

STATE OF WYOMING

ENTITY IDENTIFICATION NUMBER 83-0208667

COMPLIANCE REPORT

JUNE 30, 2020

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EXHIBIT I: CORRECTIVE ACTION PLAN



**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, 2020, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated February 26, 2021. Our report includes a reference to other auditors who audited the financial statements of the University of Wyoming, the University of Wyoming Foundation (a component unit of the University of Wyoming), the Wyoming Community Development Authority, and the Wyoming Retirement System, as described in our report on the State's financial statements. The financial statements of the University of Wyoming Foundation were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the State's internal control over financial reporting (internal control) as a basis for designing 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 did identify 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 2020-001, 2020-004, 2020-005, 2020-006, 2020-007, 2020-008, 2020-009, 2020-010, 2020-011, 2020-012, 2020-013, 2020-015, and 2020-018, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs, identified as items 2020-002, 2020-003, 2020-014, 2020-016, 2020-017, and 2020-019 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 financial statements. 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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings and Questioned Costs as item 2020-019.

The State's Responses to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results 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.

McLee, Hearne & Paiz, LLP

Cheyenne, Wyoming
February 26, 2021



**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 *Office of Management and Budget 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, 2020. The State's major Federal programs are identified in the Summary of Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

The State of Wyoming's basic financial statements include the operations of the Wyoming Business Council, the Wyoming Community Development Authority, the Wyoming Department of Transportation, and the University of Wyoming, which expended approximately \$519 million in Federal awards that are not included in the State's Schedule of Expenditures of Federal Awards during the year ended June 30, 2020. Our audit, described below, did not include the operations of the Wyoming Business Council or the Wyoming Department of Transportation because these entities had separate audits of compliance performed by us in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our audit, described below, also did not include the operations of the University of Wyoming or the Wyoming Community Development Authority because these entities engaged other auditors to perform audits of compliance 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 the 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 did not comply with requirements regarding Catalog of Federal Domestic Assistance (CFDA) #84.126, Rehabilitation Services_Vocational Rehabilitation Grants to States, as described in item 2020-026 for earmarking. Compliance with such requirements is necessary, in our opinion, for the State 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 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, 2020.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the State 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 Independent Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance that 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 2020-020 through 2020-025 and 2020-027 through 2020-030. 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 Plan (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 the responses.

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 a 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 2020-026 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 2020-020, 2020-021, 2020-022, 2020-023, 2020-024, 2020-025, 2020-027, 2020-028, 2020-029, and 2020-030 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 Plan (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 the responses.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the State's basic financial statements. We issued our report thereon dated February 26, 2021, which contained unmodified opinions on those financial statements. We did not audit the financial statements of the University of Wyoming, the University of Wyoming Foundation (a component unit of the University of Wyoming), or the Wyoming Community Development Authority, which are shown as discretely presented component units. In addition, we did not audit the financial statements of the Wyoming Retirement System, which is shown as a fiduciary fund. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the University of Wyoming, the University of Wyoming Foundation, the Wyoming Community Development Authority, and the Wyoming Retirement System, is based solely on the reports of the other auditors.

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

McGee, Hearne & Paig, LLP

Cheyenne, Wyoming

August 9, 2021, except for that portion which addresses the Schedule of Expenditures of Federal Awards, as to which the date is February 26, 2021

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
Child Nutrition Cluster			
U.S. Department of Agriculture:			
School Breakfast Program	10.553	\$ 3,090,643	\$ 3,090,643
COVID-19 School Breakfast Program	10.553	279,154	279,154
National School Lunch Program	10.555	10,128,919	10,128,919
COVID-19 National School Lunch Program	10.555	862,928	862,928
Special Milk Program for Children	10.556	12,188	12,188
COVID-19 Special Milk Program for Children	10.556	409	409
Summer Food Service Program for Children	10.559	1,003,308	980,997
COVID-19 Summer Food Service Program for Children	10.559	8,563,746	8,563,746
Total Child Nutrition Cluster		23,941,295	23,918,984
Supplemental Nutrition Assistance Program (SNAP) Cluster			
U.S. Department of Agriculture:			
SNAP	10.551	41,331,270	-
State Administrative Matching Grants for SNAP	10.561	8,219,462	2,450,624
Total SNAP Cluster		49,550,732	2,450,624
Food Distribution Cluster			
U.S. Department of Agriculture:			
Commodity Supplemental Food Program	10.565	25,353	23,170
Emergency Food Assistance Program (Administrative Costs)	10.568	178,148	178,148
Emergency Food Assistance Program (Food Commodities)	10.569	3,975,841	3,975,841
COVID-19 Emergency Food Assistance Program (Food Commodities)	10.569	214,058	214,058
Total Food Distribution Cluster		4,393,400	4,391,217
Fish and Wildlife Cluster			
U.S. Department of the Interior:			
Sport Fish Restoration Program	15.605	5,325,986	207,578
Wildlife Restoration and Basic Hunter Education	15.611	14,830,549	1,336,634
Enhanced Hunter Education and Safety Program	15.626	80,300	-
Total Fish and Wildlife Cluster		20,236,835	1,544,212
WIOA Cluster			
U.S. Department of Labor:			
WIA/WIOA Adult Program	17.258	2,048,135	-
WIOA Youth Activities	17.259	2,035,452	241,250
WIA/WIOA Dislocated Worker Formula Grants	17.278	2,848,207	-
Total WIOA Cluster		6,931,794	241,250

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
Employment Service Cluster			
U.S. Department of Labor:			
Employment Service/Wagner-Peyser Funded Activities	17.207	\$ 4,128,523	\$ -
Disabled Veterans Outreach Program	17.801	555,032	-
Total Employment Service Cluster		4,683,555	-
Highway Planning and Construction Cluster			
U.S. Department of Transportation:			
Highway Planning and Construction	20.205	45,500	-
Recreational Trails Program	20.219	1,084,062	3,318
Total Highway Planning and Construction Cluster		1,129,562	3,318
Highway Safety Cluster			
U.S. Department of Transportation:			
State and Community Highway Safety	20.600	14,791	-
National Priority Safety Programs	20.616	40,268	-
Total Highway Safety Cluster		55,059	-
Clean Water State Revolving Fund Cluster			
U.S. Environmental Protection Agency:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	10,276,711	8,734,461
Total Clean Water State Revolving Fund Cluster		10,276,711	8,734,461
Drinking Water State Revolving Fund Cluster			
U.S. Environmental Protection Agency:			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	4,231,602	3,767,591
Total Drinking Water State Revolving Fund Cluster		4,231,602	3,767,591
Special Education Cluster (IDEA)			
U.S. Department of Education:			
Special Education - Grants to States (IDEA, Part B)	84.027	29,878,130	24,907,642
Special Education - Preschool Grants (IDEA, Preschool)	84.173	1,144,074	164,366
Total Special Education Cluster (IDEA)		31,022,204	25,072,008
Aging Cluster			
U.S. Department of Health and Human Services:			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	1,655,550	1,498,556
COVID-19 Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	425,214	425,214
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	2,715,381	2,503,432

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<i>Aging Cluster, Continued</i>			
COVID-19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	\$ 2,447,517	\$ 2,447,517
Nutrition Services Incentive Program	93.053	883,775	883,775
Total Aging Cluster		8,127,437	7,758,494
<i>Child Care and Development Fund (CCDF) Cluster</i>			
U.S. Department of Health and Human Services:			
Child Care and Development Block Grant	93.575	6,053,433	2,410,000
COVID-19 Child Care and Development Block Grant	93.575	2,850,136	-
Child Care Mandatory and Matching Funds of the CCDF	93.596	5,373,223	-
Total CCDF Cluster		14,276,792	2,410,000
<i>Medicaid Cluster</i>			
U.S. Department of Health and Human Services:			
State Medicaid Fraud Control Units	93.775	312,729	-
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	1,171,272	-
Medical Assistance Program	93.778	377,887,907	-
Total Medicaid Cluster		379,371,908	-
<i>Disability Insurance/Supplemental Security Income (SSI) Cluster</i>			
U.S. Social Security Administration:			
SSI	96.006	2,557,248	-
Total Disability Insurance/SSI Cluster		2,557,248	-
<i>Other Programs - Direct</i>			
U.S. Department of Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	503,743	-
Voluntary Public Access and Habitat Incentive Program	10.093	211,265	-
Market Protection and Promotion	10.163	8,400	-
Specialty Crop Block Grant Program - Farm Bill	10.170	260,464	187,014
Trade Mitigation Program Eligible Recipient Agency Operational Funds	10.178	97,671	97,671
State Mediation Grants	10.435	53,098	-
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	299,653	-
CACFP Meal Service Training Grants	10.534	10,684	-
Farmers' Market Supplemental Nutrition Assistance Program Support Grants	10.545	1,800	-
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	6,530,236	-
Child and Adult Care Food Program	10.558	3,726,580	3,664,426

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<i>Other Programs - Direct, Continued</i>			
U.S. Department of Agriculture, <i>Continued</i> :			
COVID-19 Child and Adult Care Food Program	10.558	\$ 573,628	\$ 573,628
State Administrative Expenses for Child Nutrition	10.560	1,111,745	196,249
Farm to School Grant Program	10.575	59,759	44,122
Child Nutrition Discretionary Grants Limited Availability	10.579	40,781	22,936
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	10.580	100,625	-
Fresh Fruit and Vegetable Program	10.582	1,630,098	1,571,176
Child Nutrition Direct Certification Performance Awards	10.589	483	-
Cooperative Forestry Assistance	10.664	2,091,024	1,588,627
Forest Legacy Program	10.676	6,014,507	(250)
Forest Health Protection	10.680	394,604	309,731
Good Neighbor Authority	10.691	492,427	73,101
State & Private Forestry Hazardous Fuel Reduction Program	10.697	355,423	-
SNAP Bonus	10.U01	26,412	-
Total U.S. Department of Agriculture		24,595,110	8,328,431
U.S. Department of Defense:			
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	93,583	-
Military Construction, National Guard	12.400	9,651,372	-
National Guard Military Operations and Maintenance Projects	12.401	25,085,015	-
National Guard ChalleNGe Program	12.404	3,609,918	-
Total U.S. Department of Defense		38,439,888	-
U.S. Department of Housing and Urban Development:			
Emergency Solutions Grant Program	14.231	385,863	382,016
Housing Opportunities for Persons with AIDS	14.241	157,049	37,620
Continuum of Care Program	14.267	21,372	-
Total U.S. Department of Housing and Urban Development		564,284	419,636
U.S. Department of the Interior:			
Cultural and Paleontological Resources Management	15.224	2,707	-
BLM Wildland Urban Interface Community Fire Assistance	15.228	110,975	-
Fish, Wildlife and Plant Conservation Resource Management	15.231	322,068	77,471
Environmental Quality and Protection Resource Management	15.236	5,981	-
Challenge Cost Share	15.238	549,588	-
Wildlife Resource Management	15.247	28,587	-
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	2,124,062	-
Abandoned Mine Land Reclamation	15.252	56,843,583	1,056,341

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
 Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<i>Other Programs - Direct, Continued</i>			
U.S. Department of the Interior, <i>Continued</i> :			
Federal Oil and Gas Royalty Management State and Tribal Coordination	15.427	\$ 2,506,923	\$ -
Title II, Colorado River Basin Salinity Control	15.509	1,706,719	1,704,902
Cultural Resources Management	15.511	50,000	-
Fish and Wildlife Coordination Act	15.517	257,198	-
Recreation Resources Management	15.524	256,764	-
Fish and Wildlife Management Assistance	15.608	152,640	30,558
Cooperative Endangered Species Conservation Fund	15.615	896,759	707,318
Sportfishing and Boating Safety Act	15.622	11,739	10,766
Juvenile Justice and Delinquency Prevention	15.628	62,684	62,158
State Wildlife Grants	15.634	521,818	521,818
Endangered Species Conservation – Recovery Implementation Funds	15.657	25,178	-
Endangered Species Conservation – Wolf Livestock Loss Compensation and Prevention	15.666	(23)	-
Adaptive Science	15.670	284,672	215,637
National Cooperative Geologic Mapping	15.810	105,699	-
National Geological and Geophysical Data Prevention	15.814	21,257	-
Historic Preservation Fund Grants-In-Aid	15.904	804,924	99,401
Outdoor Recreation Acquisition, Development and Planning	15.916	1,056,997	229,634
Total U.S. Department of the Interior		68,709,499	4,716,004
U.S. Department of Justice:			
Sexual Assault Services Formula Program	16.017	333,899	333,899
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	16,729	-
Missing Children’s Assistance	16.543	485,133	-
National Criminal History Improvement Program	16.554	134,089	-
Crime Victim Assistance	16.575	5,904,602	5,081,331
Crime Victim Compensation	16.576	755,459	-
Violence Against Women Formula Grants	16.588	687,230	609,682
Residential Substance Abuse Treatment for State Prisoners	16.593	121,098	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	517,182	-
DNA Backlog Reduction Program	16.741	235,816	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	182,304	-
Support for Adam Walsh Act Implementation Grant Program	16.750	94,240	-
Total U.S. Department of Justice		9,467,781	6,024,912

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<i>Other Programs - Direct, Continued</i>			
U.S. Department of Labor:			
Labor Force Statistics	17.002	\$ 670,752	\$ -
Compensation and Working Conditions	17.005	76,028	-
Unemployment Insurance	17.225	132,438,103	-
COVID-19 Unemployment Insurance	17.225	151,733,230	-
Senior Community Service Employment Program	17.235	313,518	249,051
Trade Adjustment Assistance	17.245	58,389	-
Work Opportunity Tax Credit Program	17.271	98,713	-
Temporary Labor Certification for Foreign Workers	17.273	88,437	-
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	116,719	-
Apprenticeship USA Grants	17.285	85,101	-
Occupational Safety and Health State Program	17.503	824,518	-
Consultation Agreements	17.504	784,870	-
Total U.S. Department of Labor		287,288,378	249,051
U.S. Department of Transportation:			
Pipeline Safety Program State Base Grant	20.700	200,805	-
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	120,857	108,508
PHMSA Pipeline Safety Program One Call Grant	20.721	13,718	-
Total U.S. Department of Transportation		335,380	108,508
U.S. Department of the Treasury:			
COVID-19 Coronavirus Relief Fund	21.019	58,433,027	58,137,473
Total U.S. Department of the Treasury		58,433,027	58,137,473
U.S. General Services Administration:			
Voting System (Punch Card/Lever) Replacement	39.U01	93,016	-
Total U.S. General Services Administration		93,016	-
National Endowment for the Arts:			
Promotion of the Arts Partnership Agreements	45.025	749,197	548,334
COVID-19 Promotion of the Arts Partnership Agreements	45.025	264,000	264,000
Grants to States	45.310	952,941	-
COVID-19 Grants to States	45.310	35,282	-
Total National Endowment for the Arts		2,001,420	812,334
U.S. Department of Veterans Affairs:			
All-Volunteer Force Educational Assistance	64.124	106,073	-
Total U.S. Department of Veterans Affairs		106,073	-

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<i>Other Programs - Direct, Continued</i>			
U.S. Environmental Protection Agency:			
State Indoor Radon Grants	66.032	\$ 12,780	\$ -
Surveys, Studies, Research, Investigations, Demonstrations, and Special-Purpose Activities Relating to the Clean Air Act	66.034	177,687	-
State Clean Diesel Grant Program	66.040	514,430	514,430
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	125,965	-
State Underground Water Source Protection	66.433	326,000	-
Water Quality Management Planning	66.454	101,817	30,332
Nonpoint Source Implementation Grants	66.460	725,443	716,449
Regional Wetland Program Development Grants	66.461	90,456	65,224
Performance Partnership Grants	66.605	3,063,955	-
Underground Storage Tank Prevention, Detection and Compliance Program	66.804	333,780	-
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805	531,947	-
State and Tribal Response Program Grants	66.817	732,391	-
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818	231,364	-
BLM Orphan Well Plugging Program	66.U01	1,212,637	-
Total U.S. Environmental Protection Agency		8,180,652	1,326,435
U.S. Department of Energy:			
Weatherization Assistance for Low-Income Persons	81.042	1,101,264	1,041,731
Fossil Energy Research and Development	81.089	1,578	-
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106	64,252	-
Total U.S. Department of Energy		1,167,094	1,041,731
U.S. Department of Education:			
Adult Education - Basic Grants to States	84.002	975,605	954,535
Title I Grants to Local Educational Agencies	84.010	38,708,043	37,663,677
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	797,308	439,332
Career and Technical Education - Basic Grants to States	84.048	4,215,902	3,706,757
Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126	8,988,504	-
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177	223,943	223,943
Special Education - Grants for Infants and Families	84.181	2,328,930	1,883,596
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	29,276	-
Education for Homeless Children and Youth	84.196	273,253	123,019
Twenty-First Century Community Learning Centers	84.287	5,891,137	5,193,711

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<i>Other Programs - Direct, Continued</i>			
U.S. Department of Education, <i>Continued</i> :			
Special Education - State Personnel Development	84.323	\$ 126,309	\$ -
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	72,856	-
Rural Education	84.358	5,626	4,081
English Language Acquisition State Grants	84.365	493,215	246,049
Supporting Effective Instruction State Grant	84.367	9,403,119	8,454,483
Grants for State Assessments and Related Activities	84.369	2,399,700	-
Student Support and Academic Enrichment Program	84.424	5,202,607	5,003,495
NAEP State Coordinator	84.U01	154,360	-
Total U.S. Department of Education		80,289,693	63,896,678
National Archives and Records Administration:			
National Historical Publications and Records Grants	89.003	7,750	5,000
Total National Archives and Records Administration		7,750	5,000
Election Assistance Commission:			
Help America Vote Act Requirements Payment	90.401	519	-
HAVA Election Security Grants	90.404	2,280,491	-
COVID-19 HAVA Election Security Grants	90.404	418,107	-
Total Election Assistance Commission		2,699,117	-
U.S. Department of Health and Human Services:			
Special Programs for the Aging Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	22,600	22,600
Special Programs for the Aging Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042	78,925	78,925
Special Programs for the Aging Title III, Part D, Disease Prevention and Health Promotion Services	93.043	47,525	47,525
National Family Caregiver Support, Title III, Part E	93.052	678,375	586,528
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	219,025	219,025
Public Health Emergency Preparedness	93.069	4,475,849	2,112,845
Medicare Enrollment Assistance Program	93.071	22,400	22,400
Affordable Care Act Personal Responsibility Education Program	93.092	92,743	41,003
Food and Drug Administration Research	93.103	472,549	-
Maternal and Child Health Federal Consolidated Programs	93.110	118,116	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	85,962	-
Emergency Medical Services for Children	93.127	92,473	-

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<i>Other Programs - Direct, Continued</i>			
U.S. Department of Health and Human Services, <i>Continued</i> :			
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	\$ 156,050	\$ -
Injury Prevention and Control Research and State and Community-Based Programs	93.136	355,459	207,286
Projects for Assistance in Transition from Homelessness	93.150	264,901	264,868
Grants to States for Loan Repayment Program	93.165	30,000	30,000
State Rural Hospital Flexibility Program	93.241	612,466	425,731
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	2,585,520	1,203,241
Universal Newborn Hearing Screening	93.251	251,190	251,190
Immunization Cooperative Agreements	93.268	5,485,843	-
Adult Viral Hepatitis Prevention and Control	93.270	64,916	-
Small Rural Hospital Improvement Grant Program	93.301	197,650	195,930
COVID-19 Small Rural Hospital Improvement Grant Program	93.301	1,602,023	1,602,023
National State-Based Tobacco Control Programs	93.305	815,392	-
Early Hearing Detection and Intervention Information System Surveillance Program	93.314	105,360	105,360
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	1,979,700	-
State Health Insurance Assistance Program	93.324	199,614	199,614
Behavioral Risk Factor Surveillance System	93.336	289,158	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	480,266	38,494
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	1,371,621	796,678
ACL Independent Living State Grants	93.369	399,425	399,425
The State Flexibility to Stabilize the Market Grant Program	93.413	17,204	17,204
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	754,478	137,748
Promoting Safe and Stable Families	93.556	440,047	100,587
Temporary Assistance for Needy Families	93.558	17,535,036	9,570,284
Child Support Enforcement	93.563	5,895,472	-
Child Support Enforcement Research	93.564	135,471	-
Low-Income Home Energy Assistance	93.568	10,009,839	4,478,210
COVID-19 Low-Income Home Energy Assistance	93.568	202,349	-
Community Services Block Grant	93.569	3,411,782	3,103,069
State Court Improvement Program	93.586	258,952	-
Community-Based Child Abuse Prevention Grants	93.590	107,630	-
Grants to States for Access and Visitation Programs	93.597	104,216	104,216
Chafee Education and Training Vouchers Program	93.599	100,039	-
Adoption and Legal Guardianship Incentive Payments	93.603	199,578	-

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<i>Other Programs - Direct, Continued</i>			
U.S. Department of Health and Human Services, <i>Continued</i> :			
Developmental Disabilities Basic Support and Advocacy Grants	93.630	\$ 435,724	\$ 70,856
Children's Justice Grants to States	93.643	72,772	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	417,247	-
COVID-19 Stephanie Tubbs Jones Child Welfare Services Program	93.645	3,393	-
Foster Care Title IV-E	93.658	3,708,442	-
Adoption Assistance	93.659	925,851	-
Social Services Block Grant	93.667	2,827,030	-
Child Abuse and Neglect State Grants	93.669	60,926	-
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	711,057	695,140
Chafee Foster Care Independence Program	93.674	496,191	464,355
Empowering Other Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs	93.734	136,210	105,621
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds	93.761	5,020	-
Children's Health Insurance Program	93.767	11,725,635	-
Opioid STR	93.788	5,560,246	4,866,000
State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796	681,936	-
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	152,155	152,155
National Bioterrorism HPP	93.889	871,796	496,734
COVID-19 National Bioterrorism HPP	93.889	14,318	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1,405,758	16,147
Grants to States for Operation of State Offices of Rural Health	93.913	134,231	-
HIV Care Formula Grants	93.917	464,976	2,404
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	133,947	-
HIV Prevention Activities - Health Department Based Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	108,929	-
Block Grants for Community Mental Health Services	93.958	883,173	662,302
Block Grants for Prevention and Treatment of Substance Abuse Preventive Health Services Sexually Transmitted Diseases Control Grants	93.959	3,937,094	3,470,168
Preventive Health and Health Services Block Grant	93.977	243,120	-
Maternal and Child Health Services Block Grant to the States	93.991	228,843	13,609
	93.994	767,665	149,404
Total U.S. Department of Health and Human Services		100,758,956	37,653,912

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued*
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Total Federal Expenditures	Passed Through to Subrecipients
<i>Other Programs - Direct, Continued</i>			
Corporation for National and Community Service:			
Volunteers in Service to America	94.013	\$ 34,019	\$ -
Total Corporation for National and Community Service		34,019	-
Executive Office of the President:			
High Intensity Drug Trafficking Areas Program	95.001	1,174,103	-
Total Executive Office of the President		1,174,103	-
U.S. Department of Homeland Security:			
Non-Profit Security Program	97.008	25,747	-
Boating Safety Financial Assistance	97.012	355,210	-
Community Assistance Program State Support Services Element	97.023	65,966	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	2,194,544	2,194,544
Hazard Mitigation Grant	97.039	810,914	801,785
National Dam Safety Program	97.041	78,000	-
Emergency Management Performance Grants	97.042	2,593,553	1,281,437
Fire Management Assistance Grant	97.046	16,982	9,711
Pre-Disaster Mitigation	97.047	408,147	-
Homeland Security Grant Program	97.067	4,039,223	3,662,633
Wyoming Stream Gage Program	97.U01	79,847	-
Total U.S. Department of Homeland Security		10,668,133	7,950,110
Other Federal financial awards:			
WCFC Aquatic Invasive Species Prev (BCB2)	99.U01	36,820	-
South Flat Creek Street Restoration	99.U02	42,922	-
Bald Eagle Survey Flights (BES4)	99.U03	4,514	-
Aerial Survey Flights '19-'25	99.U04	17,485	-
Nuisance Wildlife Pronghorn Hunter Management	99.U05	1,881	-
Thunder Basin National Grassland Raptor Surveys	99.U06	1,589	-
South Fork Aspen Regeneration Project	99.U07	21,170	-
Soc. Sec. Reimb./Prog. Inc.	99.U08	88,182	-
Head Start Program FPY17 & GFY18 (HS)	99.U09	121,544	-
Med Bow/Thunder Basin	99.U10	5,837	-
Total other Federal financial awards		341,944	-
Total direct expenditures of Federal awards		1,256,141,451	270,962,374
Total expenditures of Federal awards		\$ 1,256,141,451	\$ 270,962,374

The accompanying notes are an integral part of this schedule.

STATE OF WYOMING

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Summary of Significant Accounting Policies

Expenditures reported on the State of Wyoming's (the State) Schedule of Expenditures of Federal Awards (the Schedule) are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in Office of Management and Budget Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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 2. Indirect Cost Rate

The State has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance as the State 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 3. Basis of Presentation

The accompanying Schedule includes the Federal award activity of the State under programs of the Federal government for the year ended June 30, 2020, except as described in Note 4. The information in this Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the State, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the State.

Note 4. Content

In accordance with the provisions of the Uniform Guidance, 2 CFR 200.514(a), the accompanying Schedule does not include the operations of the Wyoming Business Council or the Wyoming Department of Transportation because these entities had separate audits of compliance performed by us in accordance with the Uniform Guidance.

In accordance with the provisions of the Uniform Guidance, 2 CFR 200.514(a), the accompanying Schedule also does not include the operations of the University of Wyoming or the Wyoming Community Development Authority because these entities engaged other auditors to perform audits of compliance performed in accordance with the Uniform Guidance.

STATE OF WYOMING

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 5. Noncash Awards

The Schedule includes the following noncash items as expenditures: U.S. Department of Agriculture (USDA) Commodities (Catalog of Federal Domestic Assistance [CFDA] #10.569) of \$4,189,899; Supplemental Nutrition Assistance Program (SNAP) Benefits (CFDA #10.551) of \$41,316,334; and Vaccines (CFDA #93.268) of \$4,064,946. The values of USDA Commodities and Vaccines have been recorded at the Federally negotiated costs at the date of issuance. SNAP Benefits are recorded at face value.

Note 6. Unemployment Insurance Compensation

The Schedule includes approximately \$121 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.

Note 7. Donated Personal Protective Equipment (Unaudited)

The State of Wyoming received donations of various personal protective equipment with an aggregate estimated fair value of \$1.9 million.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

I. Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued on whether the audited financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP): McGee, Hearne & Paiz, LLP has audited the basic financial statements of the State of Wyoming (the State) as of and for the year ended June 30, 2020 and has issued its report thereon dated February 26, 2021. It did not audit the financial statements of the Wyoming Community Development Authority, the University of Wyoming, or the University of Wyoming Foundation (a component unit of the University of Wyoming), which are shown as discretely presented component units. It also did not audit the Wyoming Retirement System, which is shown as a fiduciary fund. Those financial statements were audited by other auditors. The opinion on the basic financial statements of the State was unmodified, based on the opinions of McGee, Hearne & Paiz, LLP and the reports of other auditors.

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major Federal programs:

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

Type of auditor's report issued on compliance for major Federal programs: Unmodified for all major Federal programs, except for Catalog of Federal Domestic Assistance (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 Code of Federal Regulations (CFR) 200.516(a)? Yes No

STATE OF WYOMING

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020**

I. Summary of Independent Auditor's Results, *Continued*

Identification of major Federal programs:

CFDA Number	Name of Federal Program or Cluster
10.664	Cooperative Forestry Assistance
10.676	Forest Legacy Program
15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining
15.427	Federal Oil and Gas Royalty Management State and Tribal Coordination
16.575	Crime Victim Assistance
17.225	Unemployment Insurance
21.019	Coronavirus Relief Fund
66.605	Performance Partnership Grants
84.126	Rehabilitation Services_Vocational Rehabilitation Grants to States
93.569	Community Services Block Grant
93.767	Children's Health Insurance Program
93.788	Opioid STR
Cluster	Aging Cluster
Cluster	Clean Water State Revolving Fund Cluster
Cluster	Disability Insurance/SSI Cluster
Cluster	Drinking Water State Revolving Fund Cluster
Cluster	Fish and Wildlife Cluster
Cluster	Food Distribution Cluster
Cluster	Medicaid Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$3,768,424

Auditee qualified as low-risk auditee? Yes No

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings

2020-001: State Auditor's Office (SAO) – Internal Controls and Audit Adjustments (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State's financial statements prepared in accordance with U.S. GAAP.

Condition/context: Adjusting journal entries were proposed as follows:

- To increase accounts receivable and revenues by approximately \$1.4 million within the Worker's Compensation Fund.
- To increase net pension liability by approximately \$9.5 million, increase expenses by approximately \$2.1 million, increase deferred outflows by approximately \$5 million and decrease deferred inflows by approximately \$2.4 million on the entity-wide level.
- To revise the current and noncurrent bonds payable allocation by approximately \$1.84 million on the entity-wide level.
- To increase interest income and cash by approximately \$26.3 million across various fund classes.
- To revise the entity-wide elimination entry, which decreased general government expenses and general government charges for services by approximately \$569 million.
- To decrease the other post-employment benefits (OPEB) liability by approximately \$14.1 million, decrease deferred outflows by approximately \$17.5 million and increase expenses by approximately \$3.4 million on the entity-wide level.

Finally, within the report, the Statement of Cash Flows was reclassified for proper presentation.

Cause: Each project's adjustment was caused by human error (utilizing the incorrect allocation percentage, posting entries backwards, spreadsheet not appropriately updated for the current year) and the error was not caught in the review process.

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

Identification as a repeat finding: Yes – see prior-year finding 2019-003.

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

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

2020-002: SAO – Internal Controls and Audit Adjustments to Due to Component Units (Significant Deficiency)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with U.S. GAAP.

Condition/context: Adjusting journal entries were proposed as follows:

- To reclassify approximately \$3.9 million from the General Fund due to component units to General Fund accounts payable.
- To reclassify approximately \$3.9 million from accounts payable to due to component units in the COVID Fund.

Cause: The spreadsheet used to calculate the amount due to component units failed to evaluate the proper fund class. As a result, the SAO incorrectly posted the entire component unit payable balance into the General Fund. In addition, the SAO’s understanding was originally that component unit payables would only reside in the General Fund.

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

Identification as a repeat finding: No.

Recommendation: We recommend the SAO remain cognizant of new fund classes and their financial activity and impact in order to achieve proper presentation of financial statements.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-003: Administration and Information (A&I) – Internal Controls (Significant Deficiency)

Criteria: An internal control structure should be designed to ensure the accuracy and timeliness of financial reporting.

Paragraph 68 of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, states that contributions to the OPEB plan from the employer subsequent to the measurement date of the collective net OPEB liability and before the end of the employer’s reporting period (excluding amounts associated with the employer from nonemployer contributing entities that are not in a special funding situation) should be reported as a deferred outflow of resources related to OPEB. In addition, Paragraph 92 of GASB Statement No. 75 states that significant assumptions and other inputs used to measure the total OPEB liability, including assumptions about inflation, should be disclosed.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

Condition/context: The State, as well as other participating employers, was initially unable to properly account for and disclose activity related to the OPEB plan based on the information included in the State of Wyoming Employee Group Insurance Retiree Health Plan's actuarial valuation report.

Cause: The expected benefit payments for the fiscal year ended June 30, 2020 and the assumed inflation rate used in the actuarial valuation were not included in the actuarial valuation report that was made available to the State via the Wyoming Department of A&I's website and had to be specifically requested by participating employers.

Effect: The expected benefit payments for the fiscal year ended June 30, 2020 and the assumed inflation rate used in the actuarial valuation were specifically requested by the State and its auditors from the Wyoming Department of A&I, who subsequently requested it from the actuary. As this information, as well as the allocation of the expected benefit payments among the participating employers, had to be specifically requested and was not provided in the actuarial valuation report, it had the potential to result in inconsistent and inaccurate accounting and financial reporting of the OPEB plan within the State's financial statements, as well as the financial statements of other participating employers.

Identification as a repeat finding: Yes – see prior-year finding 2019-009.

Recommendation: We recommend that the Wyoming Department of A&I, who contracts with the company performing the actuarial valuation, specifically request that (a) the expected benefit payments for the fiscal year following the measurement date, (b) the allocation of those expected benefit payments among the participating employers, and (c) the assumed inflation rate used in the actuarial valuation be included in the actuarial valuation report that is made available to participating employers via the Wyoming Department of A&I's website. This will ensure that all participating employers are being provided consistent, complete, and timely information for purposes of accounting and reporting for their allocations of the OPEB plan activity.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-004: State Treasurer's Office (STO) – Internal Controls and Audit Adjustments to Cash and Pooled Investments (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State's financial statements prepared in accordance with U.S. GAAP.

Condition/context: Adjusting journal entries were proposed to reallocate cash and pooled investments from the COVID Fund to the various participating funds in the Stage Agency pool for (i) the liability under securities lending of approximately \$544.5 million, (ii) interest income of approximately \$13.3 million, (iii) interest receivable of approximately \$3.3 million, (iv) accounts payable of approximately \$69.1 million, (v) accounts receivable of approximately \$46.9 million, and (vi) unrealized gains of approximately \$54,000.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

Cause: In April 2020, the State received \$1.25 billion in funding from the Coronavirus Aid, Relief and Economic Security Act (CARES Act) passed by the Federal government. While the funds were properly segregated from investment, the STO improperly allocated cash and pooled investment-related balances to the COVID Fund.

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

Identification as a repeat finding: No.

Recommendation: We recommend that the STO design and implement a control by which new funds are reviewed for participation in the allocation of the State's cash and pooled investment balances. In addition, we recommend the STO's control provide for additional review of Federal funding, as in most instances, Federal funding is prohibited from being invested.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-005: SAO – Technology and Fiscal Divisions – Internal Controls and Audit Adjustments to Due to Component Units (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State's financial statements prepared in accordance with U.S. GAAP.

Condition/context: An adjusting journal entry was proposed within the COVID Fund to increase due to component units and expenditures in the COVID Fund by approximately \$22.3 million.

Cause: To ensure effective distribution of the Federal funding received from the CARES Act under the Wyoming Business Council's (the Council) Business Relief Program, the State created an interface between the Council's program software and the State's accounting software (WOLFS). The interface improperly captured and reported the service date as the date in which the approved disbursement file was uploaded as opposed to when the funding decision had been made by the Council.

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

Identification as a repeat finding: No.

Recommendation: We recommend that the SAO collaborate with applicable State agencies during the initial set-up of new interfaces to ensure appropriate data is being captured.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

2020-006: SAO – Internal Controls and Audit Adjustments to Loans Receivable (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State's financial statements prepared in accordance with U.S. GAAP.

Condition/context: The loans receivable project prepared by the SAO does not provide for consistent and accurate treatment of loans receivable. As a result, adjusting journal entries were proposed as follows:

- To decrease revenue and expenses by \$151 million in the General Fund and to decrease revenue and increase notes payable by \$151 million in the Foundation Program Fund.
- To decrease revenue and expenses by \$1.5 million in the General Fund.
- To decrease revenue by approximately \$28.8 million, expenses by approximately \$26.1 million, and loans receivable by approximately \$2.7 million in Non-Major Funds.
- To decrease revenue by approximately \$5.9 million, expenses by approximately \$5.1 million, and loans receivable by approximately \$822,000 in the General Fund.
- To decrease the allowance for loans and increase the change in fair value of investments by approximately \$676,000 in the General Fund.
- To increase loans receivable and decrease expenses by approximately \$15.4 million in Non-Major Funds.
- To increase loans receivable by approximately \$12.7 million, decrease revenue by approximately \$4.4 million, increase accounts payable by approximately \$1.1 million, and decrease expenses by approximately \$16 million in the General Fund.
- To decrease accounts payable by approximately \$869,000, increase the allowance for loans by approximately \$676,000 and increase the change in fair value of investments by approximately \$193,000 in the Permanent Mineral Trust Fund.
- To increase expenses and decrease loans receivable by approximately \$12.7 million in Non-Major Funds.

Cause: State agencies do not consistently record loans receivable transactional activity within WOLFS nor does the SAO's project allow for consistent identification and correction of improperly recorded activity.

Effect: The lack of accurate loans receivable reconciliations increases the risks of fraud and error and could also result in misstatements of loans receivable balances and related disclosures. In addition, prior to the proposed audit adjustments, the government-wide and fund-level financial statements were not properly stated in accordance with U.S. GAAP.

Identification as a repeat finding: No.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

Recommendation: We recommend the SAO perform a thorough review of the loans receivable project, including the SAO's annual entries and the activity recorded in WOLFS. We further recommend the SAO request additional information from applicable agencies as part of the loans receivable project. Specifically, we recommend the SAO request that the agency report how it recorded loans receivable transactional activity (i.e., new loans, principal repayments) within WOLFS throughout the year. This will allow the SAO to modify its project accordingly. In addition, we recommend the SAO develop, implement and train applicable agencies on standard procedures for recording loans receivable transactional activity in WOLFS.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-007: STO – Internal Controls and Audit Adjustments Related to Cash and Pooled Investments (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State's financial statements prepared in accordance with U.S. GAAP.

Condition/context: An adjusting journal entry was proposed to increase (decrease) cash and pooled investments and the change in fair value of investments by approximately \$10.8 million in the General Fund, (\$11.3 million) in the Worker's Compensation Fund, (\$26.2 million) in the Common School Land Fund, \$5.1 million in the Permanent Mineral Trust Fund, \$907,000 in the Foundation Program Fund, \$307,000 in the Unemployment Insurance Fund, (\$24.7 million) in the CARES Act Coronavirus Relief Fund and \$8 million in Non-Major Funds.

Cause: The STO recorded the unrealized gain and loss adjustment for cash and pooled investments, excluding the unrealized gains and losses attributable to alternative investment managers. The error resulted from an inaccurate understanding of which activity should be recorded.

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

Identification as a repeat finding: No.

Recommendation: We recommend the STO identify training opportunities specific to unique and complex financial reporting topics, inclusive of financial reporting unique to investments.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-008: SAO – Internal Controls and Audit Adjustments to Cash with Fiscal Agent, Bonds Payable, and Cash and Pooled Investments (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State's financial statements prepared in accordance with U.S. GAAP.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

Condition/context: Adjusting journal entries were proposed as follows:

- To decrease expenditures and increase transfers out of the Common School Land Fund by approximately \$16.1 million and to increase expenditures and increase transfers in to the Foundation Program Fund by approximately \$16.1 million.
- To increase interest income and cash with fiscal agent in the Debt Service Fund and Common School Land Fund by approximately \$103,000 and \$1.2 million, respectively.
- To increase expense, change in fair value of investments, cash and investments with trustee, interest receivable, accounts receivable, cash and interest income in the General Fund by approximately \$21 million, \$30.8 million, \$44,000, \$23.3 million, \$176,000, \$17.2 million and \$31 million, respectively.
- To increase expense, cash and investments with trustee, interest receivable, accounts receivable, cash and interest income in the Foundation Program Fund by approximately \$10.1 million, \$2,300, \$13.3 million, \$84,000, \$146,000 and \$23.3 million, respectively, and to decrease change in fair value of investments in the Foundation Program Fund by approximately \$405,000.
- To increase change in fair value of investments, cash and investments with trustee, and cash in the Common School Land Fund by approximately \$228 million, \$60,000 and \$228 million, respectively.
- To increase expense, change in fair value of investments, cash and investments with trustee, interest receivable, accounts receivable, cash and interest income in the Worker's Compensation Fund by approximately \$3.4 million, \$138.9 million, \$23,000, \$12 million, \$62,000, \$133.4 million and \$10 million, respectively.
- To increase expense, change in fair value of investments, cash and investments with trustee, interest receivable, accounts receivable, cash and interest income in Non-Major Funds by approximately \$4.1 million, \$52.5 million, \$37,000, \$4.5 million, \$31,000, \$44.7 million and \$987,000, respectively.
- To decrease change in fair value of investments and cash in the Unemployment Insurance Fund by approximately \$120,000.
- To increase change in fair value of investments, cash and investments with trustee, and cash in the Permanent Mineral Trust Fund by approximately \$534.6 million, \$91,000 and \$534.5 million, respectively.

Cause: In the prior year, the bonds payable and cash and investments projects required additional accrual entries due to the timing of activity posted in WOLFS. The audit adjustments proposed were the result of the SAO either improperly reversing the prior-year entries or reversing the entries twice.

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

Identification as a repeat finding: Yes – see prior-year finding 2019-010.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

Recommendation: We recommend that the SAO implement cross-project communication and implement a control system that allows for a complete review of financial statement line items for reasonableness.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-009: Department of Workforce Services (DWS) – Internal Controls and Audit Adjustments to Claims Payable and Due from Other Governments (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with U.S. GAAP.

Condition/context: Adjusting journal entries were proposed within the Unemployment Insurance Fund as follows:

- To increase claims and benefits payable and the corresponding claims and benefits expense by approximately \$3.2 million.
- To increase due from other governments and the corresponding Federal revenues by approximately \$19.3 million for accrual-basis claims.
- To increase due from other governments and the corresponding Federal revenues by approximately \$13.7 million for cash-basis claims.
- To reduce the current portion and increase the non-current portion of amounts on deposits with the U.S. Treasury by approximately \$64 million.

In addition, an adjusting journal entry was proposed within the General Fund to reduce revenue and due from other governments by approximately \$13.7 million.

Cause: The DWS did not evaluate its historical accounting practices and procedures for the economic impacts of COVID-19. Specifically, the historical cutoff date for calculating the year-end claims and benefits payable liability was not re-evaluated and extended for the increased risk and utilization, the reimbursable portion of the liability was not considered, and the allocation between current and non-current deposits was not re-evaluated after the significant increase in Federal funding.

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

Identification as a repeat finding: No.

Recommendation: We recommend the DWS enhance its current internal control structure to provide for re-evaluation of historical accounting practices and procedures on an annual basis for propriety.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-010: DWS – Internal Controls and Audit Adjustments to Federal Revenues (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with U.S. GAAP.

Condition/context: An adjusting journal entry was proposed within the General Fund to increase Federal revenue by approximately \$2.7 million, decrease the Federal receivables by \$12.8 million, and decrease the Federal unearned revenue by approximately \$15.5 million.

An adjusting journal entry was proposed within the General Fund related to an overstatement of Federal receivables of approximately \$17.9 million at June 30, 2019.

Cause: In recent years, there was significant turnover in the fiscal department of the DWS, which resulted in a loss of institutional knowledge. The DWS did not accurately complete the Schedule of Expenditures of Federal Awards (SEFA) in both the current and prior fiscal years.

While the majority of errors in preparation only impacted Federal revenue and the associated receivable and unearned revenue balances, a portion of the adjustment resulted from the omission of a Federal program and associated expenditures of \$910,827, which is further evaluated in finding 2020-019.

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

Identification as a repeat finding: Yes – see prior-year finding 2019-007.

Recommendation: We recommend the DWS revise its internal control processes over the preparation of its SEFA to ensure the accuracy and completeness of all Federal programs’ activity. When amounts are identified within the “Difference” column of the SEFA, they should be evaluated for accuracy to assist in the identification and communication of any financial statement impacts to the SAO for purposes of ensuring the activity will be properly reflected in the State’s financial statements.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-011: SAO – Internal Controls and Audit Adjustments to Federal Revenues (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with U.S. GAAP.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

The 2020 edition of the Governmental Accounting, Auditing, and Financial Reporting publication states “Commodities should be recognized as revenue, at acquisition value, when received. Commodities may be reported in the governmental funds using either the consumption method or the purchases method.”

Condition/context: An adjusting journal entry was proposed within the General Fund to increase Federal revenue and expenses by approximately \$50.7 million to account for non-cash Federal commodities.

Cause: The receipt of non-cash Federal commodities was not reflected as Federal revenues and expenses.

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

Identification as a repeat finding: No.

Recommendation: We recommend the SAO continue to collaborate and communicate with agencies to ensure the accuracy and completeness of each agency’s SEFA, including all financial implications.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-012: SAO – Internal Controls and Audit Adjustments to Federal Revenues (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with U.S. GAAP.

Condition/context: An adjusting journal entry was proposed within the Unemployment Insurance Fund to increase Federal revenues and Federal receivables by approximately \$13.7 million. In addition, the General Fund Federal revenues and Federal receivables were decreased by approximately \$13.7 million.

Cause: The DWS did not specify a fund class for Federal activity pertaining to the Unemployment Insurance Fund on its SEFA; however, it was included in a separate section indicated as not running through the WOLFS system. The SAO recorded all DWS Federal activity in the General Fund, not the Unemployment Insurance Fund.

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

Identification as a repeat finding: No.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

Recommendation: We recommend the SAO continue its efforts to improve communications with agencies in order to determine the propriety of financial information pertinent to the preparation of the State's financial statements, specifically in instances where any uncertainty related to information provided by agencies may exist.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-013: DWS – Internal Controls and Audit Adjustments to Taxes Receivable and Due to/from Other Funds (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State's financial statements prepared in accordance with U.S. GAAP.

In addition, per Wyoming State Statute 27-3-211, Employer Support Fund (ESF) collections are to be credited to the ESF Special Revenue Fund by department.

Condition/context: Adjusting journal entries to the Unemployment Insurance Fund were proposed as follows:

- To increase net position and decrease charges for services by approximately \$4.5 million.
- To decrease taxes receivable and the corresponding charges for services by approximately \$2.7 million.
- To increase taxes receivable and the corresponding charges for services by approximately \$1.7 million.
- To increase due to other funds and decrease charges for services by approximately \$1.4 million.

In addition, an adjusting journal entry was proposed within Non-Major Funds to increase due from other funds and the corresponding charges for services by approximately \$1.4 million.

Cause: The initial reports utilized to calculate the taxes receivable balance and ESF income were incorrect. The financial reporting module of the Unemployment Insurance (UI) Division's new information technology system (WYUI) was implemented in the prior year, and adequate testing had not been performed to ensure the accuracy of the financial reports produced by the system.

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

Identification as a repeat finding: Yes – see prior-year finding 2019-012.

Recommendation: We recommend that the UI Division implement a control system to validate the accuracy of all financial information generated and reported from the WYUI system.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

2020-014: SAO and DWS – Internal Controls and Audit Adjustments to Cash and Pooled Investments, Accounts Payable and Benefits Payable (Significant Deficiency)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with U.S. GAAP.

Condition/context: Adjusting journal entries to the Unemployment Insurance Fund were proposed as follows:

- To reduce cash and benefits payable by approximately \$3.9 million.
- To reclassify approximately \$13.7 million from accounts payable to benefits payable.
- To reclassify approximately \$2.5 million from current cash and pooled investments to non-current cash and pooled investments.

Cause: The SAO and DWS did not have a thorough and accurate understanding of how to account for the Unemployment Insurance Fund’s cash and pooled investment balances. Specifically, the DWS improperly excluded two cash accounts from their reclassification of negative cash to a liability for checks written in excess of bank balances, and the SAO improperly reported the liability as accounts payable as opposed to benefits payable. In addition, the SAO did not take all year-end entries into consideration when calculating the current and non-current portion of cash and pooled investments.

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

Identification as a repeat finding: No.

Recommendation: We recommend the SAO and DWS implement additional controls in their respective projects that provide for a detailed review of the cash and pooled investment balances, both prior to and after the year-end allocation entries. In addition, we recommend the SAO and DWS enhance collaboration efforts as related to financial reporting of the Unemployment Insurance Fund.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-015: STO – Internal Controls and Audit Adjustments to Cash and Pooled Investments (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with U.S. GAAP. In addition, internal controls are designed to safeguard assets, help prevent loss from employee dishonesty or error, and improve the accuracy and timeliness of financial reporting. Fundamental concepts in an adequate system of internal control are the identification and prevention or detection of errors on a timely basis.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

Condition/context: Adjusting journal entries were proposed as follows:

- To reduce accounts receivable and increase cash and pooled investments by approximately \$6.1 million in the Worker's Compensation Fund, \$3.4 million in the Common School Land Fund, \$11.5 million in the Permanent Mineral Trust Fund and \$1.7 million in Non-Major Funds.
- To adjust interest income and cash and pooled investments by approximately \$2.7 million in the Worker's Compensation Fund, \$16.7 million in the General Fund, \$1.7 million in the Foundation Program Fund and \$607,000 in Non-Major Funds.
- To increase cash and pooled investments and interest income by approximately \$127,000 in the Worker's Compensation Fund, \$7.2 million in the General Fund, \$770,000 in the Foundation Program Fund and \$5.1 million in Non-Major Funds. In addition, a journal entry was proposed to reduce interest income against fund balance for the same.

In addition, deficiencies in both the design and operating effectiveness of the STO's internal control system were identified as follows:

- Reconciliations of the State's year-end cash and pooled investment balances were not completed and reviewed on a timely basis.
- Reconciliations of the State's year-end cash and pooled investment balances failed to identify material reconciling items.

Cause: The STO had an established internal control system in place; however, the internal control system did not allow for identification of misstatements to the State's cash and pooled investment balances.

Effect: Prior to the proposed audit adjustments, the government-wide and fund-level financial statements were not properly stated in accordance with U.S. GAAP. The lack of accurate and timely reconciliations increases the risks of fraud and error and could also result in misstatements of the cash and pooled investment balances and related disclosures.

Identification as a repeat finding: Yes – see prior-year finding 2019-005.

Recommendation: We recommend the STO revise its existing reconciliations to ensure all pertinent systems (i.e., JP Morgan Chase (the State's investment custodian), QED (the State's investment accounting software) and WOLFS (the State's general ledger)) reconcile. In addition, we recommend these reconciliations be performed periodically and timely.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

2020-016: DWS – Internal Controls and Audit Adjustments to Expenditures (Significant Deficiency)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with U.S. GAAP.

Condition/context: An adjusting journal entry was proposed to increase expenditures and increase fund balance by approximately \$4.1 million in the General Fund.

Cause: During the current year, the DWS identified expenditures that were incorrectly coded in the prior year. To correct the misclassification, the DWS reclassified the prior-year expenditures in the current year.

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

Identification as a repeat finding: No.

Recommendation: We recommend the DWS implement a control system to ensure that reclassifications of expenditures are limited to current-year balances. In instances that require modification to prior-year amounts, we recommend the DWS communicate with the SAO regarding appropriate accounting treatment.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-017: SAO – Internal Controls and Audit Adjustments to Accrued Payroll (Significant Deficiency)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with U.S. GAAP.

Condition/context: An adjusting journal entry was proposed to increase cash and accrued liabilities by approximately \$8.2 million in the General Fund.

Cause: The second-quarter payroll tax payment was recorded as paid in WOLFS prior to year-end, and thus, the associated cash and liability was removed. However, while the payment was initiated by the SAO prior to year-end, the payment was post-dated subsequent to year-end.

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

Identification as a repeat finding: No.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

Recommendation: We recommend the SAO implement a control system specific to payroll tax payments.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-018: SAO – Internal Controls and Audit Adjustments to Fund Balance (Material Weakness)

Criteria: An internal control structure should be designed to identify adjusting journal entries that are significant to the State’s financial statements prepared in accordance with U.S. GAAP.

Condition/context: Adjusting journal entries were proposed as follows:

- To reclassify approximately \$5.4 million from unassigned fund balance to assigned fund balance within the General Fund.
- To reclassify approximately \$660,000 from unassigned fund balance to restricted fund balance within the Endowment Fund.
- To reclassify approximately \$332,000 from committed fund balance to nonspendable fund balance within Non-Major Funds.

Cause: The SAO did not have a control system in place to capture and appropriately account for unique changes in fund balance classifications.

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

Identification as a repeat finding: No.

Recommendation: We recommend the SAO implement an additional control system to review fund balance classifications for unique items.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-019: Schedule of Expenditures of Federal Awards (Significant Deficiency)

Criteria: Per 2 CFR 200.510, the auditee must prepare a SEFA for the period covered by the auditee’s financial statements, which must include total Federal awards expended as determined in accordance with §200.502, as a basis for determining Federal awards expended.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

II. Financial Statement Findings, *Continued*

Condition/context:

1. The DWS did not provide a SEFA that properly identified all Federal funds expended. During the course of testing performed on the initial SEFA provided for audit, we noted \$910,827 in federal expenditures that were improperly excluded from the SEFA.
2. The Department of Family Services (DFS) did not provide a SEFA that properly identified all Federal funds expended. Specifically, the amount initially provided for non-cash commodities was on a calendar year-end instead of the fiscal year-end. This resulted in a reduction of non-cash expenditures of \$1,130,733.
3. The Office of State Lands and Investments (OSLI) did not provide a SEFA that properly identified all Federal funds expended. Specifically, three awards, for a total of \$355,423, were improperly identified as CFDA #10.664 when those awards should have been identified as CFDA #10.697.

Cause:

1. The DWS did not reconcile Federal expenditures to the general ledger properly and did not take into account the state match required for the award. This appears to be the result of human error when compiling the SEFA.
2. The DFS was relying on the U.S. Department of Agriculture's food purchasing system for the non-cash commodities amount and was unaware that the data being pulled was as of the calendar year-end.
3. The misclassification was human error during the preparation of the SEFA.

Effect: An inaccurate or incomplete SEFA could result in the improper identification and/or exclusion of major programs and the related audit requirements. In the three instances noted above, major program determination was not impacted.

Identification as a repeat finding: Yes – see prior-year finding 2019-017, as it relates to the DWS.

Recommendation:

1. We recommend the DWS implement an independent review process to ensure that the SEFA is accurate and complete.
2. We recommend the DFS implement procedures to ensure the non-cash commodities amount is reported on the fiscal year-end, not the calendar year-end.
3. We recommend the OSLI implement procedures to ensure Federal expenditures are reported with the correct CFDA number on the SEFA.

Views of responsible officials and planned corrective actions: Management concurs with the Finding. See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs

2020-020: Allowable Costs/Cost Principles (Significant Deficiency)

<i>CFDA Number and Title:</i> CFDA #16.575, Crime Victim Assistance
<i>Federal Agency Name:</i> U.S. Department of Justice
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Numbers/Names:</i> 2016-VA-GX-0051; 2017-VA-GX-0075; 2018-V2-GX-0016
<i>Award Years:</i> October 1, 2015 – September 30, 2019; October 1, 2016 – September 30, 2020; October 1, 2017 – September 30, 2021
<i>Department:</i> Wyoming Attorney General's Office

Criteria: 2 CFR 200.403(d) requires costs to be adequately documented.

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

Condition/context: Of the 40 items selected for testing in conjunction with Allowable Costs/Costs Principles, there were 15 instances for reimbursement of subrecipient payroll expenditures where the Crime Victim Assistance program did not adequately review the payroll reimbursement support for proper allocation between Federal and non-Federal sources. As a result, the program improperly reimbursed \$8,574 in unsupported payroll expenditures; however, the program under-reimbursed an additional \$2,686, for a net error of \$5,888.

Questioned costs: \$5,888 (known); \$97,801 (projected)

Cause: The program does have an internal control process in place to review and approve subrecipient reimbursement requests. This process does require that the subrecipient provide supporting documentation for the reimbursement request. However, the review process did not have a procedure to identify improper allocation of payroll expenses nor did the program enforce the requirement that supporting documents be provided with reimbursement requests.

Effect: Per 2 CFR 200.338, 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 or pass-through entity may impose additional conditions, as described in §200.207 specific conditions. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or pass-through entity 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 or pass-through entity.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

- (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.

Identification as a repeat finding: No.

Recommendation: We recommend the program modify its review procedures to include a review of the cost allocation submitted for reimbursement. We also recommend that the program provide training to subrecipients receiving federal funding on what to submit in order to document the allocations. Finally, we recommend that the program enforce the requirement that subrecipients provide all supporting documents with their reimbursement requests.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-021: Eligibility (Significant Deficiency)

<i>CFDA Number and Title:</i> CFDA #93.767, Children’s Health Insurance Program
<i>Federal Agency Name:</i> U.S. Department of Health and Human Services
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Numbers:</i> 805WY5021; 1905WY5021
<i>Award Years:</i> October 1, 2017 – September 30, 2019; October 1, 2018 – September 30, 2020
<i>Department:</i> Wyoming Department of Health

Criteria: 42 USC 1397 bb (b) establishes the basic criteria for the State’s Children’s Health Insurance Program (CHIP). Wyoming’s CHIP eligibility requirements include individuals that are U.S. citizens, lawful, qualified non-citizens, or lawful, permanent aliens who have lived in the U.S. for at least five consecutive years; Wyoming residents; less than 19 years of age; not eligible or already enrolled in Medicaid; not currently covered by health insurance nor have had health insurance during the last 30 days, except as provided for under Section 4.6; not eligible to receive health insurance benefits under Wyoming’s state employee benefit plan as a state employee or the dependent of a state employee; not residing in a public institution for mental disease; not residing in a public correctional institution; or financially eligible based on modified adjusted gross income eligibility determination.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

Condition/context: Of the 60 participants selected for testing compliance with the eligibility requirements of CHIP, we noted four instances in which the Department of Health allowed ineligible participants to participate in CHIP. The following instances were noted:

1. In three instances, the participants were eligible for Medicaid, but instead were improperly enrolled in CHIP for at least one month. As a result, there was a total overpayment of benefits (Federal and state) during fiscal year 2020 in the following amounts:
 - a. Instance one: for two months and a total of \$561.
 - b. Instance two: for one month and a total of \$269.
 - c. Instance three: for one month and a total of \$276.
2. In instance four, CHIP improperly approved the participant's eligibility, when the participant was actually ineligible due to income restrictions. Program controls did not identify the ineligible participant and benefits were never ceased during the fiscal year, in part due to the Public Health Emergency. As a result, there was a total overpayment of benefits (Federal and state) for 12 months during fiscal year 2020 of \$3,225.

Additionally, of the 60 participants selected for testing, we noted two instances in which the Department of Health assigned eligible participants to incorrect Copay Plans. The following instances were noted:

3. In both instances, during the application process, the participants were correctly determined to be eligible, but CHIP improperly placed the participants on Copay Plan B instead of Copay Plan C based on family size and income levels. As Copay Plan B allows for a higher amount of benefits to be paid by CHIP than Copay Plan C, the errors resulted in a total overpayment of benefits (Federal and state) during fiscal year 2020 in the following amounts:
 - a. Instance one: for four months and a total of \$29.
 - b. Instance two: for two months and a total of \$14.

Questioned costs: \$4,374 total, \$3,599 Federal share (known); \$399,647 total, \$327,213 Federal share (projected)

Cause: There are both manual and system controls within the Wyoming Eligibility System; however, not all controls appear to be working as designed. The instances identified above were caused by human error.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

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:

- (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.

Identification as a repeat finding: Yes – see prior-year finding 2019-025.

Recommendation: We recommend the Department of Health 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 and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-022: Special Test N – Medicaid National Correct Coding Initiative (NCCI) (Significant Deficiency)

<i>CFDA Number and Title:</i> CFDA #93.778, Medical Assistance Program
<i>Federal Agency Name:</i> U.S. Department of Health and Human Services
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number/Name:</i> Various
<i>Award Year(s):</i> Various
<i>Department:</i> Wyoming Department of Health

Criteria: Effective October 1, 2010, state Medicaid agencies were required to incorporate NCCI methodologies into the state Medicaid programs pursuant to the requirements of Section 6507 of the Affordable Care Act (Section 1903(r) of the Social Security Act).

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

Per the NCCI Technical Guidance Manual for Medicaid Services, the following elements must be included in the confidentiality agreements for any contracted party using the Medicaid NCCI files:

- Disclosure shall be limited to only those responsible for the implementation of the quarterly state Medicaid NCCI edit files. Disclosure shall not be made prior to the start of the new calendar quarter.
- After the start of the new calendar quarter, a Contracted Party may disclose only non-confidential information contained in the Medicaid NCCI edit files that is also available to the general public found on the Medicaid NCCI webpage.
- The Contracted Party agrees to use any non-public information from the quarterly state Medicaid NCCI edit files only for any business purposes directly related to the implementation of the Medicaid NCCI methodologies in the particular state.
- New, revised, or deleted Medicaid NCCI edits shall not be published or otherwise shared with individuals, medical societies, or any other entities unless it is a Contracted Party prior to the posting of the Medicaid NCCI edits on the Medicaid NCCI webpage.
- Implementation of new, revised, or deleted Medicaid NCCI edits shall not occur prior to the first day of the calendar quarter.
- Only a state Medicaid agency has the discretion to release additional information for selected individual edits or limited ranges of edits from the files posted on the Medicaid Integrity Institute (MII).
- State Medicaid agencies must impose penalties, up to and including loss of contract, for violations of any confidentiality agreement relating to use of the MII edit files.

Condition/context: During testing of compliance with the Medicaid NCCI requirements, we noted that the State Medicaid agency does not have a confidentiality agreement in place with the Medicaid Management Information System (MMIS) provider as required by the Medicaid NCCI Technical Guidance Manual, Sections 7.1.1 and 7.1.2.

Questioned costs: \$0

Cause: The State Medicaid Agency currently has no process in place to ensure that the required confidentiality agreements are in place with the MMIS provider.

Effect: Per 2 CFR 200.338, 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 or pass-through entity may impose additional conditions, as described in §200.207 specific conditions. If the Federal awarding agency or pass-through entity determines that noncompliance cannot be remedied by imposing additional conditions, the Federal awarding agency or pass-through entity 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 or pass-through entity.
- (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.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

- (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.

Identification as a repeat finding: No.

Recommendation: We recommend that the program immediately implement an addendum to the contract with the MMIS provider with the required elements as noted above. We also recommend the program implement control procedures to ensure confidentiality agreements are instituted in the future for all applicable vendors.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-023: Subrecipient Monitoring – Award Information (Significant Deficiency)

<i>CFDA Number and Title:</i> CFDA #21.019, Coronavirus Relief Fund
<i>Federal Agency Name:</i> U.S. Department of the Treasury
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number:</i> N/A
<i>Award Year(s):</i> March 1, 2020 – December 31, 2021
<i>Department:</i> Wyoming Governor’s Office

Criteria: Per 31 USC 7502(f)(2)(B) (Single Audit Act Amendments of 1996 [Pub. L. No. 104-156]); 2 CFR Section 200.332; 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 subrecipient as a sub-award, include the following information at the time of the sub-award and, if any of these data elements change, include the changes in subsequent sub-award modifications. 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
- Subrecipient’s name
- Subrecipient’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 subrecipient
- Total amount of Federal funds obligated to the subrecipient by the pass-through entity, including the current obligation

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

- Total amount of the Federal award committed to the subrecipient 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 research and development
- Indirect cost rate for the Federal award

Condition/context: There are various components of subrecipient monitoring, which include award identification (providing complete and accurate information to the subrecipient). The Governor's Office did not provide all required award identification information to its subrecipients, nor did it have processes in place to ensure the required information was compiled and communicated.

Questioned costs: \$0

Cause: The Governor's Office did not have a control process in place to identify and enforce the Federal requirements surrounding subrecipient monitoring.

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:

- (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.

Identification as a repeat finding: No.

Recommendation: We recommend that the Governor's Office implement a more formal award letter/email that would be provided to all subrecipients and contains all required award information.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-024: Subrecipient Monitoring – Audit Reports (Significant Deficiency)

<i>CFDA Number and Title:</i> CFDA #10.664, Cooperative Forestry Assistance
<i>Federal Agency Name:</i> U.S. Department of Agriculture
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Numbers:</i> 14-DG-11020000-039; 15-DG-11020000-039; 16-DG-11020000-015; 17-DG-11020000-040; 18-DG-11020000-050
<i>Award Years:</i> July 9, 2014 – June 30, 2019; June 26, 2015 – March 31, 2021; July 8, 2016 – May 31, 2021; June 12, 2017 – May 31, 2022; July 12, 2018 – June 23, 2023
<i>Department:</i> Wyoming OSLI

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

Condition/context: Of the program’s 72 subrecipients in State fiscal year 2019, eight subrecipients were selected for testing against the subrecipient monitoring single audit requirement. Of those eight subrecipients tested, the program did not receive a copy of the subrecipient’s 2019 audit report or certification that the subrecipient was not required to obtain an audit for six of the selections tested.

Questioned costs: \$0

Cause: The program experienced attrition in staff during the year. As a result, the tracking spreadsheet used to track subrecipient responses was misplaced, and the program did not implement additional process and controls to ensure compliance.

Effect: If a non-Federal entity fails to comply with Federal statutes, regulations, or the terms and conditions of a Federal award, the Federal awarding agency may impose additional conditions, which include requiring payments as reimbursements rather than advance payments; withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance; 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:

- (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.

STATE OF WYOMING

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020**

III. Federal Award Findings and Questioned Costs, *Continued*

- (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.

Furthermore, by not tracking the requirement and receipt of subrecipient single audit reports, the program is not effectively monitoring the activity of that subrecipient.

Identification as a repeat finding: No.

Recommendation: We recommend that the program develop and implement a standard control system over the monitoring and management of subrecipients. The program should ensure the control system is inclusive of all Federally required communications and actions, which includes monitoring the subrecipient audit requirement. The department should also consider the implementation of an independent review process as part of the standard control system to ensure the control system is functioning properly.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-025: Reporting (Significant Deficiency)

<i>CFDA Numbers and Titles:</i> 1. CFDA #10.664, Cooperative Forestry Assistance 2. CFDA #10.676, Forest Legacy Program
<i>Federal Agency Names:</i> 1. U.S. Department of Agriculture 2. U.S. Department of Agriculture
<i>Pass-Through Entity Names (if applicable):</i> 1. N/A 2. N/A
<i>Award Numbers:</i> 1. 14-DG-11020000-039; 17-DG-11020000-040 2. 18-DG-11020000-061
<i>Award Years:</i> 1. July 9, 2014 – June 30, 2019; June 12, 2017 – May 31, 2022 2. July 24, 2018 – July 30, 2020
<i>Departments:</i> 1. Wyoming OSLI 2. Wyoming OSLI

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

Criteria: Per 2 CFR 200.327 – Financial Reporting, and the laws, regulations, and the provisions of contract or grant agreements pertaining to the specific programs, reports are required to be complete, accurate, and supported by accounting records (if applicable), and submitted in compliance with the appropriate deadlines.

Condition/context:

1. Of the six SF-425 financial reports filed during the year under audit for the Cooperative Forestry Assistance program, two reports were selected for testing. In both reports, the amounts reported in the Total Recipient Share of Required and Recipient Share of Expenditures lines were improperly reported and did not agree to supporting records. Specifically, the errors occurred in the final 14-DG-11020000-039 report for the period ended June 30, 2019, submitted on September 27, 2019, and the 17-DG-11020000-040 report for the period ended September 30, 2019, submitted on October 18, 2019.
2. Two reports were filed for the Forest Legacy program during the year under audit. One report was a no-activity report. The final SF-425 report, submitted on June 22, 2020, was subjected to testing. The amounts reported in the Total Recipient Share of Required and Recipient Share of Expenditures lines were improperly reported and did not agree to supporting records. No amount was reported, when in actuality, there was a match requirement and match made by the program.

Questioned costs: \$0

Cause:

1. These reports were completed by the former senior accountant who is no longer with the program. Further, the review process failed to catch the inaccuracies.
2. These reports were completed by the former senior accountant who is no longer with the program. Further, the review process failed to catch the inaccuracies.

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:

- (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.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

- (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.

Identification as a repeat finding:

- 1. No.
- 2. No.

Recommendation: We recommend that the OSLI strengthen controls surrounding the preparation and review process of the financial reports to ensure that accurate information is being submitted. Further, we recommend that the inaccurate reports be corrected and resubmitted to the Federal agency.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-026: Earmarking (Material Weakness)

<i>CFDA Number and Title:</i> CFDA #84.126, Rehabilitation Services_Vocational Rehabilitation Grants to States
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number/Name:</i> H126A180075
<i>Award Year(s):</i> October 1, 2017 – September 30, 2019
<i>Department:</i> Wyoming DWS

Criteria: Per 29 USC 16 Part B, Section 730(d)(1), a state shall not reserve less than 15% of the allotted Federal funds for the provision of pre-employment transition services.

Condition/context: Program guidelines require 15% of each grant award to be earmarked for pre-employment transition services for students with disabilities. For the 2018 grant award, the program only earmarked \$1,171,782 for pre-employment transition services, which was 11.0% of the 2018 award amount (\$10,616,162).

Questioned costs: \$420,642 (known and projected)

Cause: This has been a repeat finding for several years and requires budgeting changes by the program to meet the earmark. The program continues to show progress each fiscal year. However, the COVID-19 pandemic and school closures created an unforeseen barrier to reaching students and providing services.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

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:

- (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.

Identification as a repeat finding: Yes – see prior-year finding 2019-022.

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

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-027: Reporting (Significant Deficiency)

<i>CFDA Number and Title:</i> CFDA #84.126, Rehabilitation Services_Vocational Rehabilitation Grants to States
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Numbers/Names:</i> H126A180075; H126A190075
<i>Award Years:</i> October 1, 2017 – September 30, 2018; October 1, 2018 – September 30, 2019
<i>Department:</i> Wyoming DWS

Criteria: Per 2 CFR 200.327 – Financial Reporting, and the laws, regulations, and the provisions of contract or grant agreements pertaining to the specific programs, reports are required to be complete, accurate, and supported by accounting records (if applicable), and submitted in accordance with the appropriate deadlines.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

Condition/context: Four SF-425 reports were filed by the program during the year under audit, of which two were selected for testing. In the 2018 closeout report, submitted on January 23, 2020, the amounts reported in the Cash Disbursements, Federal Share of Expenditures, Total Recipient Share Required, and Recipient Share of Expenditures lines were not supported by the general ledger. In the March 31, 2020 report, submitted on May 1, 2020, the amounts reported in the Cash Disbursements, Total Recipient Share Required, and Recipient Share of Expenditures lines were not supported by the general ledger.

Questioned costs: \$0

Cause: The department did not have a sufficient control process in place to review and identify errors in the SF-425 reports. As a result, multiple report contained amounts that could not be substantiated through the general ledger.

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:

- (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.

Identification as a repeat finding: No.

Recommendation: We recommend the department have an individual, other than the preparer, review the reports for accuracy before they are submitted.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

2020-028: Special Test N – Benefit Payments (Significant Deficiency)

<i>CFDA Number and Title:</i> CFDA #17.225, Unemployment Insurance
<i>Federal Agency Name:</i> U.S. Department of Labor
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Numbers/Names:</i> UI-32636-19-55-A-56; UI-34095-20-55-A-56; UI-34751-20-55-A-56
<i>Award Years:</i> October 1, 2018 – December 31, 2022; October 1, 2018 – December 31, 2022; April 1, 2020 – June 30, 2021
<i>Department:</i> Wyoming DWS

Criteria: 20 CFR 602.21(d) establishes the requirement for the State to operate and maintain a quality control system. 20 CFR 602.30 directs the U.S. Department of Labor to establish requirements, methods and procedures for the quality control process. This has been promulgated through Employment and Training Handbook No. 95.

Condition/context: The UI program is required to select several paid claims and denied claims throughout a 12-month period to assess the accuracy of the UI program’s benefit paid claims and denied claims. The Benefits Accuracy Management (BAM) investigator team is required to draw a weekly sample of claims (paid and denied) and complete prompt and in-depth investigations to determine the degree of accuracy in the administration of the UI program. The BAM investigators properly selected the correct number of claims paid and denied. However, the BAM reviews did not meet established timeliness metrics. The Federal BAM State Operations Handbook requires 70% of the testing to be completed within 60 days of the week-ending batch date, 95% completed within 90 days, and 98% within 120 days. Of the 270 completed paid claims tested by the BAM team, only 175 (65%) were completed within 60 days and only 197 (73%) were completed with 90 days. The UI program met the requirement for the 120-day window. Of the 308 denied claims selections, the UI program met the requirements for the 60-day and 120-day windows. However, only 257 (83%) were completed within 90 days.

Questioned costs: \$0

Cause: The UI program went live with a new system (WYUI) in June 2018, which changed the processing of BAM cases to be entirely electronic. Due to this change, BAM case reviews take three times longer to complete and the BAM investigators had a hard time adjusting to the new processes. In addition, the BAM investigator team had one team member who was perpetually behind on her reviews and ultimately resigned. These cases were reassigned to the BAM supervisor who began finishing the cases in March 2020, prior to COVID-19. However, progress was once again stalled when the BAM program was temporarily suspended as a result of COVID-19. The BAM supervisor was ultimately able to catch up by October 2020.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

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:

- (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.

Identification as a repeat finding: No.

Recommendation: We recommend the department implement additional procedures to ensure the BAM case metrics are being met.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-029: Special Test N – Program Integrity – Overpayments (Significant Deficiency)

<i>CFDA Number and Title:</i> CFDA #17.225, Unemployment Insurance
<i>Federal Agency Name:</i> U.S. Department of Labor
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Numbers/Names:</i> UI-32636-19-55-A-56; UI-34095-20-55-A-56; UI-34751-20-55-A-56
<i>Award Years:</i> October 1, 2018 – December 31, 2022; October 1, 2018 – December 31, 2022; April 1, 2020 – June 30, 2021
<i>Department:</i> Wyoming DWS

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

Criteria: Publication L No. 112-40, enacted on October 21, 2011 and effective October 1, 2013, amended Sections 303(a) and 453A of the Social Security Act and Sections 3303, 3304, and 3309 of the Federal Unemployment Tax Act were enacted to improve program integrity and reduce overpayments. Wyoming State Statute 27-3-506(e) indicates that an employer's account shall not be relieved of charges relating to a payment that was made erroneously from the unemployment compensation fund after July 1, 2013 if the department determines that (1) the erroneous payment was made because the employer, or the agent of the employer, was at fault for failing to respond timely or adequately to a written request...which resulted in the erroneous payment, and (2) the employer or agent has established a pattern of failing to respond timely or adequately to requests similar to those identified in the previous subsection.

Condition/context: The program is prohibited from providing relief from charges to an employer's UI account when overpayments are the result of the employer's failure to respond timely or adequately to a request for such information. In determining employer relief due to failure to respond timely, the program has established a five-time "pattern" rule, meaning the employer can be delinquent in its response five times and still obtain relief. However, on the sixth and subsequent instances, the program would deny relief and require the employer to reimburse the program for the overpayment. In monitoring this compliance requirement, the program relies on data tracked within WYUI, the State's benefit system. However, as noted in the Cause below, the module within WYUI that tracks this data was turned off during the year under audit. The program did not have additional processes, procedures, or mitigating controls in place to monitor the collection of overpayments due to prohibited employer relief.

Questioned costs: Unknown.

Cause: The program went live with a new system (WYUI) in June 2018, which included a module to track employer responses related to overpayments. However, there were coding issues and the data was inaccurate, so the program disabled this module of WYUI until the coding was corrected. For the year under audit, this module had not yet been corrected.

Effect: Some employers may have improperly received provider relief, even if they were ineligible. As a result, the program was unable to collect on any potential overpayments.

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:

- (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.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

- (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.

Identification as a repeat finding: No.

Recommendation: We recommend the program correct the coding issues within WYUI or implement additional policies and procedures to properly track employer response rates.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

2020-030: Allowable Costs/Cost Principles (Significant Deficiency)

<i>CFDA Number and Title:</i> CFDA #17.225, Unemployment Insurance
<i>Federal Agency Name:</i> U.S. Department of Labor
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number/Name:</i> EUISAA 2020 Admin
<i>Award Year(s):</i> April 23, 2020 – December 31, 2020
<i>Department:</i> Wyoming DWS

Criteria: 2 CFR 200.403 indicates that costs must be (a) necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles, and (b) adequately documented.

Condition/context: This finding was initially identified during an audit by the U.S. Department of Labor’s Employment and Training Administration during an enhanced desk monitoring review of the program.

The program entered into a temporary worker contract with a vendor, wherein the vendor would supply the program with general clerical support at a set rate of \$16.61 per hour. In actuality, the program paid rates between \$16.61 and \$34.56. Further, the program could not provide time and attendance records needed to verify that the temporary workers actually performed the services they were contracted to perform.

Questioned costs: \$120,765 (known and projected)

Cause: There was a high level of turnover in the temporary workers. In an attempt to retain as many workers as possible, the program entered into an informal agreement with Adecco to increase individual pay rates. The contract was not formally amended.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2020

III. Federal Award Findings and Questioned Costs, *Continued*

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:

- (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.

Identification as a repeat finding: No.

Recommendation: We recommend the program formally amend the contract with the vendor to ensure the contract is being administered in accordance with the terms and conditions of the contract. In addition, we recommend the program formally document time and attendance for the questioned costs above to ensure the amount was properly charged to the grant. Finally, we recommend that the program implement policies and procedures to ensure that time and attendance records are maintained for future contracts.

Views of responsible officials and planned corrective actions: Management concurs with the finding. See Exhibit I.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

I. Financial Statement Prior Audit Findings

2019-001: State Auditor's Office (SAO), State Treasurer's Office (STO), and Department of Revenue (DOR) – Internal Controls and Audit Adjustments to Due to Other Governments and Cash and Pooled Investments

Condition/context: Upon receipt of a component unit's audit report near the completion of the audit, the SAO and STO identified and recorded an adjustment to increase the amount due to component units in the General Fund by approximately \$108.9 million at June 30, 2018 and approximately \$158.5 million at June 30, 2019.

Adjusting journal entries were also proposed as follows with the SAO and STO:

- To move cash and pooled investments held within the Treasurer's Agency Fund to the General Fund and the Foundation Program Fund in the amounts of approximately \$84.8 million and \$42.4 million, respectively.
- To reallocate cash and pooled investments and investment income from the Foundation Program Fund to the Common School Land Fund by approximately \$16.7 million.
- To reallocate cash and pooled investments and investment income from the University Endowment Fund to the Excellence in Higher Education Endowment Fund by approximately \$3.3 million.

An adjusting journal entry was also proposed with the SAO and DOR to increase cash and pooled investments held within the DOR's Agency Fund by approximately \$131 million.

Status: The SAO scheduled and attended regular meetings with the STO to discuss the information needed for appropriate financial reporting and to request status updates on known items. The CAFR Division manager (Barb Wallace) and the STO administrator of financial accounting (Katie Smith) met on a monthly basis throughout the year, with weekly meetings scheduled during CAFR season (September through December). When possible, the deputy state auditor (Eydie Trautwein) and the deputy state treasurer (Dawn Williams) attended these meetings as well. The SAO also held monthly meetings with the DOR to discuss financial statement-related items.

The CAFR Division compiled and provided to the STO a comprehensive PBC listing of all items the CAFR Division needs for the compilation of the State's financial statements, including deadlines. The CAFR Division created the PBC listing with feedback and input from the STO. The PBC listing was discussed and reviewed during the weekly SAO and STO meetings scheduled during CAFR season (September through December). As an additional measure to ensure the SAO's and the STO's complete understanding of audit processes and requirements as they relate to one another, the STO was represented at the audit entrance conference.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

I. Financial Statement Prior Audit Findings, *Continued*

2019-002: SAO – Internal Controls and Audit Adjustments to Fund Balance and Mineral Severance Taxes

Condition/context: Adjusting journal entries were proposed as follows:

- To reclassify approximately \$42.7 million and \$40.4 million from unassigned fund balance to assigned fund balance and committed fund balance, respectively, within the General Fund.
- To reallocate cash held within the DOR's Agency Fund for mineral severance tax revenue to the General Fund, the Permanent Mineral Trust Fund, and the Environmental Quality Fund – Committed in the amounts of approximately \$76.5 million, \$25.9 million, and \$1.7 million, respectively.

Status:

- The SAO has added additional procedures and clarification to the fund establishment form to ensure the fund balance classification is addressed at the fund's creation.
- The SAO included the mineral severance tax distribution calculations on the agenda for the monthly meetings between the DOR and SAO. This ensured the SAO and DOR were on the same page in regard to the distributions, as well as any year-end adjustments needed.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

2019-003: SAO – Internal Controls and Audit Adjustments to Cash and Pooled Investments, Due to Component Units, and Qualified Rate Adjustment (QRA) Payments

Condition/context: Adjusting journal entries were proposed as follows:

- To reallocate cash and pooled investments within various funds for (i) the liability under securities lending of approximately \$295.3 million, (ii) interest income of approximately \$14 million, (iii) interest receivable of approximately \$3.5 million, (iv) accounts payable of approximately \$25.4 million, (v) accounts receivable, net, of approximately \$18.2 million, and (vi) various expense of approximately \$4.5 million.
- To reduce due to component units and business regulation expense by approximately \$8.6 million within the General Fund.
- To properly post the fund versus entity-wide entries within the General Fund for the QRA payment revenues, expenditures, due from other governments, and other deferred inflows of approximately \$6.7 million.

Additionally, an adjusting journal entry was proposed to reallocate cash and pooled investments and investment income of approximately \$6.6 million from the Excellence in Higher Education Endowment Fund to the University Endowment Fund.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

I. Financial Statement Prior Audit Findings, *Continued*

Status: The SAO has added additional procedures to the related projects effected by this finding. The SAO has implemented an additional review process for journal entries. The CAFR Division closely monitored submission deadlines, and if any agency began to miss critical deadlines, the CAFR Division notified the Department of Audit and set frequent check-ins with the agency to proactively mitigate the impact of missed deadlines.

Auditor's comments: The SAO continues to work on fully implementing its corrective action plan at June 30, 2020. While these specific adjustments did not occur again, the systemic cause of the finding resulted in several current-year adjustments. This finding remains open – see current-year finding 2020-001.

2019-004: STO – Internal Controls and Audit Adjustments to Cash and Pooled Investments

Condition/context: An adjusting journal entry was proposed to increase cash and pooled investments and investment income by approximately \$12 million within the General Fund, \$4.9 million in the Foundation Program Fund and \$2 million in the Worker's Compensation Fund.

Status: The STO implemented additional processes to track investment activity, including in-kind transfers. These items were included in the STO's year-end reporting documents to the SAO. In addition, the STO met with the SAO to discuss the needs and uses of the STO's year-end reporting documents.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

2019-005: STO – Internal Controls and Audit Adjustments to Cash and Pooled Investments

Condition/context: Deficiencies in both the design and operating effectiveness of the STO's internal control system were identified as follows:

- The STO did not distribute approximately \$127.2 million of Federal mineral royalties earned by the State in accordance with Wyoming State Statute 9-4-602(a)(ii), which requires distribution of the Federal mineral royalties for the last quarter of the fiscal year not later than June 30, 2019.
- Reconciliations of the State's year-end cash and pooled investment balances were not completed and reviewed on a timely basis.
- Over the course of several weeks, including the period of time crossing fiscal year-end, the STO did not perform cash deposit and reconciliation procedures in accordance with its established internal control policy. As a result, an adjusting journal entry was proposed to increase cash and pooled investments and decrease due from other governments by approximately \$2.6 million within the Foundation Program Fund.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

I. Financial Statement Prior Audit Findings, *Continued*

Status: The STO completed a reorganization of the Financial Accounting Division, which included the addition of two high-level accounting positions to assume supervisory and mentoring functions for staff. The STO has also reassigned tasks to better fit the accounting skill of each position, provided additional cross-training to create depth in cases of absence, and re-worked internal policies to better complete fiscal year-end cash deposits.

Auditor's comments: The STO continues to work on fully implementing its corrective action plan at June 30, 2020. This finding remains open – see current-year finding 2020-015.

2019-006: STO – Internal Controls Related to Allocation of Cash and Pooled Investments

Condition/context: Certain spreadsheets prepared by the STO and used to allocate cash and pooled investment balances contained formula errors, as well as unsupported activity. There was also an inconsistent application of the methodologies used to allocate cash and pooled investment balances throughout the fiscal year.

Status: The STO completed the re-balance of the plan sub-accounting, developed and tested reconciliations, and polished information provided to JP Morgan by the STO.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

2019-007: Department of Workforce Services (DWS) – Internal Controls and Audit Adjustment to Federal Revenue

Condition/context: An adjusting journal entry was proposed within the General Fund to increase Federal revenue by approximately \$31.6 million and increase the Federal receivables and decrease the Federal unearned revenue by approximately \$17.3 million and \$14.3 million, respectively.

Status: The DWS has filled the deputy CFO and accounting manager positions. Additionally, the DWS has attended training with the SAO as well as conducted internal training for staff that are compiling and reviewing the SEFA. The SEFA is completed by the grant managers and is reviewed by the accounting managers and the deputy CFO for accuracy and completeness prior to submission to the SAO. The DWS has updated our Financial Management Manual to include financial reporting requirements.

Auditor's comments: The DWS continues to work on fully implementing its corrective action plan at June 30, 2020. This finding remains open – see current-year finding 2020-010.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

I. Financial Statement Prior Audit Findings, *Continued*

2019-008: SAO – Internal Controls and Audit Adjustments to Accounts Payable and Warrants Payable

Condition/context: Adjusting journal entries were proposed as follows:

- To re-allocate accounts payable and cash within various funds by approximately \$6 million.
- To decrease cash and warrants payable within the Warrant Clearing Fund by approximately \$23.1 million.

Status:

- The SAO implemented a change in process to account for the front-end split on expenditures in the financial system. The process now has expenditures move money from the agency's budgeted fund into the Payroll Clearing Fund (415). The liabilities then charge the Payroll Clearing Fund and move the money to its designated revenue or balance sheet account. By having both the expenditures and liabilities hit the Payroll Clearing Fund, this eliminates the issue of the expenditures and liabilities being split across multiple funds.
- The SAO has a robust documented process for system changes, including testing and approval processes. The SAO implemented additional procedures to review the system changes for downstream business process impacts and incorporated a communication plan related to system changes and possible downstream effects.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

2019-009: SAO – Internal Controls and Audit Adjustments to Pension and Other Post-Employment Benefits (OPEB) Related Deferred Outflows and Inflows

Condition/context: Adjusting journal entries were proposed as follows:

- To net certain pension-related deferred inflows and outflows within the government-wide financial statements by approximately \$59 million and within the enterprise funds by approximately \$1.4 million.
- To record OPEB-related deferred outflows and expense within the government-wide financial statements of approximately \$18.2 million and within the enterprise funds of approximately \$501,000.

Additionally, an adjusting journal entry was proposed to increase the OPEB-related expense and increase beginning net position for the prior-period OPEB-related deferred outflows within the government-wide financial statements by approximately \$17.5 million.

Status: The SAO added additional procedures to the project for the calculation of deferred outflows and inflows, with notations as to presenting them net or gross.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

I. Financial Statement Prior Audit Findings, *Continued*

The SAO also more thoroughly reviewed the actuary report provided by Employee Group Insurance's actuary to ensure it contained pertinent information needed for the OPEB accruals and requested additional information (when necessary) if it was not part of the actuary's report.

Auditor's comments: The SAO continues to work on fully implementing its corrective action plan at June 30, 2020. This finding remains open – see current-year finding at 2020-003.

2019-010: SAO – Internal Controls and Audit Adjustments to Bonds Payable-Related Transactions

Condition/context: Adjusting journal entries were proposed as follows:

- To reclassify transfers out to general government expenditures within the Common School Land Fund of approximately \$4 million.
- To reduce cash with fiscal agent and interest income within the Common School Land Fund and Debt Service Fund by approximately \$1.2 million and \$103,000, respectively.

Status: The SAO added additional procedures to the related projects affected by this finding. The SAO implemented additional review processes for bonds payable and cash with fiscal agent to ensure they are properly accounted for regardless of the State Treasurer's Office treatment during the fiscal year.

Auditor's comments: The SAO continues to work on fully implementing its corrective action plan at June 30, 2020. This finding remains open – see current-year finding 2020-008.

2019-011: STO – Internal Controls and Audit Adjustments to Accounts Payable

Condition/context: An adjusting journal entry was proposed within the General Fund to decrease accounts payable and general government expense by approximately \$5.1 million.

Status: The STO implemented a more robust control system to ensure the accuracy of the service dates entered into the State's accounting system to properly record the transaction in the correct fiscal period.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

2019-012: DWS – Internal Controls and Audit Adjustments to Taxes Receivable

Condition/context: An adjusting journal entry was proposed within the Unemployment Insurance Fund to decrease charges for sales and services revenue and taxes receivable by approximately \$8.5 million.

Status: The DWS's Unemployment Insurance Division was able to utilize queries out of WYUI to compute and validate the taxes receivable adjustments for fiscal year 2020.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

I. Financial Statement Prior Audit Findings, *Continued*

Auditor's comments: The DWS continues to work on fully implementing its corrective action plan at June 30, 2020. This finding remains open – see current-year finding 2020-013.

2019-013: Department of Health – Internal Controls and Audit Adjustments Related to QRA Payments

Condition/context: An adjusting journal entry was proposed within the General Fund to reduce the QRA payment revenues, expenditures, and due from other governments, and other deferred inflows by approximately \$6.7 million.

Status: The Medicaid fiscal group discussed the project with the CAFR Division and the deadline for the information regarding QRA payments has been moved to be no later than December 1. This deadline will ensure that no draft documents are provided to the CAFR Division or the external auditor. All information will come directly from the Medicaid fiscal group to ensure only accurate and final documents are provided for the financial audit.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

2019-014: Enterprise Technology Services (ETS) – Information Technology (IT) Risk Assessment

Condition/context: During the Information Systems General Controls Review, we noted that a risk assessment has not been performed by ETS since August 2010.

Status: ETS determined that due to lack of resources within the department, it will forgo an annual IT risk assessment and instead opt to implement continuous monitoring tools for the network. Preventative controls that were put in place include continuous vulnerability scanning, endpoint protection tools, and security information and event management alerting and monitoring tools for the IT environment.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

2019-015: SAO – Timeliness of Transfers

Condition/context: With respect to the first transfer, the transfer was initiated September 25, 2018, which was 56 calendar days after the statutory deadline of July 31, 2018.

With respect to the second transfer, a portion of the transfer (approximately \$6.9 million) was initiated July 22, 2019, which was 295 calendar days after the statutory deadline of September 30, 2018.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

I. Financial Statement Prior Audit Findings, *Continued*

Status: The SAO discovered other control agencies do not have a comprehensive listing of transfers. However, we have started a transfer tracking spreadsheet. This spreadsheet is a work in progress and will continue to be developed and improved.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

2019-016: DOR – Mineral Severance Tax Distribution

Condition/context: Mineral severance tax distributions of approximately \$13.7 million were distributed to the General Fund (fund 001) that should have been distributed in equal amounts to the Budget Reserve Account (fund 002) and the School Foundation Program Reserve Account (fund 105).

Status: The DOR discussed future statutory changes with upper management and signed off to indicate its agreement with the distribution changes to take place. The changes to the distribution rules were then implemented and tested by IT staff and DOR staff.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

II. Federal Award Prior Audit Findings

2017-009: Subrecipient Monitoring

<i>Catalog of Federal Domestic Assistance (CFDA) Number and Title:</i> CFDA #66.460, Non-Point Source Implementation Grants
<i>Federal Agency Name:</i> U.S. Environmental Protection Agency
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Numbers:</i> C9-000863015-0; C9-00863016-0
<i>Award Years:</i> April 15, 2015 – April 14, 2020; May 15, 2016 – May 14, 2021
<i>Department:</i> Wyoming Department of Environmental Quality (DEQ)

Condition/context: There are various components of subrecipient monitoring, which include award identification (providing complete and accurate information to the subrecipient); during-the-award monitoring (monitoring the subrecipient's use of Federal awards through reporting, regular contact, or other means to provide reasonable assurance that the subrecipient 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 audit requirement (verifying that every subrecipient is audited as required).

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

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 subrecipient. These risk assessments are then used to drive how and to what extent the pass-through entity monitors each subrecipient.

One DEQ program failed to perform or provide documentation for one or more of the components of subrecipient monitoring, including the new UGG requirements. During the course of testing performed, the following items were noted:

- Of the four subrecipients subjected to testing for the Non-Point Source program, two subrecipients were tested against the UGG requirements. For both subrecipients tested, the sub-awards failed to contain all required award information. In addition, the program was required to perform risk assessment procedures on both subrecipients 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.

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

Auditor's comments: This corrective action plan has been partially implemented. The portion regarding the program's internal control process to oversee obtaining subrecipient audit reports remains open.

2019-017: Schedule of Expenditures of Federal Awards (SEFA)

<p><i>CFDA Numbers and Titles:</i></p> <ol style="list-style-type: none">1. CFDA #10.558, Child and Adult Care Food Program2. CFDA #10.560, State Administrative Expenses for Child Nutrition3. CFDA #10.582, Fresh Fruit and Vegetable Program4. CFDA #10.559, Summer Food Service Program for Children5. CFDA #97.036, Disaster Grants – Public Assistance (Presidentially Declared Disasters)6. CFDA #17.225, Unemployment Insurance
<p><i>Federal Agency Names:</i></p> <ol style="list-style-type: none">1. U.S. Department of Education2. U.S. Department of Education3. U.S. Department of Education4. U.S. Department of Education5. U.S. Department of Homeland Security6. U.S. Department of Labor

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

<i>Pass-Through Entity Names (if applicable):</i> 1. N/A 2. N/A 3. N/A 4. N/A 5. N/A 6. N/A
<i>Award Numbers/Names:</i> 1. 3WY300509 2. 3WY300014 3. 3WY310379 4. 3WY300312 5. 4227-DR-WY-P00000001; 4327-DR-WY-P00000001; EMD-2017-PC-0007 6. UI-23928-13-55-A-56; UI-26430-14-60-A-56; UI-28013-16-55-A-56; UI-29877-17-55-A-56; UI-30121-16-55-A-56; UI-31385-18-55-A-56; UI-31493-17-55-A-56; UI-32636-19-55-A-56
<i>Award Years:</i> 1. October 1, 2018 – September 30, 2019 2. October 1, 2018 – September 30, 2020 3. October 1, 2018 – September 30, 2019 4. October 1, 2018 – September 30, 2019 5. Various; various; March 15, 2016 – August 30, 2019 6. Various
<i>Departments:</i> 1. Wyoming Department of Education 2. Wyoming Department of Education 3. Wyoming Department of Education 4. Wyoming Department of Education 5. Wyoming Department of Homeland Security 6. Wyoming DWS

Condition/context: The Wyoming Department of Education did not provide a SEFA that properly identified all Federal funds expended. During the course of testing performed on the initial SEFA provided for audit, we noted the following:

1. During reconciliation of the Wyoming Department of Education’s general ledger to the SEFA, it was determined that \$88,002 of expenditures were improperly reported under CFDA #10.560, State Administrative Expenses for Child Nutrition, when those expenditures should have been reported as follows under CFDA #10.558, Child and Adult Food Care Program.
2. During reconciliation of the Wyoming Department of Education’s general ledger to the SEFA, it was determined that \$13,661 of expenditures were improperly reported under the Child Nutrition Cluster, when those expenditures should have been reported under CFDA #10.560, State Administrative Expenses for Child Nutrition.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

3. During reconciliation of the Wyoming Department of Education's general ledger to the SEFA, it was determined that \$16,155 of expenditures were improperly reported under CFDA #10.582, Fresh Fruit and Vegetable Program, when those expenditures should have been reported under CFDA #10.560, State Administrative Expenses for Child Nutrition.

The Wyoming Department of Homeland Security did not provide a SEFA that properly identified all Federal funds expended. Specifically, we noted the following:

1. Expenditures for award 4227-DR-WY-P00000001 were overstated by \$1,045,375.
2. Expenditures for award 4327-DR-WY-P00000001 were understated by \$248.
3. Expenditures for award EMD-2017-PC-0007 were understated by \$60,677.

The DWS did not provide a SEFA that properly identified all Federal funds expended. Specifically, the final SEFA provided for audit did not include any expenditures for CFDA #17.225.

Status – Wyoming Department of Education: The Wyoming Department of Education is now tracking and posting all Child Nutrition Cluster expenditures to the SEFA monthly, which ensures that the expenditures are classified to the correct CFDA number.

Auditor's comments – Wyoming Department of Education: The corrective action plan was implemented. This finding is considered resolved.

Status – Wyoming Department of Homeland Security: The corrective action plan was implemented and in place as of the corrective action plan's issuance (December 31, 2020). The corrective action included a thorough review process with multiple levels of reviews and retention of supporting documents. This process is still being followed. No changes/modifications are needed.

Auditor's comments – Wyoming Department of Homeland Security: The corrective action plan was implemented. This finding is considered resolved.

Status – DWS: The DWS has filled the deputy CFO and accounting manager positions. Additionally, the DWS has attended training with the SAO as well as conducted internal training for staff that are compiling and reviewing the SEFA. The SEFA is completed by the grant managers and is reviewed by the accounting managers and the deputy CFO for accuracy and completeness prior to submission to the SAO. The DWS has updated our Financial Management Manual to include financial reporting requirements.

Auditor's comments – DWS: The DWS continues to work on implementing policies and procedures over the SEFA presented for audit – see current-year finding 2020-019.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

2019-018: Subrecipient Monitoring

<p><i>CFDA Numbers and Titles:</i></p> <ol style="list-style-type: none"> 1. CFDA #97.036, Disaster Grants – Public Assistance (Presidentially Declared Disasters) 2. CFDA #97.042, Emergency Management Performance Grants 3. CFDA #97.047, Pre-Disaster Mitigation 4. CFDA #97.067, Homeland Security Grant Program
<p><i>Federal Agency Names:</i></p> <ol style="list-style-type: none"> 1. U.S. Department of Homeland Security 2. U.S. Department of Homeland Security 3. U.S. Department of Homeland Security 4. U.S. Department of Homeland Security
<p><i>Pass-Through Entity Names (if applicable):</i></p> <ol style="list-style-type: none"> 1. N/A 2. N/A 3. N/A 4. N/A
<p><i>Award Numbers/Names:</i></p> <ol style="list-style-type: none"> 1. 4227-DR-WY-P00000001; 4306-DR-WY-P00000001; 4327-DR-WY-P00000001 2. EMD-2017-EP-00004; EMD-2018-EP-00006 3. 14FEMA-CHE-PD-PDCH14; 16FEMA-BUF-PD-PDMB16 4. EMW-2015-SS-00037; EMW-2016-SS-00067; EMW-2017-SS-00056; EMW-2018-SS-00065
<p><i>Award Years:</i></p> <ol style="list-style-type: none"> 1. Various; various; various 2. October 1, 2016 – September 30, 2018; October 1, 2017 – September 30, 2019 3. April 21, 2014 – March 30, 2019; March 15, 2016 – August 30, 2019 4. September 1, 2015 – August 31, 2018; September 1, 2016 – August 31, 2019; September 1, 2017 – August 31, 2020; September 1, 2018 – August 31, 2021
<p><i>Departments:</i></p> <ol style="list-style-type: none"> 1. Wyoming Department of Homeland Security 2. Wyoming Department of Homeland Security 3. Wyoming Department of Homeland Security 4. Wyoming Department of Homeland Security

Condition/context: There are various components of subrecipient monitoring, which include award identification (providing complete and accurate information to the subrecipient); during-the-award monitoring (monitoring the subrecipient’s use of Federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient 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 audit requirement (verify that every subrecipient is audited as required).

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

1. CFDA #97.036 – The program’s sub-award agreements did not contain all of the required award identification information, as required by UGG. This affects all sub-awards made by the program.
2. CFDA #97.042 – The program’s sub-award agreements did not contain all of the required award identification information, as required by UGG. This affects all sub-awards made by the program.
3. CFDA #97.047 – The program’s sub-award agreements did not contain all of the required award identification information, as required by UGG. This affects all sub-awards made by the program.
4. CFDA #97.067 – The program’s sub-award agreements did not contain all of the required award identification information, as required by UGG. This affects all sub-awards made by the program.

In addition, UGG also requires that pass-through entities perform and document formal risk assessments of each subrecipient. Ultimately, these risk assessments should be used to drive how and to what extent the pass-through entity should monitor each subrecipient (desk reviews vs. on-site reviews, frequency of reviews, etc.).

1. CFDA #97.036 – The program did not perform and document these assessments for the year under audit. This affects all sub-awards made by the program.
2. CFDA #97.042 – The program did not perform and document these assessments for the year under audit. This affects all sub-awards made by the program.
3. CFDA #97.047 – The program did not perform and document these assessments for the year under audit. This affects all sub-awards made by the program.
4. CFDA #97.067 – The program did not perform and document these assessments for the year under audit. This affects all sub-awards made by the program.

Finally, UGG also requires that pass-through entities determine if the subrecipient requires a single audit and, if so, inspect the audit report for findings and follow up on any findings in a timely manner.

1. CFDA #97.047 – Of the two subrecipients selected for testing, one subrecipient had findings in its audit report related to the Pre-Disaster Mitigation grant; however, the program did not follow up with the subrecipient on those findings.
2. CFDA #97.067 – Of the five subrecipients selected for testing, the program did not receive the requested single audit verification from the subrecipient, nor did it follow up with the subrecipient on the lack of communication until the issue was brought to the program’s attention during the single audit.

Status: Part 1 of the corrective action plan (ensuring all required information on the sub-award agreements) has been implemented starting with the GFY20 awards. At the time of the audit and resulting finding, the GFY19 template had already been approved and GFY19 awards were made. All required information has been included on all GFY20 and subsequent award agreements.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

Part 2 of the corrective action plan included developing a written risk assessment form. Previously, the agency had been conducting informal risk assessments. This form has been developed and will be utilized for all GFY21 grants.

Part 3 of the corrective action plan was implemented and in place at the time of the corrective action plan’s issuance. We are still utilizing the tracking sheet and follow-up process to ensure we receive audits from all subrecipients.

Auditor’s comments: The corrective action plan was implemented. This finding is considered resolved.

2019-019: Suspension and Debarment

<i>CFDA Number and Title:</i> CFDA #97.042, Emergency Management Performance Grants
<i>Federal Agency Name:</i> U.S. Department of Homeland Security
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number:</i> EMD-2018-EP-00006
<i>Award Year(s):</i> October 1, 2017 – September 30, 2019
<i>Department:</i> Wyoming Department of Homeland Security

Condition/context: Excluding subrecipients, there were seven additional vendors with aggregate expenditures greater than \$25,000 during the year under audit. Of those seven vendors, two were selected for testing compliance with the suspension and debarment requirements. Of those two vendors, one vendor did not have a suspension and debarment clause in the contract (per program policy) and program staff did not perform other verification procedures to ensure the vendor was not suspended or debarred. This is not a compliance finding, as the vendor was not suspended or debarred.

Status: The corrective action plan has been implemented and was in place prior to December 31, 2020. We verify that all contractors have no suspensions or debarments, and the debarment clauses are in each contract.

Auditor’s comments: The corrective action plan was implemented prior to the issuance of this report. This finding is considered resolved.

2019-020: Reporting

<i>CFDA Numbers and Titles:</i> 1. CFDA #97.036, Disaster Grants – Public Assistance (Presidentially Declared Disasters) 2. CFDA #97.067, Homeland Security Grant Program
<i>Federal Agency Names:</i> 1. U.S. Department of Homeland Security 2. U.S. Department of Homeland Security

STATE OF WYOMING

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020**

II. Federal Award Prior Audit Findings, *Continued*

<p><i>Pass-Through Entity Names (if applicable):</i></p> <ol style="list-style-type: none"> 1. N/A 2. N/A
<p><i>Award Numbers/Names:</i></p> <ol style="list-style-type: none"> 1. 4227-DR-WY-P00000001; 4306-DR-WY-P00000001 2. EMW-2017-SS-00056
<p><i>Award Years:</i></p> <ol style="list-style-type: none"> 1. Various; various 2. September 1, 2017 – August 31, 2020
<p><i>Departments:</i></p> <ol style="list-style-type: none"> 1. Wyoming Department of Homeland Security 2. Wyoming Department of Homeland Security

Condition/context:

1. CFDA #97.036 – Twelve SF-425 reports were filed during the year under audit by the program. Of those 12, three were selected for testing. In two of the three reports tested, Line 10J, Recipient Share of Expenditures, was reported incorrectly. In one report, the program did not retain support for Line 10E, Federal Share of Expenditures.
2. CFDA #97.067 – Thirteen SF-425 reports were filed during the year under audit. Of these 13 reports, three were selected for testing. Of those three reports, one report for the quarter ended March 31, 2019 had amounts reported incorrectly. Specifically, the Cash Receipts and Federal Share of Expenditures lines were flipped, leaving a positive cash on hand balance.

Status: The corrective action plan was implemented and in place at the time of the corrective action plan’s issuance. The department is using a two-person review process before any reports are submitted. The accounting specialist prepares the reports and has them double-checked by the grants/finance supervisor prior to submittal. The department also attaches all supporting documentation to the reports to verify the numbers listed.

Auditor’s comments: The corrective action plan was implemented. This finding is considered resolved.

2019-021: Period of Performance

<i>CFDA Number and Title:</i> CFDA #97.067, Homeland Security Grant Program
<i>Federal Agency Name:</i> U.S. Department of Homeland Security
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number:</i> EMW-2015-SS-00037
<i>Award Year(s):</i> September 1, 2015 – August 31, 2018
<i>Department:</i> Wyoming Department of Homeland Security

Condition/context: The 2015 award closed on August 31, 2018, with a final liquidation date of November 29, 2018. Subsequent to the final liquidation date, the program incurred expenditures of \$47,070.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

Status: The tracking process identified in the corrective action plan has been implemented and was in place as of December 31, 2020. Liquidation periods and performance deadlines are visible for all and are strictly adhered to. Federal program staff provide reports regularly to remind us of upcoming deadlines.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

2019-022: Earmarking

<i>CFDA Number and Title:</i> CFDA #84.126, Rehabilitation Services_Vocational Rehabilitation Grants to States
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number/Name:</i> H126A170075
<i>Award Year(s):</i> October 1, 2016 – September 30, 2018
<i>Department:</i> Wyoming DWS

Condition/context: Program guidelines require that 15% of each grant award should be earmarked for pre-employment transition services for students with disabilities. For the 2017 grant award, the program only earmarked \$1,091,514 for pre-employment transition services, which is 12.5% of the 2017 award amount (\$8,705,236).

Status: This continues to be a finding for the DWS, and the Division of Vocational Rehabilitation (the Division) is continuing to track this process. The Division has reached out to our Federal partners, Rehabilitation Services Administration (RSA), for technical assistance to get further guidance on grant maintenance and allowable costs. RSA has put out a Notice of Interpretation: Pre-Employment Transition Services Flexibility Regarding the Use of Federal Vocational Rehabilitation Funds, and these flexibilities will allow the Division to utilize the reserve grant to expend pre-ETS funds to support auxiliary aides and services to all students with disabilities, which in turn will further assist with appropriate spending of the grant.

The Division is in the process of upgrading its case management system, which will allow for improved tracking of the students receiving pre-employment transition services, along with expenditures that can be charged to the grant. In addition, the agency reviews reports on a monthly basis with the vocational rehabilitation administrator, to ensure field staff are providing all pre-employment transition services to students and spending down the grant appropriately.

In order to further manage and forecast appropriate spending of the set-aside grant, the Division is entering into contracts with various service providers across the State to ensure statewide delivery of pre-employment transition services.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

During the COVID pandemic and related school closures, accessing students and providing services became a challenge for all vocational rehabilitation agencies across the country, RSA is aware of these challenges and is in communication with Congress to allow agencies the ability to roll over spending and implement additional flexibilities in spending.

Auditor's comments: This finding remains open – see current-year finding 2020-026.

2019-023: Level of Effort

<i>CFDA Number and Title:</i> CFDA #84.126, Rehabilitation Services_Vocational Rehabilitation Grants to States
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number/Name:</i> H126A180075
<i>Award Year(s):</i> October 1, 2017 – September 30, 2018
<i>Department:</i> Wyoming DWS

Condition/context: Program guidelines require that State-funded expenditures in the most recent fiscal year should be equal to or exceed the total State-funded expenditures from the fiscal year two years prior. As such, the total State-funded expenditures in fiscal year 2018 should be equal to or greater than the total State-funded expenditures in fiscal year 2016. For the 2018 fiscal year, program spending was \$2,449,410, compared to the 2016 fiscal year spending of \$2,512,314. The level-of-effort requirement was not met by \$62,904.

Status: The DWS made significant progress on the level-of-effort requirement; however, it continues to be a finding. The Division has initiated monthly meetings between the Fiscal team and the vocational rehabilitation administrator, and quarterly meetings with the workforce programs administrator as well as the vocational rehabilitation management team, to share and forecast information on grant expenditure status and program expenses. The DWS now has a fully staffed Division Fiscal unit that receives regular training and technical assistance to better understand the level-of-effort parameters and continually monitor this requirement.

The Division has reached out to RSA and other states for technical assistance and to get further guidance and a comprehensive understanding of best fiscal practices to ensure appropriate maintenance of effort.

Auditor's comments: The program has made substantial efforts to implement policies and procedures over this compliance requirement. The program was audited in 2020 and the difference in actual versus required level of effort was less than \$25,000. Therefore, this finding is considered resolved.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

2019-024: Matching

<i>CFDA Number and Title:</i> CFDA #84.126, Rehabilitation Services_Vocational Rehabilitation Grants to States
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number/Name:</i> H126A180075
<i>Award Year(s):</i> October 1, 2017 – September 30, 2018
<i>Department:</i> Wyoming DWS

Condition/context: Under program guidelines, the program is required to match each Federal award 21.3% with State funds. This match must be met as of the last day of the initial funding period. For the funding period for the 2018 award ended September 30, 2018, the cumulative award amount was \$10,616,162, which required a minimum match of \$2,261,243. The State only matched \$2,064,850, under-matching by \$196,393.

Status: This finding will not be a repeat finding; however, we continue to improve our monitoring of matching. The Division is in the process of updating our case management software system, which will improve reports for monitoring and budget configurations for each grant. We are reducing the amount of line item codes to simplify and streamline codes. This will make it easier for the Field and Fiscal teams to understand and utilize these more efficiently. Field staff are reviewing and liquidating outstanding authorizations on a monthly basis to improve accurate expenditure reports and grant balances.

The Division is also working in collaboration with an RSA-funded technical assistance center to implement program and fiscal internal controls, which will further assist in managing and monitoring program expenditures and matching requirements.

Fiscal and program staff are meeting on a monthly basis to review expenditures. Additionally, monthly meetings have taken place with the vocational rehabilitation administrator to review upcoming programming and large expenditures to provide better fiscal forecasting.

The DWS will continue to keep these reviews in place and to monitor the status of our matching requirements.

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

2019-025: Eligibility

<i>CFDA Number and Title:</i> CFDA #93.767, Children's Health Insurance Program
<i>Federal Agency Name:</i> U.S. Department of Health and Human Services
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Numbers:</i> 1705WY0301; 1805WY5021; 1905WY5021
<i>Award Years:</i> October 1, 2016 – September 30, 2018; October 1, 2017 – September 30, 2019; October 1, 2018 – September 30, 2020
<i>Department:</i> Wyoming Department of Health

Condition/context: Of the 40 participants selected for testing compliance with the eligibility requirements of the Children's Health Insurance Program (CHIP), we noted three instances in which the Department of Health allowed ineligible participants to participate in CHIP. The following instances were noted:

1. In instance one, the participant turned 19 in February 2019, at which time the participant became ineligible. However, CHIP continued to provide benefits to this ineligible participant until August 2019. As a result, there was an overpayment of benefits of \$1,022.
2. In instance two, the participant was eligible for Medicaid, but instead was improperly enrolled in CHIP. As a result, there was an overpayment of benefits of \$1,613.
3. In instance three, during the reapplication process, CHIP improperly approved the participant's eligibility, when the participant was actually ineligible due to income restrictions. Program controls eventually identified the ineligible participant and benefits were stopped in August 2019. As a result, there was an overpayment of benefits of \$1,613.

Within the sample of 40 participants, there were also several control deficiencies identified. In these instances, the participants were eligible; however, there were deviations from CHIP's standard operating controls:

1. The CHIP State Plan requires that all applications, original and renewals, be processed within 45 days. There were two instances identified where the application was not approved/denied in timely manner. There was also no indication within the eligibility files that supported why the processing time frame was delayed.
2. There was one instance where there was no income information entered into the Wyoming Eligibility System. The participant was ultimately found to be eligible.

There was one instance where the approval letter indicated an original application, when it should have been a reapplication. There was a gap in participation between April 2018 and July 2018, but CHIP lacked documentation of the situation.

Status: The various instances identified in the 2019 audit were corrected. The program initiated additional training opportunities for its customer service center employees.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

Auditor's comments: While the specific instances of noncompliance were corrected, we did identify a repeat finding for this compliance requirement, which indicates room for improvement on internal control processes. As such, this finding has not been resolved – see current-year finding 2020-021.

2019-026: Eligibility

<i>CFDA Number and Title:</i> CFDA #93.778, Medical Assistance Program
<i>Federal Agency Name:</i> U.S. Department of Health and Human Services
<i>Pass-Through Entity Name (if applicable):</i> N/A
<i>Award Number/Name:</i> Various
<i>Award Year(s):</i> Various
<i>Department:</i> Wyoming Department of Health

Condition/context: Of the 60 recipients selected for testing compliance with the eligibility requirements within the Medicaid Cluster, we noted two instances in which the recipient was not timely removed from the system at the time the recipient became ineligible to receive benefits.

In the first instance, the individual was properly marked as ineligible within the Eligibility System, but that information was not transmitted properly to or received properly by the pharmacy claims system. There are known questioned costs of \$7, which constitutes the amount of claims paid by the program on behalf of the recipient for which the recipient was not eligible to receive.

In the second instance, the individual did not submit the required income information in order to renew eligibility. The program failed to mark the individual as ineligible within the Eligibility System. As a result, the individual improperly continued their eligibility until the income information was received. Under program rules, eligibility should have ended when the income information was not received. The individual should have remained ineligible until income verification occurred. At that point in time, eligibility would have started again. During the time frame in which the individual was ineligible, claims were submitted and paid for on behalf of this individual. Known questioned costs are \$283, which constitutes the amount of claims paid on behalf of the recipients for which the recipient was not eligible to receive.

Status:

1. This finding has been resolved. A correction to the pharmacy claims system was implemented on May 1, 2019, prior to the 2019 fiscal year-end. The correction adds a “delete indicator” to any eligibility span present in the PBMS system that is not supported by data in the MMIS eligibility file. If a delete indicator is present on an eligibility span, the PBMS does not consider it a valid span when processing pharmacy claims. Any previous claims affected by this issue were adjusted to be 100% paid out of General Fund monies.
2. This finding has been resolved. An auto-closure process was implemented into the Wyoming Eligibility System in October 2019. This process automatically closes cases sent a request for verification if no income documents/information have been received. This lessens the worker’s burden and ensures that cases close timely when the client fails to provide verification.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2020

II. Federal Award Prior Audit Findings, *Continued*

Auditor's comments: The corrective action plan was implemented. This finding is considered resolved.

EXHIBIT I

CORRECTIVE ACTION PLAN



STATE OF WYOMING

DEPARTMENT OF AUDIT

Mark Gordon
Governor

Justin Chavez
Interim Director

OFFICE OF THE DIRECTOR

(307) 777-6605 / jusin.chavez@wyo.gov

CORRECTIVE ACTION PLAN **Year Ended June 30, 2020**

The following is the corrective action plan for the Schedule of Findings and Questioned Costs reported in the June 30, 2020 Compliance Report for the State of Wyoming:

I. Financial Statement Findings

2020-001: State Auditor's Office (SAO) – Internal Controls and Audit Adjustments

Corrective actions: The SAO has added a step to the journal entry review process. Account balances adjusted in the journal entry will be reviewed by CAFR staff and the CAFR reviewer for appropriateness. Additionally, the CAFR reviewer will review the adjusted balances and assess the reasonableness of the account balance. 2020 was an unprecedented year due to the COVID pandemic, teleworking, and staff turnover. This resulted in no time for a high-level review of the financial statements. Going forward, the SAO will allow time for a high-level, analytical review prior to submitting a draft to the external auditors.

Anticipated completion date: June 30, 2021

Contact person: Erin Benskin, CAFR Division Manager

2020-002: SAO – Internal Controls and Audit Adjustments to Due to Component Units

Corrective actions: The SAO has implemented new procedures for the due to component units project. A breakdown of payables by fund class will now be used to calculate the amount due to component units.

Anticipated completion date: June 30, 2021

Contact person: Erin Benskin, CAFR Division Manager

STATE OF WYOMING

CORRECTIVE ACTION PLAN
Year Ended June 30, 2020

I. Financial Statement Findings, *Continued*

2020-003: Administration and Information (A&I) – Internal Controls

Corrective actions: The Wyoming Department of A&I has provided the A&I – Pension and Other Post-Employment Benefits Report to our consultant, the Segal, and specifically requested that (a) the expected benefit payments for the fiscal year following the measurement date, (b) the allocation of those expected benefit payments among the participating employers, and (c) the assumed inflation rate used in the actuarial valuation be included in future actuarial valuation reports for the State of Wyoming Employee Group Insurance Retiree Health Plan. The actuarial valuation reports will continue to be made available to participating employers via the Wyoming Department of A&I’s website.

Anticipated completion date: June 30, 2021

Contact person: Ralph Hayes, Department of Administration & Information Program Manager

2020-004: State Treasurer’s Office (STO) – Internal Controls and Audit Adjustments to Cash and Pooled Investments

Corrective actions: The STO has developed segregation procedures specific to Federal recovery funds to ensure that investment earnings are distributed appropriately. In addition, the STO will continue to follow Federal government investment guidance on awarded funds.

Anticipated completion date: June 30, 2021

Contact person: Katie Smith, Administrator of Financial Accounting

2020-005: SAO – Technology and Fiscal Divisions – Internal Controls and Audit Adjustments to Due to Component Units

Corrective actions: The SAO has implemented a new process for the set-up of new interfaces. Agencies submitting interface files have to “attest” to various requirements. Any interfaces not submitted through the new interface process requiring an automated attestation are documented via a formal written agreement that defines service dates and service date agreements. This agreement is signed by the agency director or the CFO and the deputy auditor, and kept on file at the SAO office. Additionally, the CAFR manager will be involved in the set-up discussions and will have conversations with State agencies about the importance of service dates.

Anticipated completion date: June 30, 2021

Contact person: Erin Benskin, CAFR Division Manager

STATE OF WYOMING

CORRECTIVE ACTION PLAN
Year Ended June 30, 2020

I. Financial Statement Findings, *Continued*

2020-006: SAO – Internal Controls and Audit Adjustments to Loans Receivable

Corrective actions: The SAO has revamped the loans receivable project in order to accurately record activity. Additionally, the SAO will request agencies provide detail of which types of documents were completed in WOLFS to record any activity. The SAO has created a best practices document for recording all loans receivable activity within WOLFS and has met with all applicable agencies to share this information. Going forward, the SAO will conduct quarterly information-sharing meetings with all agencies that have loans receivable.

Anticipated completion date: June 30, 2021

Contact person: Erin Benskin, CAFR Division Manager

2020-007: STO – Internal Controls and Audit Adjustments Related to Cash and Pooled Investments

Corrective actions: The STO has revised reconciliation procedures to ensure all pertinent systems reconcile timely; however, further discussions between the SAO and McGee, Hearne & Paiz, LLP (MHP) will better determine realistic and appropriate timelines for such reconciliations to be completed for audit submission.

Anticipated completion date: June 30, 2021

Contact person: Katie Smith, Administrator of Financial Accounting

2020-008: SAO – Internal Controls and Audit Adjustments to Cash with Fiscal Agent, Bonds Payable, and Cash and Pooled Investments

Corrective actions: The SAO has added additional procedures to the review of projects to ensure transactions are not improperly reversed. Additionally, a thorough analysis of financial statement line items as well as trends will be completed prior to submitting to the external auditors for review. The SAO will also hold meetings with any applicable agency to make sure there is a complete understanding of any changes in procedures.

Anticipated completion date: June 30, 2021

Contact person: Erin Benskin, CAFR Division Manager

STATE OF WYOMING

CORRECTIVE ACTION PLAN
Year Ended June 30, 2020

I. Financial Statement Findings, *Continued*

2020-009: Department of Workforce Services (DWS) – Internal Controls and Audit Adjustments to Claims Payable and Due from Other Governments

Corrective actions: The DWS will analyze and evaluate the historical accounting practices and cutoff dates to ensure our procedures take into consideration the increased risk and utilization of Federal funding. Specifically, the benefits payable and estimated revenue will be analyzed and reviewed prior to finalizing the Unemployment Insurance Fund reports. These analyzed amounts will be discussed with the SAO during the monthly meetings between the DWS and SAO to confirm they are recorded correctly.

Anticipated completion date: June 30, 2021

Contact person: Kristin Burkart, CFO

2020-010: DWS – Internal Controls and Audit Adjustments to Federal Revenues

Corrective actions: The overstatement of Federal receivables of \$17.9 million at June 30, 2019 was connected in large part to losing three key positions in June 2019. Those positions included two accounting managers and an accounting analyst, all responsible for processing the Schedule of Expenditures of Federal Awards (SEFA). The errors were a miscalculation of an inexperienced staff member reporting cumulative expenditures for those Federal awards instead of the fiscal year July 1, 2018 through June 30, 2019.

As of April 1, 2021, the DWS has implemented a review process as part of our update to the Financial Management Manual, which states that the deputy CFO or the CFO will, at a minimum, review all financial reports and certify if required. Additionally, we will ensure all staff that are compiling the SEFA have training. DWS has worked with the SAO to indicate the Unemployment Insurance Fund section of the SEFA as “T25 Unemployment Insurance Fund” so the revenue and receivables are recorded correctly.

Anticipated completion date: June 30, 2021

Contact person: Kristin Burkart, CFO

2020-011: SAO – Internal Controls and Audit Adjustments to Federal Revenues

Corrective actions: The SAO has added a reminder to the SEFA report for agencies to include non-cash commodities. The SAO will also reach out to agencies that have had non-cash Federal commodities in the past to ensure they are correctly reporting them on the SEFA.

Anticipated completion date: June 30, 2021

STATE OF WYOMING

CORRECTIVE ACTION PLAN
Year Ended June 30, 2020

I. **Financial Statement Findings, *Continued***

Contact person: Erin Benskin, CAFR Division Manager

2020-012: SAO – Internal Controls and Audit Adjustments to Federal Revenues

Corrective actions: The SAO has implemented a new procedure for the review of agencies' SEFAs. The SAO will reach out to any agency that does not submit a completely filled out form and ask them to fully complete the SEFA.

Anticipated completion date: June 30, 2021

Contact person: Erin Benskin, CAFR Division Manager

2020-013: DWS – Internal Controls and Audit Adjustments to Taxes Receivable and Due to/from Other Funds

Corrective actions: During this year's audit, the DWS determined there were reports out of the recently launched WYUI system that were not running correctly, which created these errors. In order to correct these reports, each of the reports will need to have programming changes. We currently have internal Information Technology (IT) staff and our IT contractor programming the new reports. Once the reports have been corrected, Fiscal will test the reports and validate that they are accurate prior to submission of the Unemployment Insurance financial statements to the SAO.

Anticipated completion date: June 30, 2021

Contact person: Kristin Burkart, CFO

2020-014: SAO and DWS – Internal Controls and Audit Adjustments to Cash and Pooled Investments, Accounts Payable and Benefits Payable

Corrective actions: The SAO and DWS will hold monthly meetings beginning in June through the duration of the project to ensure accurate reporting of the Unemployment Insurance Fund. These meetings will include discussions of the cash accounts, accounts payable, and benefits payable. All will be reviewed and evaluated prior to finalizing the Unemployment Insurance Fund reports. Additionally, the SAO has implemented new procedures as part of the Unemployment Insurance project to assess the cash and pooled investment balance before and after year-end allocations have been made.

Anticipated completion date: June 30, 2021

Contact person: Erin Benskin, CAFR Division Manager; Kristin Burkart, CFO, DWS

STATE OF WYOMING

CORRECTIVE ACTION PLAN
Year Ended June 30, 2020

I. **Financial Statement Findings, *Continued***

2020-015: STO – Internal Controls and Audit Adjustments to Cash and Pooled Investments

Corrective actions: Pursuant to your recommendation, the STO enhanced staff education and training opportunities specific to unique and complex financial reporting topics, inclusive of financial reporting unique to investments.

Anticipated completion date: June 30, 2021

Contact person: Katie Smith, Administrator of Financial Accounting

2020-016: DWS – Internal Controls and Audit Adjustments to Expenditures

Corrective actions: The DWS's Unemployment Insurance Tax and Fiscal will hold monthly meetings beginning in June through the duration of the fiscal year 2021 audit and the completion of the Unemployment Insurance financial statements to ensure accurate reporting of the Unemployment Insurance Fund. These meetings will include discussions of the Accounts Payable – Employer Refunds Account. Additionally, the DWS will also meet monthly with the SAO to discuss the appropriate accounting treatment for any adjustments needed.

Anticipated completion date: June 30, 2021

Contact person: Kristin Burkart, CFO

2020-017: SAO – Internal Controls and Audit Adjustments to Accrued Payroll

Corrective actions: The SAO has implemented a process change where payroll taxes are dated for the last working day of the month. When the Payroll Division completes the form, it will make sure the form is dated for the last working day of the month. This removes the need for adjusting journal entries as the tax payment will not cross fiscal years.

Anticipated completion date: December 31, 2020

Contact person: Kris Quick, Payroll Division Manager

2020-018: SAO – Internal Controls and Audit Adjustments to Fund Balance

Corrective actions: The SAO has implemented a new procedure to review all fund balance classifications for appropriate accounting at year-end. Additionally, all new funds are assigned a classification at the time of establishment, which is documented on the FYXX Fund Listing. The new fund form allows for documentation of any uniqueness specific to the fund.

Anticipated completion date: June 30, 2021

STATE OF WYOMING

CORRECTIVE ACTION PLAN
Year Ended June 30, 2020

I. **Financial Statement Findings, *Continued***

Contact person: Erin Benskin, CAFR Division Manager

2020-019: Schedule of Expenditures of Federal Awards

Corrective actions – DWS: The understatement of Federal expenditures was a miscalculation of an inexperienced staff member. As of April 1, 2021, the DWS has implemented a review process as part of our update to the Financial Management Manual, which states that the deputy CFO or the CFO will, at a minimum, review all financial reports and certify if required. Additionally, we will ensure all staff that are compiling the SEFA have training.

Anticipated completion date – DWS: June 30, 2021

Contact person – DWS: Kristin Burkart, CFO

Corrective actions – Department of Family Services (DFS): The DFS's Fiscal Division will develop written instructions that will be sent to the Economic Securities Division at the end of each fiscal year to request the amount of non-cash commodities purchased for the Food Distribution Cluster. The instructions will state that the information must be on a fiscal-year basis, not on a calendar-year basis. The DFS will have to reach out to FNS each year, as our reports in WBSCM do not allow us to select fiscal year dates as it runs on a calendar-year basis only.

Anticipated completion date – DFS: July 31, 2021

Contact person – DFS: Colleen Quinn, CFO

Corrective actions – Office of State Lands and Investments: Steps to correct the missed identification of CFDA numbers on the SEFA will include, but are not limited to, the following: (1) The senior accountant will review the CFDA numbers assigned to each grant award on the SEFA quarterly and annually; (2) The senior grant and loan analyst will review the CFDA numbers assigned to each grant award on the SEFA quarterly and annually; and (3) The financial reporting manager will review the CFDA numbers assigned to each grant award when compiling the SEFA quarterly and annually to verify the correct CFDA numbers are listed for each grant award received and reported by the Office of State Lands and Investments.

Anticipated completion date – Office of State Lands and Investments: June 30, 2021

Contact person – Office of State Lands and Investments: Amanda Sewell, Assistant Director/Kim Dumas, Financial Reporting Manager

STATE OF WYOMING

CORRECTIVE ACTION PLAN Year Ended June 30, 2020

II. Federal Award Findings

2020-020: Allowable Costs/Cost Principles

Corrective actions: The Division of Victim Services (DVS) recognizes that the time and effort documentation (T&E logs) submitted by funding recipients was not always clear or accurate in justifying the program's VOCA charged payroll expenses. As a result of our conversations with auditors, the DVS immediately implemented a course of action intended to rectify the oversight. This action plan includes the following:

1. The DVS has adopted a policy that requires all T&E logs submitted by subrecipients accurately and clearly justify the portion of VOCA dollars requested for all payroll expenses. It is the responsibility of DVS staff to review these documents as part of their monthly request review.
2. DVS leadership has met with all DVS regional program managers (RPM), responsible for such documentation review, to ensure they understand which information a T&E log should have, as well as how to verify the appropriate amount of grant funding justified by the document. Any inaccurate or incomplete information submitted would prompt the RPM to reject the request and delay processing until corrections are made by the subrecipient.
3. DVS RPMs have reviewed T&E documentation for all programs under their purview to assess whether they currently meet the T&E documentation expectation, or whether one-on-one training with the subrecipient's staff is necessary in order to bring them into compliance with the new T&E log expectations.
4. In order to facilitate proper submission of T&E information, the DVS is developing a standardized T&E log whose use will be mandatory for all subrecipients beginning July 1, 2021. The new form will assist both the submitting agency and the reviewing RPM in assessing accuracy. The form will automatically calculate the hours worked credited to each supporting fund, as well as calculate the maximum allowable amount that can be charged to a particular fund based on hours indicated and hourly wage (or monthly salary). Furthermore, the form calculates percentages across all supporting funds relative to total hours worked and provides for an easy comparison of the amount requested versus the amount justified by allowable hours.
5. DVS staff will provide training for all subrecipients on the proper use and submission of the new T&E log well in advance of its implementation on July 1.

The DVS believes that the aforementioned policies and processes governing the submission of T&E documentation during a subrecipient's monthly reimbursement request will adequately eliminate the errors found during the November 2020 audit.

Anticipated completion date: Policy was adopted in late 2020. Full roll-out for compliance will be mandated for subrecipients beginning July 1, 2021.

Contact person: Cara B. Chambers, Director

STATE OF WYOMING

CORRECTIVE ACTION PLAN
Year Ended June 30, 2020

II. Federal Award Findings, *Continued*

2020-021: Eligibility

Corrective actions:

- 1A: The system fix needed to correctly exclude grandparent income in this situation has been under review. The implementation is slated for fall 2021. Case was closed at the time of review. The worker who made the error has been coached on countable income and the appropriate workaround that should have been used in this situation.
- 1B: The client was on the correct program at the time of review. The worker who made the error is no longer employed in the customer service center. The current contractor required an extensive three-month training period for representatives currently employed at the customer service center. We are confident this will help reduce this type of error.
- 1C: The client was on the correct program at the time of review. The worker who made the error is no longer employed in the customer service center, so coaching is not an option. The current contractor required an extensive three-month training period for representatives currently employed at the customer service center. We are confident this will help reduce this type of error.
- 2: The worker who made the error is no longer employed in the customer service center, so coaching is not an option. The current contractor required an extensive three-month training period for representatives currently employed at the customer service center. We are confident this will help reduce this type of error. This case cannot be closed until the end of the Public Health Emergency, for which a date has not been established.
- 3A, 3B: The client was on the correct program at the time of review. The worker who made the error is no longer employed in the customer service center, so coaching is not an option. The current contractor required an extensive three-month training period for representatives currently employed at the customer service center. We are confident this will help reduce this type of error.

Anticipated completion date: Training/coaching has been completed. The system enhancement is slated for fall 2021.

Contact person: Heather Gifford, Kid Care CHIP Manager

2020-022: Special Test N – Medicaid National Correct Coding Initiative (NCCI)

Corrective actions: We are in the process of amending the Conduent contract for an extension of services from July 1, 2021 through October 31, 2021. This contract has been re-procured and awarded to CNSI. The intention is to add the additional language to cover the requirements for the NCCI files to the BAA or contract amendment for both the Conduent contract and the CNSI contract. We do have confidentiality agreements with the vendors, but they do not specifically address or cover what is needed for the NCCI requirements.

STATE OF WYOMING

CORRECTIVE ACTION PLAN Year Ended June 30, 2020

II. Federal Award Findings, *Continued*

Anticipated completion date: June 30, 2021

Contact person: Debbie Paiz, Conduent

2020-023: Subrecipient Monitoring – Award Information

Corrective actions: This corrective action plan is in response to the notification from MHP relating to the control process to identify and enforce the Federal requirements surrounding the subrecipient monitoring. The Governor's Office participated in meetings held by the SAO regarding Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Subrecipient Training and provided entities with notification they were approved and would receive CARES Act funds. The notification email included language regarding the necessary expenditure, most recent budget, and expenses incurred; however, our office did not identify specific items listed in the subrecipient monitoring criteria. However, based on your guidance, we will be enacting more steps to meet the control process requirements. The Governor's Office has created a Grant and Sub-Award Template. The Governor's Office submitted this form to MHP to ensure that it encompassed all required sections. This form will be sent out retroactively to those entities identified as subrecipients of the Coronavirus Relief Funds. These entities identified by the SAO as subrecipients include the Wyoming Business Council, the University of Wyoming, the Wyoming Community Development Authority, the Wyoming Department of Transportation, and counties. The Governor's Office confirmed with MHP that we are not required to send this template out to state agencies that did not further award the funds.

Anticipated completion date: June 30, 2021

Contact person: Erica Legerski, Senior Policy Advisor

2020-024: Subrecipient Monitoring – Audit Reports

Corrective actions: The Standard Operating Procedures for grants will be updated over the course of 2021. That update will change to include more oversight and controls for subrecipient audits. Many of these controls will be working to emphasize the importance of the subrecipient to maintain a consistent means of communication with the State as people change positions and contacts are lost. To assist in times of turnover, a generic program email can be established that allows the subrecipient to stay in contact with the program personnel. Some subrecipients are retaining more dedicated grant management staff and that assists the State in doing business; currently, that is just a few subrecipients in Wyoming, leaving the balance to be handled by subrecipient staff that often are not long-term employees. Several subrecipients have expressed issues with the timing on audits/reports due to COVID delays and the State has started on some of the backlog.

Anticipated completion date: January 1, 2022

STATE OF WYOMING

CORRECTIVE ACTION PLAN Year Ended June 30, 2020

II. Federal Award Findings, *Continued*

Contact person: Aaron Lumley, Forestry Program Manager

2020-025: Reporting

Corrective actions: There were unknown issues with the prior senior accountant; however, the position has been refilled and several training courses with Grant Management USA and SAO, as well as internal training, have taken place. Time with the USDA Forest Service and State grant program managers has been requested and future training will take place annually. The annual reports completed for the year ended June 30, 2020 have been reviewed and completed correctly. The process to verify reported amounts on the SF-425 have been updated to include cross-referencing the WOLFS Budget Structure 120 Expense Budget Summary report, Budget Structure 121 Revenue report and the Budget Structure 120 Expense Budgets Sub-object Detail reports, and exporting the data into two different Excel documents. One Excel document is a pivot table compilation and the other Excel document is a verification of expenditure and revenue. The two Excel documents are utilized as a cross-check for accuracy when compiling the Federal reports on the grants. The process for the completion and review has been revised to (1) the senior accountant completes the SF-425, (2) the financial reporting manager reviews for completeness and accuracy, and (3) the assistant state forester reviews, and the state forester reviews and signs prior to submission.

Anticipated completion date: December 31, 2020 reporting period

Contact person: Amanda Sewell, Assistant Director/Kim Dumas, Financial Reporting Manager

2020-026: Earmarking

Corrective actions: The Division of Vocational Rehabilitation field offices have set up several contracts with service providers and a Memorandum of Understanding with the Department of Education to help with the spending of these funds. Due to the low population of disabled Vocational Rehabilitation youth in Wyoming, it is a challenge to meet the required 15% of the grant due for earmarking. Many other rural states experience challenges with meeting the required 15% set aside as well; however, recent flexibilities extended by Rehabilitation Services Administration (RSA) regarding expenditures allowable under the 15% set aside will further allow the division to appropriately spend these funds. The agency is also working with field staff to train on time allocation to further spend down the grant. The Vocational Rehabilitation agency was recently selected to participate in the Rural Youth Apprenticeship Development Project at the Institute for Community Inclusion and will receive technical assistance to provide services to youth, which will further assist with expending this grant appropriately. In addition, the DWS's Fiscal has created and improved tracking processes to better monitor the spending of these funds and we meet on a monthly basis with the Division of Vocational Rehabilitation administrator and program managers to ensure that we are looking at all areas of spending and monitoring of the funds.

STATE OF WYOMING

CORRECTIVE ACTION PLAN
Year Ended June 30, 2020

II. Federal Award Findings, *Continued*

Anticipated completion date: June 30, 2021

Contact person: Kristin Burkart, CFO

2020-027: Reporting

Corrective actions: The DWS's Fiscal will continue to send completed reports with the supporting documentation to both the deputy CFO and the CFO for final review and approval of all reporting. As of April 1, 2021, the DWS has implemented a review process as part of our update to the Financial Management Manual, which states that the deputy CFO or the CFO will, at a minimum, review all financial reports and certify if required. The vocational rehabilitation administrator will also work collaboratively with the DWS's CFO, deputy CFO, and Fiscal team to review Vocational Rehabilitation reports being submitted to the oversight entity (RSA). The DWS's Fiscal team and Vocational Rehabilitation program team are scheduled to receive technical assistance from the Vocational Rehabilitation Technical Assistance Center for Quality Management to understand and ensure appropriate reporting of grants and supporting documentation.

Anticipated completion date: June 30, 2021

Contact person: Kristin Burkart, CFO

2020-028: Special Test N – Benefit Payments

Corrective actions: The DWS received a waiver from the Department of Labor to suspend BAM DCA while BAM helped the Unemployment Insurance Claims Center to assist with the unprecedented number of claims during the COVID-19 pandemic. During the COVID-19 pandemic, with the unprecedented number of unemployment insurance claims, the BAM unit switched priorities and helped the Unemployment Insurance Division process claims. The switch in priorities along with being short-staffed resulted in BAM not meeting the time lapse requirement. During this time, the BAM administrative assistant helped out with separation denial claims investigations. As of January 2021, the BAM unit is fully staffed with five investigators. BAM staff who still have old claims pending are turning in at least one old claim per week until they get caught up. The BAM supervisor helps the staff with old claims as time permits. Additionally, the BAM supervisor is assigned cases to review to lessen the burden on the staff. BAM is hopeful it will be caught up by the end of the time lapse for the current reporting year, which will be August 25, 2021.

Anticipated completion date: August 25, 2021

Contact person: Kristin Burkart, CFO

STATE OF WYOMING

CORRECTIVE ACTION PLAN
Year Ended June 30, 2020

II. Federal Award Findings, *Continued*

2020-029: Special Test N – Program Integrity – Overpayments

Corrective actions: The DWS is currently working with our contractor to correct the coding issues within WYUI to properly track employer response rates. Due to the new CARES Act and ARPA programs the DWS had to implement, this effort wasn't a high priority.

Anticipated completion date: December 31, 2021

Contact person: Kristin Burkart, CFO

2020-030: Allowable Costs/Cost Principles

Corrective actions: The DWS was able to provide the Department of Labor with time and attendance records for the temporary staff on January 13, 2021 to support the questioned costs resulting from an invoice dated July 13, 2020. Therefore, the questioned costs have been removed from the finding. Additionally, the contract amendment correcting the increased pay range has been fully executed and a copy was sent to the Department of Labor on January 28, 2021. The DWS has created an internal weekly timesheet for all temporary staff that will transparently capture time and effort for all future expenditures. Supervisors will be required to review and sign these internal timesheets weekly and submit them to Fiscal as documentation to be attached to the invoice for payment.

Anticipated completion date: This finding is resolved.

Contact person: Kristin Burkart, CFO