90.401	52,081	42,395
<b>Total U.S. Election Assistance Commission</b>		<b>52,081</b>	<b>42,395</b>
<b>U.S. Department of Health and Human Services</b>			
<i>Administered by the State of Wyoming Secretary of State</i>			
Voting Access for Individuals with Disabilities Grants to States	93.617	30,631	30,631
<i>Administered by the State of Wyoming Attorney General's Office</i>			
Developmental Disabilities Basic Support and Advocacy Grants	93.630	404,122	-
Family Violence Prevention and Services/ Domestic Violence Shelter and Supportive Services	93.671	667,899	649,166
<i>Administered by the State of Wyoming Department of Agriculture</i>			
Food and Drug Administration Research	93.103	452,821	-
<i>Administered by the State of Wyoming Department of Family Services</i>			
Promoting Safe and Stable Families	93.556	232,847	-
Child Support Enforcement	93.563	5,405,626	-
Low-Income Home Energy Assistance	93.568	9,310,586	-
Community-Based Child Abuse Prevention Grants	93.590	302,596	-
Grants to States for Access and Visitation Programs	93.597	41,378	23,546
Chafee Education and Training Vouchers Program (ETV)	93.599	83,879	-
Adoption and Legal Guardianship Incentive Payments	93.603	48,949	-
Children's Justice Grants to States	93.643	71,838	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	430,050	-

Continued



## STATE OF WYOMING

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
Foster Care Title IV-E	93.658	\$ 4,266,329	\$ -
Adoption Assistance	93.659	743,260	-
Social Services Block Grant	93.667	2,874,054	-
Child Abuse and Neglect State Grants	93.669	56,220	-
Chafee Foster Care Independence Program	93.674	448,445	-
<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	18,862	18,862
Special Programs for the Aging Title VII, Chapter 2 Long Term Care Ombudsman Services for Older Individuals	93.042	68,391	68,391
Special Programs for the Aging Title III, Part D, Disease Prevention and Health Promotion Services	93.043	24,911	24,911
National Family Caregiver Support, Title III, Part E	93.052	593,047	495,514
Public Health Emergency Preparedness	93.069	4,361,905	1,900,837
Affordable Care Act (ACA) Personal Responsibility Education Program	93.092	287,927	143,543
Maternal and Child Health Federal Consolidated Programs	93.110	94,258	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	170,278	-
Emergency Medical Services for Children	93.127	119,871	-
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	211,007	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	150,013	41,320
Projects for Assistance in Transition from Homelessness (PATH)	93.150	272,682	269,401
Grants to States for Loan Repayment Program	93.165	60,000	60,000
State Rural Hospital Flexibility Program	93.241	428,544	9,118
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	3,031,233	2,461,127
Universal Newborn Hearing Screening	93.251	186,994	186,994
Immunization Cooperative Agreements	93.268	6,121,282	43,101
Adult Viral Hepatitis Prevention and Control	93.270	81,445	-
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	659,125	3,600
Small Rural Hospital Improvement Grant Program	93.301	138,970	129,516
National State Based Tobacco Control Programs	93.305	882,634	-
Early Hearing Detection and Intervention Information System (EHDI-IS) Surveillance Program	93.314	153,751	153,751
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	1,303,226	-
Behavioral Risk Factor Surveillance System	93.336	193,659	-
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	410,114	-
Community Services Block Grant	93.569	3,131,793	2,920,369
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance – financed in part by the Prevention and Public Health Fund (PPHF)	93.733	140,080	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations, financed in part by Prevention and Public Health Funds	93.752	613,020	-
State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)	93.757	124,720	3,983
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	181,682	3,289
Children's Health Insurance Program	93.767	11,339,642	-
State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796	884,721	-
Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.815	87,615	-
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	158,582	148,154
National Bioterrorism Hospital Preparedness Program	93.889	982,798	534,357
Grants to States for Operation of State Offices of Rural Health	93.913	177,562	595

Continued

## STATE OF WYOMING

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
HIV Care Formula Grants	93.917	\$ 724,117	\$ -
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	257,850	-
HIV Prevention Activities – Health Department Based	93.940	757,176	16,572
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	95,494	-
Assistance Programs for Chronic Disease Prevention and Control	93.945	734,976	-
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	145,244	-
Block Grants for Community Mental Health Services	93.958	467,899	435,592
Block Grants for Prevention and Treatment of Substance Abuse	93.959	4,283,207	3,928,698
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	193,010	-
Maternal and Child Health Services Block Grant to the States	93.994	1,143,278	192,392
Assisted Outpatient Treatment	93.997	577,992	573,833
<i>Administered by the State of Wyoming Department of Insurance</i> State Health Insurance Assistance Program	93.324	320,136	320,136
<i>Administered by the State of Wyoming Department of Workforce Services</i> ACL Independent Living State Grants	93.369	315,155	315,155
Head Start	93.600	116,088	-
<i>Administered by the State of Wyoming Supreme Court</i> State Court Improvement Program	93.586	241,103	-
<b>Total U.S. Department of Health and Human Services</b>		74,090,599	16,106,455
<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	985,466	725,518
<b>Total Executive Office of The President</b>		985,466	725,518
<b>U.S. Department of Homeland Security</b>			
<i>Administered by the State of Wyoming Department of Fire Prevention and Electrical Safety</i> NFA16	97.U01	2,127	-
<i>Administered by the State of Wyoming Office of Homeland Security</i> Community Assistance Program State Support Services Element (CAP-SSSE)	97.023	39,917	-
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036	695,995	-
Hazard Mitigation Grant	97.039	40,503	26,729
Emergency Management Performance Grants	97.042	2,704,433	1,133,129
Pre-Disaster Mitigation	97.047	38,864	38,864
Homeland Security Grant Program	97.067	4,224,817	3,748,529
<i>Administered by the State of Wyoming State Engineer</i> National Dam Safety Program	97.041	133,128	-
<i>Administered by the State of Wyoming Game and Fish Department</i> Boating Safety Financial Assistance	97.012	250,940	-
<b>Total U.S. Department of Homeland Security</b>		8,130,724	4,947,251

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)  
 Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>OTHER FEDERAL FINANCIAL AWARDS – DIRECT</u></b>			
WGFC Aquatic Invasive Species Prev (BCSO)	none	\$ 8,956	\$ -
Vital Records	none	209,148	-
WGFC Bridger-Teton Amphibian Habitat Use and Survival	none	21,808	-
Soc. Sec. Reimb./Prog. Inc.	none	95,116	-
<b>Total Other Federal Financial Awards</b>		335,028	-
<b>Total Direct Awards</b>		\$ 1,032,480,770	\$ 286,998,232
<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	90,415	-
<b>Total Pass-Through Funding</b>		90,415	-
<b>Total Expenditures of Federal Awards</b>		\$ 1,032,571,185	\$ 286,998,232

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, 2017

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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, 2017, 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 #10.568) of \$882,810; SNAP Benefits (CFDA #10.551) of \$48,142,487; and the value of vaccines (CFDA #93.268) of \$4,858,269. 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 \$84.3 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, 2017**

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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, 2017 and have issued their report thereon dated December 18, 2017. They did not audit the financial statements of the Wyoming Community Development Authority and the University of Wyoming Foundation portion of the University of Wyoming, which are shown as discretely presented component units, and 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 opinion 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, 2017**

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Identification of major Federal programs:

CFDA Number	Name of Federal Program or Cluster
12.404	National Guard ChalleNGe Program
15.427	Federal Oil & Gas Royalty Management State and Tribal Coordination
16.575	Crime Victim Assistance
66.460	Non-point Source Implementation Grants
66.605	Performance Partnership Grants
84.126	Rehabilitation Services Vocational Rehabilitation Grants to States
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance
93.569	Community Services Block Grant
93.658	Foster Care Title IV-E
95.001	High Intensity Drug Trafficking Areas Program
Cluster	Aging Cluster
Cluster	Clean Water State Revolving Fund
Cluster	Drinking Water State Revolving Fund
Cluster	Fish and Wildlife Cluster
Cluster	Medicaid Cluster
Cluster	Highway Planning and Construction Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$3,097,714

Auditee qualified as low-risk auditee?  Yes  No

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2017

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#### I. FINANCIAL STATEMENT FINDINGS

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

**Criteria:** The control deficiency exists as the Wyoming Department of Education (“WDE”) personnel did not identify the adjusting journal entries, which were material 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:** 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.

**Effect:** Prior to the audit adjustment, the government-wide and fund-level financial statements were misstated under U.S. GAAP.

**Cause:** The WDE entered incorrect service dates for the reimbursement and tax shortfall grant transactions into the State’s accounting system. The WDE did not have a control system in place to ensure the accuracy of the service dates entered into the State’s accounting system.

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

**Recommendation:** We recommend that the WDE implement a control system to ensure the accuracy of the service dates entered into the State’s accounting system to ensure they are properly recorded in the correct fiscal period.

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

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2017

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

**Criteria:** The control deficiency exists as the adjusting journal entry posted by the Wyoming Department of Workforce Services (“DWS”) and the State Auditor’s Office (the “SAO”) was misstated, the impact of which was material 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:** 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.

**Effect:** Prior to the audit adjustment, the government-wide and fund-level financial statements were misstated under U.S. GAAP.

**Cause:** The actuary report for the liability was prepared in thousandths, which was inadvertently not taken into consideration by DWS when calculating the year-end balance. In addition, the incorrect discount rate was used by DWS to calculate the discount on the long-term and structured settlement payments.

Due to the volume of information the SAO receives from agencies and the limited time frame between the receipt of information and the timing of when the information needs to be provided for audit purposes, there are limited review processes in place within the SAO.

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

**Recommendation:** We recommend that DWS implement a control to ensure an independent review is performed on the calculation of the claims and benefits payable prior to submission of the information to the SAO CAFR Division. We recommend that the SAO CAFR Division continue to refine its internal review process to assist in determining the propriety of the journal entries posted during the preparation of 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, 2017

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

**Criteria:** The control deficiency exists as the State Auditor's Office (the "SAO") posted the following journal entries incorrectly, the impact of which was material 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:** 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 (the "WBC") 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.

**Effect:** Prior to the audit adjustments, the government-wide and fund-level financial statements were misstated under U.S. GAAP.

**Cause:** The SAO CAFR Division has an established internal control system in place for identifying and accounting for year-end adjustments to the State's financial statements. Each of the adjustments identified above related to a unique set of circumstances as follows:

- The WBC is a discretely presented component unit of the State, and as such, the SAO CAFR Division did not believe it necessary to report any activity associated with the WBC within the State's financial statements. However, as the WBC receives funding from the General Fund, this activity is presented in both the WBC's and the State's financial statements.
- The SAO CAFR Division was notified by a State agency that funds expended from the Capital Projects Fund in fiscal year 2016 had been appropriated from the General Fund, and as such, should have been expended from the General Fund. While the SAO CAFR Division posted a journal entry such that the ending fund balances of both impacted funds was properly stated, consideration was not given to the impact of the beginning fund balances.
- The majority of the activity improperly eliminated at the entity-wide level related to inter-fund loan activity, which had not previously existed within the State's financial statements as of year end.

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

**Recommendation:** We recommend that the SAO CAFR Division work closely with applicable State agencies and consider implementing additional review procedures when unique and/or infrequent financial transactions are identified, which will help to ensure the propriety of the journal entries posted during the compilation of 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, 2017

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

**Criteria:** The control deficiency exists as the State Auditor's Office (the "SAO") personnel did not identify the adjusting journal entries, which were 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:** 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.

**Effect:** Prior to the audit adjustments, the fund-level financial statements were not properly stated in accordance with U.S. GAAP.

**Cause:** While the SAO CAFR Division had received the information related to the manager fees and income diversions, they were not aware of the specific criteria necessary to allocate the amounts among the participating fund classes. In addition, as the State's cash and investment portfolio has grown, the impact of this activity has become more significant to the General Fund's fund-level financial statements.

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

**Recommendation:** We recommend the SAO CAFR Division request that the State Treasurer's Office provide the fiscal year manager fee and income diversion activity, any associated year-end accruals, the allocation criteria and the proposed adjustment to all participating fund classes. This will allow the SAO CAFR Division to transition its role from one of a preparer to a role of reviewing the information for reasonableness and consistency, which will provide for additional internal controls over this financial activity.

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

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2017

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

**Criteria:** The control deficiency exists as the State Auditor's Office (the "SAO") personnel did not identify the adjusting journal entry, which was 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:** 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.

**Effect:** Prior to the audit adjustment, the government-wide and fund-level financial statements were misstated under U.S. GAAP.

**Cause:** The adjustment was inadvertently not posted by the SAO CAFR Division due to the fact that a project did not previously exist with respect to this financial activity.

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

**Recommendation:** We recommend the SAO CAFR Division revise its internal control system to include the balance of unearned revenue on grazing leases within its year-end adjustments.

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

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

**Criteria:** The control deficiency exists as the State Treasurer's Office (the "STO") personnel did not identify the adjusting journal entries, which were 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:** 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.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2017

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**Effect:** Prior to the audit adjustments, the government-wide and fund-level financial statements were misstated under U.S. GAAP.

**Cause:** For alternative investments, the STO uses internal excel spreadsheets to track all investment activity, as well as ownership of the investment by investment pool. The adjustments resulted from human error during data entry of investment activity within the spreadsheet used for the alternative investment in question.

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

**Recommendation:** We recommend the STO review and revise its control system over the accounting of its alternative investments to provide for a more effective review system over manual data entry into spreadsheets used to allocate investment activity.

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

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

**Criteria:** In instances where the State utilizes a service organization to process a significant amount of financial transactions, management should obtain the service organization's SOC 1 Report (*Service Organization Report on Controls Placed in Operation and Tests of Operating Effectiveness*). The SOC 1 Report should be reviewed on a timely basis in order to follow up on findings noted, if any, and document the effect of those findings on the financial transactions of the State.

**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.

**Effect:** We did not identify any misstatements or errors within the transactional activity of the Medicaid Program as a result of the qualified SOC 1 Report. However, as GHS processes a significant amount of the claims within the Medicaid Program, it is imperative that DOH personnel review the controls in place at GHS, as findings could have a material effect on the State's financial transactions, as well as its compliance with Federal requirements.

**Cause:** While the SOC 1 Report had been obtained by the DOH personnel, it had not been reviewed.

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

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2017

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**Recommendation:** We recommend that DOH personnel obtain and review all applicable SOC 1 Reports for its service organizations on an annual and timely basis. The review performed should encompass the following considerations, which should be formally documented:

1. We recommend documenting that the description of the controls listed within the SOC 1 Report covers all significant transactions, processes, or computer applications that affect the State's financial statements and compliance with Federal regulations.
2. If the SOC 1 Report identifies noncompliance of the service organization's controls, consideration should be made as to the effects of the findings on the State's financial statements and compliance with Federal regulations. In any instances of noncompliance, complementary controls at the DOH should be documented and enhanced as necessary. Listing the exceptions and the responses of the service organization's management alone is not sufficient; the DOH should document its own conclusions.
3. User controls are complementary to the controls of the service organizations and are necessary for the service organizations' controls to be achieved. All identified user controls within the SOC 1 Report should be reviewed to ensure they are in place within the DOH and operating effectively.

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

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

**Criteria:** Enterprise Technology Services (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 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.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2017

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**Effect:** Cyber threats are increasing in complexity and intensity. The massive amount of valuable data housed by the State and its agencies is an attractive target for cybercriminals seeking financial gain. If user access controls, policies and procedures are not properly designed or are not functioning as intended, the State is vulnerable to risk of unauthorized access.

A risk assessment also 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 continues to face budgetary and time constraints. As a result, there have been delays in the implementation of policies which were determined not to be priorities for the agency.

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

**Recommendation:** ETS should develop and document IT control systems, policies, and procedures that enable the State to be more vigilant through the use of continuous monitoring and threat detection capabilities, and be resilient to better resist, respond to, and recover from cyber attacks. With respect to each observation above, we recommend that:

1. ETS implement a formalized user access review process. This process should detail the users and administrative groups ETS is responsible for versus all other groups and users that the State agencies are responsible for reviewing. This process should include formal documentation procedures to ensure that an audit trail is retained for administrative purposes. Implementing this will also strengthen the security of all agency-supported networks, and delineate the responsibilities of ETS and State agencies. It is also recommended that ETS reach out to all agencies that they support to assist them in their own review of user access rights to ensure that the appropriate and effective communication standards exist between ETS and State agencies.
2. 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 mitigate the threat. 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, 2017**

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**II. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**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

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2017

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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

**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, include the change 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:

- Federal Award Identification
- Sub-recipient's 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
- 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.



## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2017

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**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.

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.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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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.

**Questioned Costs:** \$0

**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, requiring additional, more detailed financial reports, requiring additional project monitoring, requiring the non-Federal entity to obtain technical or management assistance, and establishing 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. It may: (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

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**Cause:** For instances 1 through 4 above in the Wyoming Department of Health, the Programs did not have control processes in place to identify and enforce the Federal requirements surrounding sub-recipient monitoring.

For instance 5 above, the Program did not have control processes in place to identify and enforce the UGG Federal requirements surrounding sub-recipient monitoring. In addition, each Regional Program Manager keeps their own tracking system and some are more effective than others at tracking the completion of on-site and desk reviews for each sub-recipient.

For instance 6 above, the Program did not have a sufficient control process in place to identify and enforce the Federal requirements surrounding sub-recipient monitoring. As a result, multiple elements of the Federal requirements were not completed and/or were completed inaccurately. In addition, the Uniform Grant Guidance enhanced sub-award identification and risk assessment requirements, which were not fully implemented. The Department did not adapt to the more stringent requirements.

For instance 7 above, the Program had inadequate controls in place to review and assess the impact of new grant requirements as well as inadequate controls in place to review and monitor sub-recipients' Federal funding received and compliance with single audit requirements.

**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 Departments/Programs develop and implement a standard control system over the monitoring and management of sub-recipients. The Departments/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  
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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

**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.

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 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.

**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, requiring additional, more detailed financial reports, requiring additional project monitoring, requiring the non-Federal entity to obtain technical or management assistance, and establishing additional prior approvals.

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### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2017

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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. It may: (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 prevented the eligibility determinations from occurring within the required time frame. Regarding the individualized plans of employment, the standard recently changed from a generic 8 to 12 weeks to the required 90. Through oversight, the change in the requirement was not firmly communicated to vocational rehabilitation staff.

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

**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

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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, 2015

**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 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).

**Questioned Costs:** \$880,316

**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, requiring additional, more detailed financial reports, requiring additional project monitoring, requiring the non-Federal entity to obtain technical or management assistance, and establishing 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. It may: (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 earmarking requirement was a new aspect of the compliance for the 2015 award and, as such, there was not an established method to track and monitor the spending of pre-employment transition services expenditures.

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

**STATE OF WYOMING**

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**Recommendation:** We recommend the Program implement a tracking system that 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.

**2017-012: Reporting**

<b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b> 1. CFDA #66.460 Non-point Source Implementation Grants 2. CFDA #66.605 Performance Partnership Grant
<b>Federal Agency Name:</b> 1. U.S. Environmental Protection Agency 2. U. S. Environmental Protection Agency
<b>Pass-Through Entity Name (if applicable):</b> N/A
<b>Award Numbers:</b> 1. C9-000863015-0; C9-00863016-0 2. BG-99861916
<b>Award Years:</b> 1. April 15, 2015 – April 14, 2020; May 15, 2016 – May 14, 2021 2. October 1, 2015 – September 30, 2017

**Criteria:**

1. SF-425 Reporting, pursuant to 2 CFR 200.327 and 200.343: Environmental Protection Agency (EPA) recipients must submit the Federal Financial Report (SF-425) at least annually and no more frequently than quarterly. EPA’s standard reporting frequency is annual unless an EPA Region has included an additional term and condition specifying greater reporting frequency within this award document. EPA recipients must submit the SF-425 no later than 30 days after the end of each specified reporting period for quarterly and semi-annual reports, and 90 calendar days for annual and final reports. Extension of reporting due dates may be approved by EPA upon request of the recipient.
2. MBE/WBE reporting, pursuant to 40 CFR, Part 33, Subpart E: MBE/WBE reporting is required annually for assistance agreements where there are funds budgeted for procuring construction, equipment, services and supplies, including funds budgeted for direct procurement by the recipient or procurement under sub-awards or loans in the “Other” category, that exceed the threshold amount of \$150,000, including amendments and/or modifications. Annual reports are due by October 30th of each year. Final reports are due by October 30th or 90 days after the end of the project period, whichever comes first.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2017

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**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.

**Questioned Costs:** \$0

**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, requiring additional, more detailed financial reports, requiring additional project monitoring, requiring the non-Federal entity to obtain technical or management assistance, and establishing 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. It may: (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 sufficient control process in place to identify and enforce the Federal requirements surrounding reporting. As a result, multiple reports required under Federal requirements were not completed.

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

**Recommendation:** We recommend that the Department develop and implement a standard control system over the tracking and submission of required reports. The Department should ensure the control system is inclusive of all Federally required communications and actions. This includes reviewing award documents to ensure that all required reports are prepared and submitted.

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

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



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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, 2017</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>

**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 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.

## STATE OF WYOMING

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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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.
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.

**Questioned Costs:** \$0

**Cause:** The Departments do not currently have a control system in place to ensure required suspension and debarment certifications are obtained for vendors.

**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 establishes 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 Departments 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.

**Questioned Costs:** \$0

**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, 2017

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#### FINANCIAL STATEMENT FINDINGS

##### **2016-001: State Auditor's Office – Audit Adjustment**

**Condition/Context:** The CAFR Division failed to properly calculate the component unit payable specific to block grant appropriations. As a result, an adjusting journal entry within the General Fund was proposed and recorded during the audit to report the government-wide and fund level financial statements in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

**Status:** The calculation is very complicated and the criteria for the calculation is subject to interpretation. The State Auditor's Office staff improved documentation related to the calculation as well as its related interpretations. In addition, additional segregation of duties was added to the process to ensure that at least one other member of the CAFR staff reviewed the calculation prior to recording the related adjusting journal entry.

**Auditor's Comments:** Based on audit work performed, the above processes and procedures were implemented and no similar issue was noted during the 2017 audit. This finding is considered resolved.

##### **2016-002: Wyoming Department of Education – Audit Adjustment**

**Context/Condition:** 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 \$5,119,028.

**Status:** The Wyoming Department of Education (WDE) has 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 has been alerted to the service date issue and has received instructions for using the correct service dates on the applicable payments going forward. To ensure compliance, the School Foundation Program manager now notates the correct period of service on the payment documentation during the initial approval. In addition, the Finance Pre-Auditor and Post-Auditor reviews all service dates to ensure that the correct dates are entered into the WOLFS accounting system.

**Auditor's Comments:** Based on audit work performed, the WDE is still in the process of implementing their corrective action. See repeat finding 2017-001.

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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2017

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#### **2016-003: Water Development Commission – Audit Adjustment**

**Condition/Context:** Disbursements for loans that were made subsequent to year end were properly identified by the Commission as vouchers payable; however, the corresponding debits were recorded as expenditures when they should have been recorded as loans receivable. As a result, an adjusting journal entry was proposed and recorded within the General Fund to increase loans receivable and decrease the corresponding recreation and resource development expense by \$1,049,569.

**Status:** To ensure loans receivable are properly recorded, the SAO CAFR Division and the Water Development Office communicated at year end regarding loan disbursements made subsequent to year end and related to the previous fiscal year. The SAO CAFR Division revised their process to require the completion of only one loan receivable form per fund at year end. Also, the SAO CAFR Division modified the form to include an additional question asking if there are loan disbursements made subsequent to year end and related to the previous fiscal year. If the answer is yes, the amount of the disbursement will be included. This additional documentation will facilitate communication between the Water Development Office and the SAO CAFR Division to ensure the proper recording of loans receivable.

**Auditor's Comments:** Based on audit work performed, the above processes and procedures were implemented and no similar issue was noted during the 2017 audit. This finding is considered resolved.

#### **2016-004: Department of Environmental Quality – Audit Adjustment**

**Condition/Context:** The Department of Environmental Quality (DEQ) failed to identify an accounts payable to a component unit of the State for Abandoned Mined Lands (“AML”) grant funds, as well as the related Federal receivable. As a result, an adjusting journal entry was proposed and recorded during the audit to report the government-wide and fund level financial statements in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

**Status:** The University of Wyoming (UW) was notified via letter of the “billed through date” of every open AML agreement. Within 30 days of this letter’s issuance, if the accrual date for the most recent reimbursement for a given project was older than 90 days, UW was required to 1) provide an invoice, or 2) explain why an invoice wasn’t generated. As of June 30, 2017 all funds had been reimbursed to the University of Wyoming. As a result, a component unit accounts payable was not required for fiscal year 2017.

**Auditor's Comments:** This finding was originally reported as 2015-003. Based on audit work performed, the above processes and procedures were implemented and no similar issue was noted during the 2017 audit. This finding is considered resolved.

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### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2017

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#### **2016-005: Enterprise Technology Services**

**Condition/Context:** During the Information Systems General Controls Review, we noted five new observations with respect to Enterprise Technology Services (“ETS”):

1. ETS is performing an informal 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. ETS receives daily reports detailing any changes to admin accounts, groups, and service accounts. These reports are currently reviewed monthly or on an as needed basis, but changes in the environment occur much more frequently than the current review cycle.
3. ETS performs a user access review for users with access to the data center located at the Emerson Building; however, a user access review is not performed of users with access to the Greenhouse Data center.
4. The State IT Coordination Council policy requires that all network accounts meet policy standards of eight minimum characters, passwords reset every 45 days, 12 remembered passwords and complexity enabled. We noted through our inspection of the wyo.gov domain that only a seven minimum character length is enforced for passwords.
5. ETS performs periodic test restores of the network backups as identified in their policy; however, evidence of these test restores could not be provided.

In addition, of the three observations from the fiscal year 2015 audit, ETS implemented procedures to remedy two of the observations; however, the following observation remains open:

6. 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 has implemented procedures to perform user access reviews over certain domains, however, ETS is still in the process of implementing policies and procedures to formally document these user access reviews, including frequency, extent, scope, etc.
2. ETS has implemented policies and procedures to retain daily admin change reports for longer periods of time, which can be reviewed in the event that something occurs requiring investigation.
3. Employee access to Green House Data is now reviewed on a monthly basis when ETS Human Resources releases their new hire, transfer, and terminated employee list. Additionally, access logs to our Green House Data environment are now reviewed two times a year.
4. The Active Directory password policy has been changed to reflect ITCC requirements.
5. ETS contracted with a vendor (IBM) to perform a data restore test in 2016 at the Boulder restore facility. Evidence of this data restore test was retained.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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6. ETS has recently requested funding for a third party to provide a comprehensive risk assessment that will form the foundation for a comprehensive risk mitigation strategy featuring the Center for Internet Security (CIS) Critical Security Controls and the National Institute for Standards and Technology (NIST) Cybersecurity Framework. At this point, we have completed a third-party threat assessment and are working to assess vulnerability in the current environment to inform the overall risk assessment process. With time and budgetary constraints, this process is still ongoing.

**Auditor's Comments:** This finding was originally reported as 2015-007. Based on audit work performed, ETS is still in the process of implementing their corrective actions for items #1 and #6 above. See repeat finding 2017-008. However, corrective action plans were properly implemented for items #2-5 above, which are considered resolved.

#### **2016-006: Schedule of Expenditures of Federal Awards**

**Condition/Context:** The State of Wyoming does not have adequate controls in place to ensure their agencies were able to accurately and completely report total sub-recipient disbursements made under each CFDA number during the fiscal year. In the records submitted by agencies for the preparation of the SEFA, we noted the following:

1. Incorrect CFDA numbers reported
2. Improper exclusion of sub-recipient disbursements
3. Incorrect disbursement amounts
4. Inconsistent methods, or a lack of method, of tracking total disbursement amounts per fiscal year

In addition, during our audit procedures performed over the SEFA, we noted one instance where the State of Wyoming Department of Family Services (DFS) continues to report a large deferred revenue balance. This deferred revenue balance does not appear to be supported.

- CFDA #93.563 – The SEFA provided by DFS reports an ending deferred revenue balance of \$2,158,382. This same amount was also reported as a deferred revenue balance in the 2014 and 2015 SEFAs. DFS is unsure as to the nature of this deferred revenue balance, nor are they sure if they drew down the funds from the Federal awarding agency in prior years. DFS is operating under the assumption that there is money to spend.

**Status:** Regarding the reporting of sub-recipient payments by CFDA number, the State Auditor's Office CAFR Division continued to request sub-recipient payment information from the individual agencies with an emphasis on the agencies reporting the actual general ledger accounts used to record the disbursements. As this was the second year the information was reported by the individual agencies, they were more diligent in reporting the correct information.

Regarding the unsupported deferred revenue balance on the DFS SEFA, the agency worked diligently to clean up their SEFA addressing documentation and correcting items as needed.

**Auditor's Comments:** Based on audit work performed, the above processes and procedures were implemented and no similar issue was noted during the 2017 audit. This finding is considered resolved.

**STATE OF WYOMING**

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**2016-007 and 2016-008: Schedule of Expenditures of Federal Awards**

<p><b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b></p> <ol style="list-style-type: none"><li>1. CFDA #93.658 Foster Care – Title IV-E</li><li>2. CFDA #93.659 Adoption Assistance</li><li>3. CFDA #97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)</li><li>4. CFDA #12.400 Military Construction, National Guard</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 Homeland Security</li><li>4. U.S. Department of Defense</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. 1501WYFOST; 1601WYFOST</li><li>2. 1501WYADPT; 1601WYADPT</li><li>3. 1923-WY-P1; 4227DR-WY*P1</li><li>4. W912L3-09-2-2001; W912L3-16-2-2001</li></ol>
<p><b>Award Years:</b></p> <ol style="list-style-type: none"><li>1. July 1, 2015 – June 30, 2016</li><li>2. July 1, 2015 – June 30, 2016</li><li>3. July 14, 2010 – July 4, 2016; July 7, 2015 – January 7, 2018</li><li>4. December 1, 2009 – June 30, 2016</li></ol>
<p><b>Departments:</b></p> <ol style="list-style-type: none"><li>1. Wyoming Department of Family Services</li><li>2. Wyoming Department of Family Services</li><li>3. Wyoming Office of Homeland Security</li><li>4. Wyoming Military Department</li></ol>

**Condition/Context:** The State of Wyoming did not initially provide a Schedule of Expenditures of Federal Awards (SEFA) that properly identified all Federal funds expended. Various issues were noted across several State of Wyoming departments. The following items were noted:

On the final SEFA provided by the Wyoming Department of Family Services (DFS), we noted that DFS inaccurately reported two Programs and their related Federal expenditures:

- CFDA #93.658 – The initial Federal expenditures reported for this Program were \$3,741,491. This amount was overstated by \$924,129, which were expenditures related to a separate Program.
- CFDA #93.659 – The final SEFA provided for audit did not include this Program. DFS inaccurately grouped the expenditures associated with this Program with CFDA #93.658. As a result, expenditures for CFDA #93.659 were understated by \$924,129.

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After the initial SEFA was provided for testing, the following issue was noted in the Wyoming Office of Homeland Security, which required a revision to the SEFA:

- CFDA #97.036 – The initial Federal expenditures reported for this Program were \$1,276,748, which was understated by \$384,478.

After the initial SEFA was provided for testing, the following issue was noted in the Military Department, which required a revision to the SEFA:

- CFDA #12.400 – The initial Federal expenditures reported for this Program were \$3,221,965, which was understated by \$64,310. In addition, beginning accounts receivable on the SEFA did not agree to the prior year SEFA by \$29,000. This appears to be related to fiscal year 2014 funds that were initially classified as State funds, but later Federally reimbursed. The Military Department recognized the funds as Federal in 2016, but the revenue should have been recognized in fiscal year 2014.

**Status:** (DFS): The Department appropriately segregated the two CFDA numbers within the accounting system to track these programs separately.

(Homeland Security): The Department already has good system in place to complete the SEFA. The finding above was caused by a formula error in the spreadsheet. The Department has implemented additional review procedures to ensure all formulas within the SEFA are working accurately.

(Military): The Department implemented additional procedures to segregate the preparation of the SEFA from the review of the SEFA. This includes double checking and verifying figures prior to submission.

**Auditor's Comments:** Based on audit work performed, the above processes and procedures were implemented and no similar issue was noted during the 2017 audit. This finding is considered resolved.



**STATE OF WYOMING**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
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**FEDERAL AWARD FINDINGS**

**2015-010: Maintenance of Effort**

**Block Grants for Prevention and Treatment of Substance Abuse (CFDA #93.959)**

**Federal Agency:** U.S. Department of Health and Human Services

**Condition/Context:** During the period under audit, the Program failed to maintain the maintenance of effort (MOE) requirement set forth by the grant requirements. The Program identified the error and is working with the U.S. Department of Health and Human Services to correct.

**Status:** The corrective action plan is implemented. Phases are tied to each grant to track MOE. Currently, program managers and fiscal managers can pull expenditure reports to ensure MOE levels are being maintained. The Division applied for material compliance for the block grant for the fiscal year 2015 Substance Abuse Block Grant. The material compliance request for years 2014 and 2015 have been approved by SAMHSA.

**Auditor's Comments:** Based on audit work performed, SAMHSA approved material compliance for fiscal years 2014 and 2015 on August 2, 2017 and October 31, 2017, respectively. As such, this finding is resolved.

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**2016-009: Eligibility**

<b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b> CFDA 93.778 Medical Assistance Program (Medicaid; Title XIX)
<b>Federal Agency Name:</b> Department of Health and Human Services
<b>Pass-Through Entity Name (if applicable):</b> N/A
<b>Award Numbers:</b> 1. 1505WYMAP 2. 1605WYMAP
<b>Award Years:</b> 1. 2015 2. 2016
<b>Department:</b> Wyoming Department of Health

**Condition/Context:** Of the 60 recipients selected for testing compliance with the eligibility requirements within the Medical Assistance Program, there were two instances where a recipient was not timely removed from the system at the time the recipient became ineligible to receive benefits.

- In instance one, the client did not complete the renewal application in April 2014, which rendered the client ineligible. The client improperly received \$1,834 in benefits between April 2014 and January 2016, when the client became eligible again.
- In instance two, the client did not complete a renewal application in December 2014, which rendered the client ineligible. The client improperly received \$7,332 in benefits between January 2015 and January 2016, when the client became eligible again.

There are known questioned costs for fiscal year 2016 of \$5,000, which constitute the amount of claims paid on behalf of the recipients selected for testing during the year under audit. The remaining amount is questioned costs incurred in the previous fiscal year.

**Status:** The corrective action plan was implemented and the State procured a new vendor. The contract with the new vendor does have penalties associated with inaccurate eligibility determinations and also incentivizes exceptional work performed by the new vendor.

**Auditor's Comments:** This finding was initially reported as 2013-014. Based on current year testing, there were no exceptions in eligibility testing where the recipient was not timely removed from the system. As such, this finding is considered resolved.

**STATE OF WYOMING**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2017**

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

<p><b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b></p> <ol style="list-style-type: none"><li>1. CFDA #93.558 Temporary Assistance for Needy Families (TANF Cluster)</li><li>2. CFDA #97.067 Homeland Security Grant Program</li><li>3. CFDA #97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)</li><li>4. CFDA #10.664 Cooperative Forestry Assistance</li><li>5. CFDA #10.553 School Breakfast Program (Child Nutrition Cluster)</li><li>6. CFDA #10.555 National School Lunch Program (Child Nutrition Cluster)</li><li>7. CFDA #10.556 Special Milk for Children (Child Nutrition Cluster)</li><li>8. CFDA #10.559 Summer Food Service Program for Children (Child Nutrition Cluster)</li><li>9. CFDA #10.558 Child and Adult Care Food Program</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 Homeland Security</li><li>3. U.S. Department of Homeland Security</li><li>4. U.S. Department of Agriculture</li><li>5. U.S. Department of Agriculture</li><li>6. U.S. Department of Agriculture</li><li>7. U.S. Department of Agriculture</li><li>8. U.S. Department of Agriculture</li><li>9. U.S. Department of Agriculture</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. 2016G996115; 2015G996115</li><li>2. EMW-2015-SS-00037</li><li>3. 4227-DR-WY-P1SWY500</li><li>4. 15-DG-11020000-039</li><li>5-9. 16163WY312N1099; 201616N109943; 16153WY312N2020; 16163WY509N1050; 201616N202043; 201616N105043</li></ol>
<p><b>Award Years:</b></p> <ol style="list-style-type: none"><li>1. October 1, 1999 – September 30, 2016</li><li>2. September 23, 2013 – June 30, 2017</li><li>3. October 1, 2013 – September 30, 2017</li><li>4. October 1, 1999 – September 30, 2016</li><li>5. October 1, 2015 – September 30, 2016</li><li>6. October 1, 2015 – September 30, 2016</li><li>7. October 1, 2015 – September 30, 2016</li><li>8. October 1, 2015 – September 30, 2016</li><li>9. October 1, 2015 – September 30, 2016</li></ol>

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2017

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**Departments:**

1. Wyoming Department of Family Services
2. Wyoming Office of Homeland Security
3. Wyoming Office of Homeland Security
4. Wyoming Office of State Lands and Investments
5. Wyoming Department of Education
6. Wyoming Department of Education
7. Wyoming Department of Education
8. Wyoming Department of Education
9. 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, 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 extend* the passthrough 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.

Several Wyoming Department of Homeland Security 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:

2. Due to the award period, this finding is evaluated under the UGG. Of the five sub-recipients subject to testing for the Homeland Security Grant Program (CFDA #97.067), all five 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 those 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, 2017

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3. Due to the award period, this finding is evaluated under the UGG. Of the four sub-recipients subject to testing for the Disaster Grants Public Assistance (CFDA #97.036), all four sub-awards failed to provide all required award information. In addition, of the four sub-recipients selected for testing, the Program was required to perform risk assessment procedures on 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.

The Cooperative Forestry Assistance Program (CFDA #10.664) 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. Due to the award period, this finding is evaluated under the UGG. Of the six sub-recipients subject to testing, only one sub-recipient was subject to the UGG. This sub-award failed to contain all of the required UGG award information. In addition, the Program was required to perform risk assessment procedures on this sub-recipient in conjunction with the UGG and the Program failed to perform and document the required risk assessment procedures.

In addition, while the Program does indicate that sub-recipients that receive more than the audit threshold in Federal awards are required to submit their annual audit report, the Program does not have a formal process in place to solicit annual audits or follow up with sub-recipients that do not submit an audit.

For instances 5 through 9, we noted that the Department of Education did not modify their sub-award agreements for the Child Nutrition Cluster or the Child and Adult Care Food Programs. As a result, all required award identification under the UGG was not properly provided to the Program's sub-recipients.

**Status:** Wyoming Department of Family Services (DFS): The Department is still in the process of developing and implementing a standard control system over the monitoring and management of sub-recipients. After the process is complete, the Department will ensure the control system is inclusive of all Federally required communications and actions. Additionally, the Department will consider the implementation of an independent review process as part of the standard control system.

**Auditor's Comments:** Wyoming Department of Family Services (DFS): Based on audit work performed, the Department did not implement a standard control system over the monitoring and management of sub-recipients by the anticipated completion date of July 1, 2017. The Department is in the process of implementation of the current Wyoming Department of Health's process for sub-recipient monitoring. Training related to the new controls and monitoring procedures will begin by March 2018 and full implementation will be completed by July 1, 2018. As such, the finding is not considered resolved.

**Status:** Wyoming Department of Homeland Security (HS): Steps have been implemented to ensure all necessary information, such as DUNS number, are included in all future grant award agreements. 2 CFR 200.331 has been reviewed by HS employees responsible for award and monitoring of grants passed through to sub-recipients.

**Auditor's Comments:** Wyoming Department of Homeland Security (HS): Based on audit work performed, all necessary information, including the DUNS number, is included in grant agreements. The finding is considered resolved.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2017

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**Status:** Wyoming Office of State Lands and Investments (OSLI): Text has been added to new sub-recipient grant agreements involving Federal funds that instructs sub-recipients as follows: “Act in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 (as may, from time to time, be hereafter amended), which may be found electronically at the following internet site: [ecfr.gov](http://ecfr.gov).”

**Auditor’s Comments:** Wyoming Office of State Lands and Investments (OSLI): Based on audit work performed, additional text has been included in the new sub-recipient grant agreements involving Federal funds. The finding is considered resolved.

**Status:** Wyoming Department of Education (WDE): The Wyoming Department of Education (WDE) Nutrition Team created and provides an appendix to all sub-recipient Permanent Program Agreements which communicates all required data elements listed under 2 CFR 200.331.

**Auditor’s Comments:** Wyoming Department of Education (WDE): Based on audit work performed, the WDE Nutrition Team has completed the development of a new appendix to be in compliance with the requirements of the Uniform Grant Guidance for the Permanent Program Agreements used for the School of Nutrition Program, the Child and Adult Care Food Program, and the Summer Food Service Program. In addition, that changes have reviewed and approved by the USDA. The finding is considered to be resolved.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2017

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**2016-011 Reporting**

<b>Catalog of Federal Assistance (CFDA) Numbers and Titles:</b> <ol style="list-style-type: none"><li>1. CFDA #10.551 Supplemental Nutrition Assistance Program (SNAP)</li><li>2. CFDA #93.667 Social Services Block Grant (SSBG)</li><li>3. CFDA #97.067 Homeland Security Grant Program</li><li>4. CFDA #97.036 Disaster Grants – Public Assistance (Presidentially Declared Disasters)</li></ol>
<b>Federal Agency Names:</b> <ol style="list-style-type: none"><li>1. U.S. Department of Agriculture</li><li>2. U.S. Department of Health and Human Services</li><li>3. U.S. Department of Homeland Security</li><li>4. U.S. Department of Homeland Security</li></ol>
<b>Pass-Through Entity Name (if applicable):</b> N/A
<b>Award Numbers:</b> <ol style="list-style-type: none"><li>1. 16163WY410S2514; 16163WY410S8036; 15153WY410S2514; 15153WY410S8036</li><li>2. G-1501WYSOSR</li><li>3. EMW-2015-SS-00037</li><li>4. 4227-DR-WY-PISWY500</li></ol>
<b>Award Years:</b> <ol style="list-style-type: none"><li>1. October 1, 2015 – September 30, 2016; October 1, 2014 – September 30, 2015</li><li>2. October 1, 2014 – September 30, 2015</li><li>3. September 1, 2014 – August 31, 2018</li><li>4. July 6, 2015 – January 7, 2018</li></ol>
<b>Departments:</b> <ol style="list-style-type: none"><li>1. Wyoming Department of Family Services</li><li>2. Wyoming Department of Family Services</li><li>3. Wyoming Office of Homeland Security</li><li>4. Wyoming Office of Homeland Security</li></ol>

**Condition/Context:**

1. A total of eight financial reporting reports were selected for testing in the SNAP program (CFDA #10.551). Of those eight reports, three were SF-425 financial reports. In two of the three SF-425 financial reports selected for testing, the amounts reported in the Total Federal Funds Authorized line was not supported by the Federal award. Specifically, the errors occurred in the December 31, 2015 report submitted January 28, 2016 and the 2015 Closeout Report submitted December 29, 2015.
2. A total of two financial reports were selected for testing for the SSBG program (CFDA# 93.667). Of those two reports, one report was called the Post-Expenditure Report. The SSBG program was unable to provide supporting documentation for all financial information reported on the Post-Expenditure Report (the “report”) submitted in December 2015.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2017

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3. A total of three financial reporting reports were selected for testing for the Homeland Security Grant Program (CFDA #97.067). In one of three SF-425 financial reports selected for testing, the Program reported a recipient share of expenditures in the amount of \$1,474,121, even though this grant has no matching requirement and no matching funds were provided by the Wyoming Office of Homeland Security.
4. A total of three financial reporting reports were selected for testing for the Disaster Grant – Public Assistance (CFDA #97.036). In one of the three SF-425 financial reports selected for testing, the Program reported an incorrect recipient share of expenditures. The Program reported \$449,166 in State assistance, but should have reported \$612,562. As such, the amount reported was understated by \$163,395.

**Status:** Wyoming Department of Family Services (DFS): The Department developed worksheets to assist in calculating/accumulating supporting data pulled from the State's accounting system and strengthened review procedures of the reporting process to ensure accuracy.

**Auditor's Comments:** Wyoming Department of Family Services (DFS): Based on audit work performed the Department has implemented the corrective action. The finding is considered resolved.

**Status:** Wyoming Department of Homeland Security (HS): HS updated their internal control processes to ensure that there was a segregation of duties between the person preparing the financial reports and the person responsible for reviewing the reports.

**Auditor's Comments:** Wyoming Department of Homeland Security (HS): Based on audit work performed, the preparation of the financial report was transferred to another employee to ensure an individual other than the employee preparing the report reviews the report prior to submission. As such, this finding is considered resolved.



STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2017

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**2016-012: Eligibility**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> CFDA #93.568 Low-Income Home Energy Assistance
<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 Number:</b> 2016G992201
<b>Award Years:</b> October 1, 2013 – September 30, 2015 October 1, 2014 – September 30, 2016 October 1, 2015 – September 30, 2017
<b>Department:</b> Wyoming Department of Family Services

**Condition/Context:** Of the 40 beneficiary households selected for testing compliance with the eligibility requirements of the Low-Income Home Energy Assistance (CFDA #93.568) (LIEAP), we noted four instances in which the Department of Family Services, (the “Department”), over awarded and overpaid the beneficiary household. All instances resulted in an understatement of beneficiary household’s income and an associated overpayment of benefits.

The errors resulted in \$245 of known questioned costs and \$90,256 of projected/likely questioned costs.

**Status:** LIEAP has consistently strengthened quality control procedures using a combination of rigorous quality control reviews by Align quality assurance staff and the State Program Manager, and engineered controls. Any time you have workers keying in large volumes of data, there is a risk of human error. To mitigate this risk for human error, the following actions have been implemented:

- Align quality assurance staff provide accuracy reviews of 100% of data entered by all new workers until which time those new workers are considered to be proficient. It is then scaled back to reviews of random samplings.
- Align quality assurance staff provide ongoing accuracy reviews of random samplings of all household case files and data entry.
- The LIEAP State Program Manager conducts quality control accuracy reviews of a random sampling of all households each year.
- Align staff training is provided in real time on an ongoing basis throughout the season. This training addresses any issues discovered during quality assurance and quality control reviews immediately upon discovery. The Align team conducts team training/updates every morning which is also a very good method for communicating issues in real time. There have been several instances during the process of conducting the State quality control reviews that the Align quality assurance staff and the State Program Manager circled the Align workers and conducted on-the-spot training as a result of identifying an issue during our quality control process. This has proven to be very effective for mitigating the risk for human error and for clarifying policy and procedures misunderstandings. LIEAP will continue to utilize this approach.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2017

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- In addition to the real-time training mentioned above, all Align workers who work under the LIEAP program receive formal training at the beginning of each season. Additionally, all workers receive an updated Job Aid manual at the beginning of each season. When changes to policy and procedures occur, specialized training is provided to train staff on those changes.
- Over that past several years, the State Program Manager and the Align team have implemented engineered controls for the purposes of mitigating the risk for human error and increasing data accuracy and processing efficiency. For example, we have implemented the use of hotkey codes to increase the accuracy and consistency in the case narrative in the notes section of the case file. Additionally, we have added engineering controls to prevent duplication and to ensure accuracy of the input of fuel account numbers and social security numbers. There are engineered controls to prevent application approval if all verifications have not been completed. These engineered controls have improved data accuracy significantly and have been very effective in mitigating human error risk.
- To put the above listed findings in perspective, the State-conducted quality control reviews for the same program period resulted in a .005 error rate for Align after the identified correctable errors were satisfactorily corrected. The error rate prior to the allowable corrections was .126. Most of the errors identified were correctable and once the corrections were made by Align, the final error rate was reduced to .005. These reviews are always conducted on a random sample which the State IT programmer provides to the State Program Manager.

In addition, the LIEAP program is in the process of implementing intelligent data capture (IDC) software to further mitigate the risk for human error associated with data entry. Once the IDC project is fully implemented and fully operational, the system will read the data from the applications and populate the data in the corresponding LIEAP data fields automatically reducing the need for manual data entry by workers. We expect this to significantly improve data accuracy. IDC will be fully implemented by Oct 1, 2018.

**Auditor's Comments:** Based on audit work performed the Department has successfully implemented all the new controls to reduce the risk of human error, with the exception of one, the IDC IT upgrade. However, due to the very rigorous quality assurance processes that have been implemented as a result of this finding, and based on the fact that the IDC will only further strengthen this process, the finding is considered to be resolved.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2017

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**2016-013: Allowable Costs/Cost Principles**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> CFDA #93.778 Medical Assistance Program (Medicaid; Title XIX)
<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> 1. 1505WYMAP 2. 1605WYMAP
<b>Award Years:</b> 1. 2015 2. 2016
<b>Department:</b> Wyoming Department of Health

**Condition/Context:** Of the 60 recipients selected for testing compliance with expenditure requirements within the Medicaid Cluster, we noted one instance where the recipient's claim did not meet the medical necessity requirement. This resulted in an improper benefit claim of \$140.00.

**Status:** The corrective action plan was implemented and the State completed an additional review to corroborate the findings identified. During this review it was determined that medical necessity was not supported for two claims submitted by providers; as such, the overpayment was recovered. In addition, the Department has created a provider self-audit program that will support efforts to comply with documentation requirements.

**Auditor's Comments:** Finding 2016-013 was a repeat finding of finding 2015-013. Based on current year testing, there were no exceptions in allowability testing where the documentation of medical necessity was not provided. As such, this finding is considered resolved.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2017

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**2016-014: Eligibility**

<b>Catalog of Federal Assistance (CFDA) Number and Title:</b> CFDA #93.767 Children’s Health Insurance Program (CHIP)
<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> 1. 1105WY5021 2. 1205WY5021
<b>Award Years:</b> 1. October 1, 2013 – September 30, 2015 2. October 1, 2014 – September 30, 2016
<b>Department:</b> Wyoming Department of Health

**Condition/Context:** Of the 40 participants selected for testing compliance with the eligibility requirements of the CHIP Program (CFDA #93.767) (the “Program”) we noted five instances in which the Department of Health (the “Department”) allowed ineligible participants to participate in the Program or failed to follow internal control procedures. The following instances were noted:

- In instance one, the participant was ineligible based on poverty level guidelines, the age of the participant, and income guidelines. This resulted in payment of ineligible benefits. Total questioned costs for this participant were \$680.
- In instance two, the participant moved out of state in August 2015, which rendered the participant ineligible. However, the Program continued to provide benefits to this ineligible participant until March 2016. Total questioned costs for this participant were \$1,398.
- In instance three, the participant was identified as ineligible during the in-take process. However, a call center representative actively overrode the eligibility determination and qualified the child for participation. Furthermore, there was no documentation in the Wyoming Eligibility System (WES) to justify why the call center representative overrode the determination. This resulted in payment of eight months of benefits. Total questioned costs for this participant were \$1,814.
- In instance four, the Program did not retain support for this participant’s eligibility for the Program. As such, the Program could not verify if the participant was actually eligible for participation.
- In instance five, the Program failed to perform an income eligibility check, which is outside of Program procedures.

**Status:** For each of the five instances of error findings noted in the review of the Children’s Health Insurance Program (CHIP), the case actions were processed by the Customer Service Center (CSC) staff who were not performing their duties in an accurate and/or timely manner. The erroneous actions taken by CSC staff were not the process that has been established by Wyoming CHIP, but were documented issues with the vendor under contract with the Wyoming Department of Health (WDH). The WDH attempted to work with the non-performing vendor to improve their performance of the activities conducted in the CSC by providing additional training to their staff and adding additional staff.

## STATE OF WYOMING

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2017

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After allowing sufficient time for the vendor to show significant improvement and seeing none, the WDH notified the vendor that their contract would not be extended and began the procurement process for a new vendor. A new vendor was selected and CSC operations were transferred to the new vendor on October 1, 2016. The contract with the new vendor does have penalties associated with inaccurate eligibility determinations and also incentivizes exceptional work performed by the new vendor. As part of these corrective actions, the WDH provided increased training and continuously monitors the work of the new vendor to avoid similar errors in the future.

In addition, State staff members work closely with Maximus, the new vendor, to ensure that eligibility reviews are performed accurately. WDH maintains an electronic file for each applicant approved or denied in one of the covered programs. The electronic file is in the Wyoming Eligibility System or WES. The Eligibility Review Unit (ERU) completes several different types of reviews, both State and Federal, on these files. The state and Federal requirements are compared to the files to see if the applicant was made eligible or denied correctly based on those requirements. Each ERU specialist reviews approximately 200 randomly selected cases per month.

At the insistence of the State, the Maximus management team has recently implemented increased internal quality control activities. These increased activities began in early December 2017 and the WDH believes it will drastically improve the eligibility work being completed by Maximus staff. If the improvement expected is not realized, the State will be forced to issue a notice to cure according to the terms of the contract.

**Auditor's Comments:** Based on audit work performed, the State has implemented additional control process to ensure eligibility as well as returned all questioned costs. As such, this finding is considered resolved.

# **EXHIBIT I**

## **CORRECTIVE ACTION PLANS**

# STATE OF WYOMING

## CORRECTIVE ACTION PLANS JUNE 30, 2017

The following are the corrective action plans for the *Schedule of Findings and Questioned Costs* reported in the June 30, 2017 Compliance Report for the State of Wyoming.

**2017-001: Wyoming Department of Education (WDE) -  
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.

**Recommendation:** We recommend that the WDE implement a control system to ensure the accuracy of the service dates entered into the State's accounting system to ensure they are properly recorded in the correct fiscal period.

**Corrective Action Planned:** The WDE has 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 will notate the correct period of service on the payment documentation during initial approval. In addition, the Finance Pre-Auditor and Post-Auditor will 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 will meet 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.

**Contact:** Trent Carroll, Finance Director

**Anticipated Completion Date:** This new process has been implemented effective December 8, 2017.

**2017-002: Wyoming Department of Workforce Services (DWS) and  
State Auditor's Office (SAO) - 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.

**Recommendation:** We recommend that DWS implement a control to ensure an independent review is performed on the calculation of the claims and benefits payable prior to submission of the information to the SAO CAFR Division. We recommend that the SAO CAFR Division continue to refine its internal review process to assist in determining the propriety of the journal entries posted during the preparation of the State's financial statements.

**Corrective Action Planned - DWS:** DWS - Workers' Compensation fiscal staff will add an additional one to two employees in preparation and review of schedules before submitting calculations and information to the SAO CAFR Division. One of these reviews will be conducted by the CFO of DWS. DWS will also work in conjunction with the SAO CAFR Division who will also provide an additional level of expertise and review.

DWS - Workers' Compensation will further investigate the possibility of obtaining assistance from our Actuary to pull the necessary information together 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 intends to improve liability templates currently used in reporting to the SAO CAFR Division, either with changed formatting and/or adding detailed instructions. Improved reporting templates could benefit both DWS and the SAO CAFR Division with easier input and review. Prior to the next annual reporting period, DWS will allow the SAO CAFR Division to review and approve updated templates.

**Contact:** Brenda Brown, Deputy Administrator, Standards and Compliance, Fiscal

**Anticipated Completion Date:** DWS' corrective action plan will be put in place and utilized during the next annual reporting period ending June 30, 2018.

**Corrective Action Planned - SAO:** The SAO concurs with the plan provided by the DWS. Additional reviews and working sessions between these two agencies have already occurred.

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

**Anticipated Completion Date:** June 30, 2018



**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.

**Recommendation:** We recommend that the SAO CAFR Division work closely with applicable State agencies and consider implementing additional review procedures when unique and/or infrequent financial transactions are identified, which will help to ensure the propriety of the journal entries posted during the compilation of the State's financial statements.

**Corrective Action Planned:** The SAO CAFR Division will 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 will also evaluate special transaction requests and analysis the need for potential adjustments for financial reporting purposes.

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

**Anticipated Completion Date:** June 30, 2018

**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.

**Recommendation:** We recommend the SAO CAFR Division request that the State Treasurer's Office (STO) provide the fiscal year manager fee and income diversion activity, any associated year-end accruals, the allocation criteria and the proposed adjustment to all participating fund classes. This will allow the SAO CAFR Division to transition its role from one of a preparer to a role of reviewing the information for reasonableness and consistency, which will provide for additional internal controls over this financial activity.

**Corrective Action Planned:** The SAO CAFR Division concurs with the recommendation. The items have already been added to a checklist of information to obtain from the STO and will be included in our pre-year end close discussion with the STO. The SAO CAFR Division will also improve our workpapers to better demonstrate our analysis related to the materiality of the net investment income as historically the adjustments have been immaterial. However, with the growth of the State's investment portfolio, the adjustment's materiality can change, especially considering its inverse relationship.

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

**Anticipated Completion Date:** June 30, 2018

**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.

**Recommendation:** We recommend the SAO CAFR Division revise its internal control system to include the balance of unearned revenue on grazing leases within its year-end adjustments.

**Corrective Action Planned:** 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.

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

**Anticipated Completion Date:** June 30, 2018

**2017-006: State Treasurer's Office (STO) -  
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.

**Recommendation:** We recommend the STO review and revise its control system over the accounting of its alternative investments to provide for a more effective review system over manual data entry into spreadsheets used to allocate investment activity.

**Corrective Action Planned:** The STO has a two-phase corrective action plan to eliminate misallocations in the future. Phase one is already in process. In conjunction with our manual calculation process, we have implemented a new internal program to serve in a parallel capacity to check allocation calculations. Our internal program, Investment Information System, takes information from the QED system and automatically calculates the percentages needed for proper allocation. Phase two is in the development/testing phase. The STO has been working with JP Morgan for almost a year to implement Plan Sub-Accounting (PSA) for all custody accounts. The PSA reporting will provide the STO with pool-level information for each investment account. Both phases will ensure that the interface into WOLFS will be accurate in allocating investment income amongst the appropriate State funds. As for the needed adjustment, this will be properly completed by fiscal year end.

**Contact:** Patricia O'Brien Arp, Ph.D., Deputy Treasurer

**Anticipated Completion Date:** June 30, 2018

**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.

**Recommendation:** We recommend that DOH personnel obtain and review all applicable SOC 1 Reports for its service organizations on an annual and timely basis. The review performed should encompass the following considerations, which should be formally documented:

1. We recommend documenting that the description of the controls listed within the SOC 1 Report covers all significant transactions, processes, or computer applications that affect the State's financial statements and compliance with Federal regulations.
2. If the SOC 1 Report identifies noncompliance of the service organization's controls, consideration should be made as to the effects of the findings on the State's financial statements and compliance with Federal regulations. In any instances of noncompliance, complementary controls at the DOH should be documented and enhanced as necessary. Listing the exceptions and the responses of the service organization's management alone is not sufficient; the DOH should document its own conclusions.
3. User controls are complementary to the controls of the service organizations and are necessary for the service organizations' controls to be achieved. All identified user controls within the SOC 1 Report should be reviewed to ensure they are in place within the DOH and operating effectively.

**Corrective Action Planned:** The Agency (Wyoming Department of Health, Division of Healthcare Financing, Pharmacy Services) has taken or plans to take the following steps to remediate this finding:

1. The status of the SOC 1 report (in process, completed, available for State review) will be specified on each semi-annual operations report produced by Change Healthcare (formerly Goold Health Systems) for State review.
2. Additionally, Change Healthcare will notify the Agency that the SOC 1 report is available for State review within three (3) business days of its release and will produce it to the Agency for review.

3. The Agency contract manager for the Change Healthcare Pharmacy Benefits Management System will review the provided SOC 1 report within twenty (20) business days of receipt including a review of any findings or deviations.
4. Documentation of the SOC 1 review and findings will be created by the Agency contract manager and will include 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 will also address the impact of any instances of non-compliance as well as complementary controls implemented to maintain the service organizations' controls.

**Contact:** Cori Cooper, Pharmacy Services Manager

**Anticipated Completion Date:** May 2018

**2017-008: Enterprise Technology Services**

**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.

**Recommendation:** ETS should develop and document IT control systems, policies, and procedures that enable the State to be more vigilant through the use of continuous monitoring and threat detection capabilities, and be resilient to better resist, respond to, and recover from cyber-attacks. With respect to each observation above, we recommend that:

1. ETS implement a formalized user access review process. This process should detail the users and administrative groups ETS is responsible for versus all other groups and users that the State agencies are responsible for reviewing. This process should include formal documentation procedures to ensure that an audit trail is retained for administrative purposes. Implementing this will also strengthen the security of all agency-supported networks, and delineate the responsibilities of ETS and State agencies. It is also recommended that ETS reach out to all agencies that they support to assist them in their own review of user access rights to ensure that the appropriate and effective communication standards exist between ETS and State agencies.

2. 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 mitigate the threat. 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 Actions Planned:**

1. ETS has kicked off a statewide 8-phase active directory project. Each phase requires the clean-up of working groups by roles, changing or deleting user permissions groups, and ensure administrative privileges are correct. Currently, this project is on track.

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.

**Contact:** Nicholas Gronski, Enterprise Technology Services Information Technology Governance Analyst

**Anticipated Completion Date:** September 2018

2. As of the 2018 legislative session, ETS has secured additional security funding to begin performing risk assessments on ETS environments. ETS anticipates being able to begin performing risk assessments starting September 2018.

**Contact:** Nicholas Gronski,  
Enterprise Technology Services Information Technology Governance Analyst

**Anticipated Completion Date:** September 2018

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

<p><b>Catalog of Federal Assistance (CFDA) Number and Title:</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 Number:</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 Year(s):</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>



**Department:**

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 five sub-recipients selected for testing for the Community Service Block Grant (CSBG) (item 4 above), the Program was required to perform risk assessment procedures on all five sub-recipients in conjunction with UGG. In all five instances tested, the Program failed to perform and document the required risk assessment procedures.

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 Highway Planning and Construction Program Cluster (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.

**Recommendation:** We recommend that the Departments/Programs develop and implement a standard control system over the monitoring and management of sub-recipients. The Departments/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 - Wyoming Department of Health (WDH) - Aging Cluster:** In consideration of this recommendation, the WDH Community Living Section has 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. The Community Living Section conducted an on-site review of approximately one-third (1/3) of sub-recipients who were deemed to be "high risk" with the final on-site review completed on August 17, 2017. Of those high-risk sub-recipients, the Community Living Section followed up with the sub-recipients which needed to develop a plan of correction. Pursuant to Policy Information Notice #QUAS-2013-1, the Community Living Section reinstated the policy of providing the remaining two-thirds (2/3) of low-risk providers with a desk audit entitled "Sub-Grantee Evaluation for Internal Controls", which were sent out June 30th and due back to the Community Living Section on July 21, 2017. 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.

**Contact** - Dirk Dijkstal, J.D., Community Living Section Manager

**Anticipated Completion Date** - WDH Aging Cluster - October 1, 2018

**Corrective Action Planned - Wyoming Department of Health (WDH) - CSBG:** In consideration of this recommendation, the WDH Public Health Division, Community Services Program has developed a Sub-grantee Risk-Based Assessment that will be conducted annually with current grant recipients who receive CSBG funds. For first time sub-grantees receiving CSBG funds, a second assessment will be completed six (6) months after the execution of their contract to ensure contract and program compliance. The annual assessment will take place each year prior to awarding the next year's funding.

**Contact:** Regina Dodson, BSSW, CSW, Community Services Program Manager

**Anticipated Completion Date:** WDH CSBG - June 15, 2018

**Corrective Action Planned - Wyoming Attorney General's Office (AG) - VOCA - Crime Victims Assistance:** The Division of Victim Services (Division) has reviewed 2 CFR §200.331 for the applicable sub-recipient monitoring requirements and steps are being taken to modify the information contained in the sub-recipient contracts beginning for the State fiscal year 2019. The Division has also already begun to implement policies and controls in order to ensure that the remaining requirements dealing with the risk assessment procedures and during the award monitoring are also addressed.

Additionally, the following actions have been taken/added to the template contract the Division utilizes with our sub-recipients: 200.331(1)(i) and (ii) - Sub-recipient's DUNS number and the Name are included in the contract. 200.331(1)(iv) - The date the Federal grant was awarded is included in the sub-recipient contract. 200.331(1)(x) - Name of the Federal awarding agency is included in the sub-recipient contract. 200.331(1)(xii) - The sub-recipient contract will clearly contain the following language, "This contract does not include funding for a Research and Development (R&D) project." 200.331(4) - The contract will include a statement that the grant does not allow indirect cost rates.

**Contact:** Cara Chambers, Director

**Anticipated Completion Date - AG -** June 30, 2018

**Corrective Action Planned - Wyoming Department of Environmental Quality (DEQ) - Non-point Source Implementation Grant:** DEQ will notify each sub-recipient of the required information via letter. If an agreement was executed with Federal grant funding awarded on or after December 23, 2014, DEQ will transmit a letter notifying the sub-recipients of the required information. A similar letter will accompany any new agreements when the agreements are sent to sub-recipients for their execution. To ensure timely follow-up with sub-recipients who fail to certify or provide a copy of their audit (if necessary), the agency will use electronic calendars to create reminders to periodically review the responses and contact sub-recipients who fail to respond.

**Contact:** Kara Poppe, Comptroller

**Anticipated Completion Date:** DEQ - September 30, 2017

***Corrective Action Planned - Wyoming State Parks - Recreational Trails:*** State Parks, Historic Sites and Trails will develop a Risk Assessment and a Control System. A Control System will be documented in a spreadsheet and monitored quarterly. This spreadsheet will keep track of each project's required Federal and state compliance procedures, including progress reporting, audit reporting, and submittal of audit reviews, suspension and debarment signatory forms, past performance, etc. Additionally, an audit certification form will be signed by applicable project recipients before a project is approved. Once the agency has finalized the Risk Assessment, it will then be reviewed and approved by the State Trails Advisory Council at their Fall meeting. Application and Guidelines will be updated immediately following the Wyoming State Trails Advisory Council meeting.

**Contact:** Tracy J. Williams, Grant Specialist

**Anticipated Completion Date:** September 30, 2018

**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> <ol style="list-style-type: none"> <li>1. H126A150075</li> <li>2. H126A160075</li> <li>3. H126A170075</li> </ol>
<b>Award Years:</b> <ol style="list-style-type: none"> <li>1. October 1, 2014 - September 30, 2015</li> <li>2. October 1, 2015 - September 30, 2016</li> <li>3. October 1, 2016 - September 30, 2017</li> </ol>

**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.

**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:*** The Program Administrator has issued a directive for the Program and has provided additional training to administrative assistants, counselors, and area managers to help them: (1) better determine which status a client is in and how to move clients through the eligibility determination process with fewer delays; and (2) draft and approve IPEs following the eligibility determination process in the shortest amount of time.

To coincide with the new training, a new tool derived from the case management system's reports is emailed to all staff. The "Alert List" tool is sent each morning during the work week and serves as a reminder to counselors and administrative assistants to: (1) review clients currently within the eligibility process - area managers perform quick checks that ensure any exception is being addressed and that each client in the eligibility process is in the proper status code; and (2) review clients who are currently in an eligible status and do not have an approved IPE and an updated status code - area managers perform quick checks that ensures any exception is being addressed and that each eligible client has an approved IPE.

Counselors and administrative assistants are responsible for identifying clients who may need additional attention or assistance when determining eligibility. Area managers and the Program Administrator are responsible for monitoring daily reports and assisting counselors and administrative assistants when a client appears close to the deadline without a determination.

***Contact:*** Jim McIntosh, Program Administrator

***Anticipated Completion Date:*** The training necessary to correct this finding and the implementation of new processes was completed as of January 1, 2018. The Program is monitoring its own progress and has incorporated a review during the weekly area manager call. The Program has set a date of September 30, 2018 to perform an official review of the past nine months.

**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, 2015

**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).

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

**Corrective Action Planned:** The (Vocational Rehabilitation) Division has separated the earmarked funds into their own dedicated program budget with rigid spending controls that comply with the grant award rules and overarching Federal regulations. The Senior Accounting Analyst will review the authorizations in the case management software for the dedicated pre-employment training services budget and make the final determination if the charges are allowable. The Senior Accounting Analyst will review any questionable authorizations with the Fiscal Manager. Only approved authorizations in the case management software will be allowed to be paid through the State's accounting system.

**Contact:** Jim McIntosh, Program Administrator

**Anticipated Completion Date:** The dedicated budget was completed as of October 1, 2017 to coincide with the Federal fiscal year. The Program is monitoring its own expenses and has incorporated a weekly review. The Program also performs quarterly reporting of all budget expenditures and encumbrances, and this dedicated budget has been added to that review.

**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:

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.

**Recommendation:** We recommend that the Department develop and implement a standard control system over the tracking and submission of required reports. The Department should ensure the control system is inclusive of all Federally required communications and actions. This includes reviewing award documents to ensure that all required reports are prepared and submitted.



***Corrective Action Planned:*** The Department agrees with the finding. Controls have been implemented to remind the accountants and supervisors when reports are due for each grant using electronic calendars and auto-generated e-mail reminders. In addition, a detailed listing will be created that lists each required report and when it is due.

***Contact:*** Kara Poppe, Comptroller

***Anticipated Completion Date:*** June 30, 2018

**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, 2017</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.
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.

**Recommendation:** We recommend the Departments 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 – Military Department:** The Department, along with the Attorney General’s office, has modified the contract template for all construction contracts to include a clause that specifically addresses the suspension and debarment requirements which will be used for all construction-based contracts going forward. The contractor will be required to sign the contract which certifies that they have read, understood, and agreed to the terms and conditions of the contract.

**Contact:** Lily Hernandez, Executive Assistant

**Anticipated Completion Date:** The corrective action plan has already been implemented.

**Corrective Action Planned - Wyoming State Parks:** State Parks, Historic Sites and Trails (SPHS&T) have begun tracking each project's compliance with all of the necessary Federal requirements, including suspension and debarment. Starting with the current 2017 contracts, the Federal requirements have been added which include a clause stating the recipient has not or is not debarred or suspended. A suspension and debarment form will be signed by applicable project recipients before a project is approved. This form will be renewed on an annual basis. A recipient that is debarred or suspended will not receive Federal grant funding.

Additionally, the Department will create a secondary control system to review for all necessary Federal requirements. One system for control of suspension and debarment specifically, will be performing a check on the Sams.Gov website.

**Contact:** Tracy J. Williams, Grant Specialist

**Corrective Action Planned - Wyoming Game and Fish Department:** The Wyoming Game and Fish Department, under the responsibility of Meredith Wood, Chief Financial Officer, has completed a Corrective Action Plan for this finding. During the review process, the Wyoming Game and Fish Department acknowledged upon discovery the control deficiency regarding suspension and debarment verification for goods and services awarded under a non-procurement transaction that are expected to equal or exceed \$25,000. As such all contract templates were immediately modified 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. No additional action is required by the Wyoming Game and Fish Department.

**Contact:** Meredith Wood, Chief Financial Officer

**Anticipated Completion Date:** June 30, 2017