

STATE OF WYOMING

ENTITY IDENTIFICATION NUMBER 83-0208667

COMPLIANCE REPORT

JUNE 30, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of Wyoming (the State) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements, and have issued our report thereon dated May 31, 2022. 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; 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 2021-001 through 2021-011, 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 2021-012 through 2021-017, 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 laws, regulations, and provisions of 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 laws, regulations, and provisions of contracts and grant agreements was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-006 and 2021-015 through 2021-017.

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.



Cheyenne, Wyoming
May 31, 2022



**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, 2021. 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 University of Wyoming, the Wyoming Business Council, the Wyoming Community Development Authority, the Wyoming Department of Transportation, and the Wyoming Energy Authority, which expended approximately \$1.09 billion in Federal awards that are not included in the State's Schedule of Expenditures of Federal Awards during the year ended June 30, 2021. Our audit, described below, did not include the operations of the Wyoming Business Council, the Wyoming Department of Transportation, or the Wyoming Energy Authority because these entities had separate audits of compliance performed by us in accordance with Title 2 U.S. Code of Federal Regulations 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 opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the State's compliance.

Opinion on Each Major Federal Program

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 major Federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance that are required to be reported in accordance with the Uniform Guidance and are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-018 through 2021-022. 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.

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 a 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. *A significant deficiency in internal control over compliance* is a deficiency, or a 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies; therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2021-018 through 2021-022, that we consider 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, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements. We issued our report thereon dated May 31, 2022, 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 & Paiz, LLP

Cheyenne, Wyoming

September 30, 2022, except for that portion which addresses the Schedule of Expenditures of Federal Awards, as to which the date is May 31, 2022

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
Child Nutrition Cluster			
U.S. Department of Agriculture:			
School Breakfast Program	10.553	\$ 16,489	\$ 16,489
COVID-19 School Breakfast Program	10.553	191,905	191,905
National School Lunch Program	10.555	109,745	113,572
COVID-19 National School Lunch Program	10.555	622,550	631,310
Special Milk Program for Children	10.556	6,196	6,196
COVID-19 Special Milk Program for Children	10.556	2,673	2,673
Summer Food Service Program for Children	10.559	38,588,471	38,707,307
COVID-19 Summer Food Service Program for Children	10.559	9,437,965	9,437,965
Total Child Nutrition Cluster		48,975,994	49,107,417
SNAP Cluster			
U.S. Department of Agriculture:			
Supplemental Nutrition Assistance Program (SNAP)	10.551	-	70,601,743
COVID-19 Supplemental Nutrition Assistance Program (SNAP)	10.551	-	7,774,480
State Administrative Matching Grants for SNAP	10.561	2,127,360	8,624,788
COVID State Administrative Matching Grants for SNAP	10.561	-	21,548
Total SNAP Cluster		2,127,360	87,022,559
Food Distribution Cluster			
U.S. Department of Agriculture:			
Commodity Supplemental Food Program	10.565	9,675	10,136
COVID-19 Commodity Supplemental Food Program	10.565	235,037	235,037
Emergency Food Assistance Program (Administrative Costs)	10.568	133,009	133,009
COVID-19 Emergency Food Assistance Program (Administrative Costs)	10.568	156,692	156,692
Emergency Food Assistance Program (Food Commodities)	10.569	2,892,566	2,892,566
COVID-19 Emergency Food Assistance Program (Food Commodities)	10.569	735,339	735,339
Total Food Distribution Cluster		4,162,318	4,162,779
Fish and Wildlife Cluster			
U.S. Department of the Interior:			
Sport Fish Restoration Program	15.605	-	5,939,780
Wildlife Restoration and Basic Hunter Education	15.611	-	12,290,159
Enhanced Hunter Education and Safety Program	15.626	-	80,180
Total Fish and Wildlife Cluster		-	18,310,119

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
WIOA Cluster			
U.S. Department of Labor:			
WIA/WIOA Adult Program	17.258	\$ 1,209	\$ 3,879,932
WIOA Youth Activities	17.259	5,000	1,792,236
WIA/WIOA Dislocated Worker Formula Grants	17.278	-	1,543,669
Total WIOA Cluster		6,209	7,215,837
Employment Service Cluster			
U.S. Department of Labor:			
Employment Service/Wagner-Peyser Funded Activities	17.207	-	3,824,126
Disabled Veterans Outreach Program	17.801	-	495,141
Total Employment Service Cluster		-	4,319,267
Highway Planning and Construction Cluster			
U.S. Department of Transportation:			
Recreational Trails Program	20.219	75,328	1,629,104
Total Highway Planning and Construction Cluster		75,328	1,629,104
Highway Safety Cluster			
U.S. Department of Transportation:			
State and Community Highway Safety	20.600	-	1,499
National Priority Safety Programs	20.616	-	40,671
Total Highway Safety Cluster		-	42,170
Clean Water State Revolving Fund Cluster			
U.S. Environmental Protection Agency:			
Capitalization Grants for Clean Water State Revolving Funds	66.458	3,046,889	4,915,634
Total Clean Water State Revolving Fund Cluster		3,046,889	4,915,634
Drinking Water State Revolving Fund Cluster			
U.S. Environmental Protection Agency:			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	1,610,526	1,904,080
Total Drinking Water State Revolving Fund Cluster		1,610,526	1,904,080
Special Education Cluster (IDEA)			
U.S. Department of Education:			
Special Education - Grants to States (IDEA, Part B)	84.027	24,472,298	28,362,273
Special Education - Preschool Grants (IDEA, Preschool)	84.173	209,178	846,835
Total Special Education Cluster (IDEA)		24,681,476	29,209,108

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
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	\$ 1,248,134	\$ 1,475,610
COVID-19 Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	469,373	469,373
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	2,496,757	2,914,041
COVID-19 Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	1,183,131	1,183,131
Nutrition Services Incentive Program	93.053	874,640	874,640
Total Aging Cluster		6,272,035	6,916,795
Child Care and Development Fund (CCDF) Cluster			
U.S. Department of Health and Human Services:			
Child Care and Development Block Grant	93.575	361,833	6,589,031
COVID-19 Child Care and Development Block Grant	93.575	856,167	3,825,885
Child Care Mandatory and Matching Funds of the CCDF	93.596	-	4,433,686
Total CCDF Cluster		1,218,000	14,848,602
Medicaid Cluster			
U.S. Department of Health and Human Services:			
State Medicaid Fraud Control Units	93.775	-	297,854
State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777	-	1,048,622
Medical Assistance Program	93.778	-	402,721,392
Medicaid	93.U01	-	381,962
Total Medicaid Cluster		-	404,449,830
Disability Insurance (DI)/Supplemental Security Income (SSI) Cluster			
U.S. Social Security Administration:			
Supplemental Security Income	96.006	-	2,922,062
Total DI/SSI Cluster		-	2,922,062
Other Programs - Direct			
U.S. Department of Agriculture:			
Plant and Animal Disease, Pest Control, and Animal Care	10.025	-	475,857
Voluntary Public Access and Habitat Incentive Program	10.093	123,835	520,576
Market Protection and Promotion	10.163	-	9,200
Specialty Crop Block Grant Program - Farm Bill	10.170	181,441	196,009
Trade Mitigation Program Eligible Recipient Agency Operational Funds	10.178	-	130,330
State Mediation Grants	10.435	-	62,121

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
<i>Other Programs - Direct, Continued</i>			
U.S. Department of Agriculture, <i>Continued</i> :			
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	\$ -	\$ 389,303
CACFP Meal Service Training Grants	10.534	-	66,778
Farmers' Market Supplemental Nutrition Assistance Program Support Grants	10.545	-	3,540
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	-	5,826,878
COVID-19 Special Supplement Nutrition Program for Women, Infants, and Children	10.557	-	635,129
Child and Adult Care Food Program	10.558	2,848,913	2,911,771
COVID-19 Child and Adult Care Food Program	10.558	1,076,958	1,076,958
State Administrative Expenses for Child Nutrition	10.560	-	1,514,373
Farm to School Grant Program	10.575	(5,000)	486
Child Nutrition Discretionary Grants Limited Availability	10.579	45,657	45,657
Supplemental Nutrition Assistance Program, Process and Technology Improvement Grants	10.580	-	144,408
Fresh Fruit and Vegetable Program	10.582	2,171,105	2,212,411
COVID-19 Pandemic EPT Administrative Costs	10.649	-	24,180
Cooperative Forestry Assistance	10.664	1,314,738	1,999,111
Forest Legacy Program	10.676	-	2,874
Forest Health Protection	10.680	291,691	332,406
Good Neighbor Authority	10.691	217,413	423,398
State & Private Forestry Hazardous Fuel Reduction Program	10.697	-	17,551
Herbicide NEPA Environmental Analysis	10.U01	-	267,859
Total U.S. Department of Agriculture		8,266,751	19,289,164
U.S. Department of Defense:			
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	-	151,826
Military Construction, National Guard	12.400	-	1,987,477
National Guard Military Operations and Maintenance Projects	12.401	-	23,880,914
National Guard ChalleNGe Program	12.404	-	3,701,560
Total U.S. Department of Defense		-	29,721,777
U.S. Department of Housing and Urban Development:			
Emergency Solutions Grant Program	14.231	153,254	201,057
COVID-19 Emergency Solutions Grant Program	14.231	813,912	836,717
Housing Opportunities for Persons with AIDS	14.241	-	146,451

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
<i>Other Programs - Direct, Continued</i>			
U.S. Department of Housing and Urban Development, <i>Continued</i> :			
COVID-19 Housing Opportunities for Persons with AIDS	14.241	\$ -	\$ 36,918
Continuum of Care Program	14.267	-	2,675
Total U.S. Department of Housing and Urban Development		967,166	1,223,818
U.S. Department of the Interior:			
Experienced Services Program	15.011	-	5,000
Cultural and Paleontological Resources Management	15.224	-	13,722
BLM Wildland Urban Interface Community Fire Assistance	15.228	-	1,103
Fish, Wildlife and Plant Conservation Resource Management	15.231	360,073	547,298
Forest and Woodlands Resource Management	15.233	-	1,506
Environmental Quality and Protection Resource Management	15.236	-	469,074
Challenge Cost Share	15.238	-	174,396
Fisheries and Aquatic Resources Management	15.244	-	17,927
Wildlife Resource Management	15.247	-	92,089
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	-	1,980,125
Abandoned Mine Land Reclamation	15.252	4,113,563	71,536,640
Federal Oil and Gas Royalty Management State and Tribal Coordination	15.427	-	2,531,168
Title II, Colorado River Basin Salinity Control	15.509	51,170	51,170
Cultural Resources Management	15.511	-	7,592
Fish and Wildlife Coordination Act	15.517	-	220,493
Recreation Resources Management	15.524	-	136,138
Fish and Wildlife Management Assistance	15.608	64,499	208,961
Cooperative Endangered Species Conservation Fund	15.615	-	110,845
Sportfishing and Boating Safety Act	15.622	-	(110,345)
State Wildlife Grants	15.634	436,464	436,464
Endangered Species Conservation - Recovery Implementation Funds	15.657	-	23,360
Endangered Species Conservation - Wolf Livestock Loss Compensation and Prevention	15.666	-	7,439
Adaptive Science	15.670	67,827	172,883
White-Nose Syndrome National Response Implementation	15.684	-	20,213
U.S. Geological Survey Research and Data Collection	15.808	-	48,116
National Cooperative Geologic Mapping	15.810	-	125,670
National Geological and Geophysical Data Prevention	15.814	-	9,665
Historic Preservation Fund Grants-In-Aid	15.904	61,010	685,637
Outdoor Recreation Acquisition, Development and Planning	15.916	299,536	326,457
Save America's Treasures	15.929	-	15,580
Total U.S. Department of the Interior		5,454,142	79,866,386

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
<i>Other Programs - Direct, Continued</i>			
U.S. Department of Justice:			
Sexual Assault Services Formula Program	16.017	\$ 385,870	\$ 386,273
COVID-19 Strengthening the Medical Examiner - Coroner System	16.037	72,824	95,175
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	-	923
Missing Children's Assistance	16.543	-	403,540
National Criminal History Improvement Program	16.554	-	189,986
Criminal Justice Block Grants	16.573	-	168,305
Crime Victim Assistance	16.575	4,210,089	4,441,081
Crime Victim Compensation	16.576	-	92,007
Violence Against Women Formula Grants	16.588	734,503	750,366
Residential Substance Abuse Treatment for State Prisoners	16.593	-	253,519
State Criminal Alien Assistance Program	16.606	-	20,842
Edward Byrne Memorial Justice Assistance Grant Program	16.738	-	341,159
DNA Backlog Reduction Program	16.741	-	229,009
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	-	239,365
Support for Adam Walsh Act Implementation Grant Program	16.750	-	37,198
Total U.S. Department of Justice		5,403,286	7,648,748
U.S. Department of Labor:			
Labor Force Statistics	17.002	-	674,245
Compensation and Working Conditions	17.005	-	76,284
Unemployment Insurance	17.225	-	155,101,221
COVID-19 Unemployment Insurance	17.225	-	179,741,312
Senior Community Service Employment Program	17.235	461,828	469,327
Trade Adjustment Assistance	17.245	-	42,692
Work Opportunity Tax Credit Program	17.271	-	107,790
Temporary Labor Certification for Foreign Workers	17.273	-	88,437
WIOA National Dislocated Worker Grants/WIA National Emergency Grants	17.277	-	373,185
Apprenticeship USA Grants	17.285	-	191,537
Occupational Safety and Health State Program	17.503	-	658,870
Consultation Agreements	17.504	-	494,845
Total U.S. Department of Labor		461,828	338,019,745
U.S. Department of Transportation:			
Pipeline Safety Program State Base Grant	20.700	-	267,999
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	-	1,396
PHMSA Pipeline Safety Program One Call Grant	20.721	-	6,758
Total U.S. Department of Transportation		-	276,153

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
<i>Other Programs - Direct, Continued</i>			
U.S. Department of the Treasury:			
COVID-19 Coronavirus Relief Fund	21.019	\$ 826,674,483	\$ 1,126,223,440
COVID-19 Emergency Rental Assistance Program	21.023	2,978,723	6,329,580
Total U.S. Department of the Treasury		829,653,206	1,132,553,020
U.S. General Services Administration:			
Voting System (Punch Card/Lever) Replacement	39.011	-	102,072
Total U.S. General Services Administration		-	102,072
National Endowment for the Arts:			
Promotion of the Arts Partnership Agreements	45.025	645,695	853,471
Grants to States	45.310	-	1,037,757
COVID-19 Grants to States	45.310	-	480,312
Total National Endowment for the Arts		645,695	2,371,540
U.S. Department of Veterans Affairs:			
Grants to States for Construction of State Home Facilities	64.005	-	4,024,315
Veterans Transport Program	64.035	-	28,449
All-Volunteer Force Educational Assistance	64.124	-	102,889
Total U.S. Department of Veterans Affairs		-	4,155,653
U.S. Environmental Protection Agency:			
State Indoor Radon Grants	66.032	-	16,949
Surveys, Studies, Research, Investigations, Demonstrations, and Special-Purpose Activities Relating to the Clean Air Act	66.034	-	257,364
State Clean Diesel Grant Program	66.040	433,893	433,893
Water Pollution Control State, Interstate, and Tribal Program Support	66.419	-	100,081
State Underground Water Source Protection	66.433	-	86,891
Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(d))	66.444	-	15,624
Water Quality Management Planning	66.454	66,534	119,572
Nonpoint Source Implementation Grants	66.460	873,966	873,966
Regional Wetland Program Development Grants	66.461	5,294	5,294
Performance Partnership Grants	66.605	-	2,368,897
Source Reduction Assistance	66.717	-	9,347
Underground Storage Tank Prevention, Detection and Compliance Program	66.804	-	275,219
Leaking Underground Storage Tank Trust Fund Corrective Action Program	66.805	-	517,465
State and Tribal Response Program Grants	66.817	-	657,884

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
<i>Other Programs - Direct, Continued</i>			
U.S. Environmental Protection Agency, <i>Continued</i> :			
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818	\$ -	\$ 67,996
BLM Orphan Well Plugging Program	66.U01	-	297,531
Total U.S. Environmental Protection Agency		1,379,687	6,103,973
U.S. Department of Energy:			
Weatherization Assistance for Low-Income Persons	81.042	1,104,798	1,213,114
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant:			
States and Tribal Concerns, Proposed Solutions	81.106	-	106,977
Total U.S. Department of Energy		1,104,798	1,320,091
U.S. Department of Education:			
Adult Education - Basic Grants to States	84.002	647,840	847,261
Title I Grants to Local Educational Agencies	84.010	34,135,233	34,608,535
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	811,483	815,573
Career and Technical Education - Basic Grants to States	84.048	4,236,794	4,871,452
Career and Technical Education - National Programs	84.051	-	42,537
Rehabilitation Services_Vocational Rehabilitation Grants to States	84.126	-	9,081,023
Rehabilitation Services Independent Living Services for Older Individuals Who are Blind	84.177	77,653	77,653
Special Education - Grants for Infants and Families	84.181	1,771,826	2,188,334
Supported Employment Services for Individuals with the Most Significant Disabilities	84.187	-	133,115
Education for Homeless Children and Youth	84.196	150,424	194,692
Twenty-First Century Community Learning Centers	84.287	5,353,090	5,613,784
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326	-	65,993
Rural Education	84.358	13,182	13,682
English Language Acquisition State Grants	84.365	237,031	409,362
Supporting Effective Instruction State Grant	84.367	7,880,810	8,248,896
Grants for State Assessments and Related Activities	84.369	-	1,471,449
Comprehensive Literacy Development	84.371	-	43,231
Student Support and Academic Enrichment Program	84.424	4,906,011	5,239,064
COVID-19 Education Stabilization Fund - Governor's Emergency Education Relief Fund	84.425C	1,823,406	3,491,149
COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund	84.425D	23,294,489	23,400,742
Ed Facts	84.U01	-	27,540
NAEP	84.U02	-	177,107
Total U.S. Department of Education		85,339,272	101,062,174

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
<i>Other Programs - Direct, Continued</i>			
National Archives and Records Administration:			
National Historical Publications and Records Grants	89.003	\$ 2,493	\$ 7,993
Total National Archives and Records Administration		2,493	7,993
Election Assistance Commission:			
Help America Vote Act (HAVA) Requirements Payment	90.401	-	(400)
HAVA Election Security Grants	90.404	56,853	947,870
COVID-19 HAVA Election Security Grants	90.404	325,893	576,603
Total Election Assistance Commission		382,746	1,524,073
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	23,995	23,995
Special Programs for the Aging Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042	78,208	78,208
COVID-19 Special Programs for the Aging Title VII, Chapter 2, Long-Term Care Ombudsman Services for Older Individuals	93.042	-	50,631
Special Programs for the Aging Title III, Part D, Disease Prevention and Health Promotion Services	93.043	19,814	19,814
National Family Caregiver Support, Title III, Part E	93.052	704,118	890,459
COVID-19 National Family Caregiver Support, Title III, Part E	93.052	205,425	205,425
Public Health Emergency Preparedness	93.069	2,429,623	4,880,070
Medicare Enrollment Assistance Program	93.071	34,007	42,049
Affordable Care Act Personal Responsibility Education Program	93.092	73,400	133,213
Food and Drug Administration Research	93.103	-	203,789
Maternal and Child Health Federal Consolidated Programs	93.110	-	93,487
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	-	93,761
Emergency Medical Services for Children	93.127	-	90,370
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices	93.130	-	143,613
Injury Prevention and Control Research and State and Community-Based Programs	93.136	175,158	314,190
Projects for Assistance in Transition from Homelessness	93.150	281,514	281,938
Grants to States for Loan Repayment Program	93.165	56,000	56,000
State Rural Hospital Flexibility Program	93.241	300,995	580,100
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	2,237,028	3,286,664
Universal Newborn Hearing Screening	93.251	234,300	234,300
Immunization Cooperative Agreements	93.268	-	4,584,896
COVID-19 Immunization Cooperative Agreements	93.268	-	545,100

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
<i>Other Programs - Direct, Continued</i>			
U.S. Department of Health and Human Services, <i>Continued</i> :			
Adult Viral Hepatitis Prevention and Control	93.270	\$ -	\$ 171,835
Small Rural Hospital Improvement Grant Program	93.301	168,591	181,818
COVID-19 Small Rural Hospital Improvement Grant Program	93.301	84,317	84,317
National State-Based Tobacco Control Programs	93.305	-	164,705
Early Hearing Detection and Intervention Information System Surveillance Program	93.314	153,727	153,727
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	-	1,084,368
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	1,297,662	14,415,237
State Health Insurance Assistance Program	93.324	237,219	237,219
Behavioral Risk Factor Surveillance System	93.336	-	300,344
COVID-19 Public Health Emergency Response: Cooperative			
Agreement for Emergency Response: Public Health Crisis Response	93.354	1,798,127	2,410,794
ACL Independent Living State Grants	93.369	77,653	353,471
National and State Tobacco Control Program	93.387	252,196	859,401
The State Flexibility to Stabilize the Market Grant Program	93.413	16,823	16,823
Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	93.426	336,660	1,098,928
Every Student Succeeds Act/Preschool Development Grants	93.434	1,100,549	1,375,686
Title IV, Part E Kinship Navigator Program	93.471	-	165,458
Promoting Safe and Stable Families	93.556	151,850	203,859
COVID-19 Promoting Safe and Stable Families	93.556	-	7,171
Temporary Assistance for Needy Families	93.558	4,935,178	19,453,168
Child Support Enforcement	93.563	-	6,058,546
Child Support Enforcement Research	93.564	-	14,719
Low-Income Home Energy Assistance	93.568	4,816,765	10,077,593
COVID-19 Low-Income Home Energy Assistance	93.568	174,377	1,452,361
Community Services Block Grant	93.569	3,061,451	3,339,159
COVID-19 Community Services Block Grant	93.569	1,444,056	1,485,725
State Court Improvement Program	93.586	-	356,197
Community-Based Child Abuse Prevention Grants	93.590	60,794	205,068
Grants to States for Access and Visitation Programs	93.597	106,837	112,087
Chafee Education and Training Vouchers Program	93.599	-	82,584
COVID-19 Chafee Education and Training Vouchers Program	93.599	-	5,567
Adoption and Legal Guardianship Incentive Payments	93.603	-	80,388
Developmental Disabilities Basic Support and Advocacy Grants	93.630	37,853	297,885
Children's Justice Grants to States	93.643	-	15,698
Stephanie Tubbs Jones Child Welfare Services Program	93.645	-	298,374
COVID-19 Stephanie Tubbs Jones Child Welfare Services Program	93.645	-	24,477
Foster Care Title IV, Part E	93.658	-	2,805,189

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
<i>Other Programs - Direct, Continued</i>			
U.S. Department of Health and Human Services, <i>Continued</i> :			
Adoption Assistance	93.659	\$ -	\$ 893,804
COVID-19 Emergency Grants to Address Mental & Substance Use Disorders During COVID-19	93.665	1,494,589	1,594,051
Social Services Block Grant	93.667	-	2,811,014
Child Abuse and Neglect State Grants	93.669	-	334,425
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	659,236	667,300
COVID-19 Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	49,044	49,044
Chafee Foster Care Independence Program	93.674	473,125	505,500
COVID-19 Chafee Foster Care Independence Program	93.674	-	2,433
Empowering Other Adults and Adults with Disabilities through Chronic Disease Self-Management Education Programs	93.734	280,978	341,244
COVID-19 Elder Abuse Prevention Interventions Programs	93.747	-	638
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds	93.761	-	619
Children's Health Insurance Program	93.767	-	6,033,494
Opioid STR	93.788	4,513,222	4,662,494
State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796	-	710,316
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	1,228	16,603
National Bioterrorism HPP	93.889	636,134	1,086,277
COVID-19 National Bioterrorism HPP	93.889	327,582	796,928
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	134,406	1,579,419
Grants to States for Operation of State Offices of Rural Health	93.913	-	94,949
HIV Care Formula Grants	93.917	-	939,609
COVID-19 HIV Care Formula Grants	93.917	-	20,631
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	-	167,862
COVID-19 Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	-	27,662
HIV Prevention Activities - Health Department Based	93.940	(4,368)	872,440
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs	93.946	-	110,972
Block Grants for Community Mental Health Services	93.958	901,661	972,207
Block Grants for Prevention and Treatment of Substance Abuse	93.959	4,963,298	5,371,312

Continued

STATE OF WYOMING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, *Continued* Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
<i>Other Programs - Direct, Continued</i>			
U.S. Department of Health and Human Services, <i>Continued</i> :			
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	\$ -	\$ 301,036
Preventive Health and Health Services Block Grant	93.991	12,602	278,146
Maternal and Child Health Services Block Grant to the States	93.994	116,451	903,908
Total U.S. Department of Health and Human Services		41,725,458	118,428,355
Corporation for National and Community Service:			
Volunteers in Service to America	94.013	-	71,743
Total Corporation for National and Community Service		-	71,743
Executive Office of the President:			
High Intensity Drug Trafficking Areas Program	95.001	-	1,084,998
Total Executive Office of the President		-	1,084,998
U.S. Department of Homeland Security:			
Non-Profit Security Program	97.008	-	156,663
Boating Safety Financial Assistance	97.012	4,214	285,694
Community Assistance Program State Support Services Element	97.023	-	53,298
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	-	258,815
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	-	1,053,822
Hazard Mitigation Grant	97.039	-	649,448
National Dam Safety Program	97.041	-	52,690
COVID-19 Emergency Management Performance Grants	97.042	-	88,849
Emergency Management Performance Grants	97.042	-	2,271,069
Assistance to Firefighters Grant	97.044	-	9,396
Fire Management Assistance Grant	97.046	-	589,824
Pre-Disaster Mitigation	97.047	-	59,119
COVID-19 Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050	-	16,209,547
Homeland Security Grant Program	97.067	-	3,143,495
Earthquake Consortium	97.082	-	37,269
Total U.S. Department of Homeland Security		4,214	24,918,998
Other Federal financial awards:			
Thunder Basin National Grassland Raptor Surveys	99.U01	-	2,158
Bighorn Sheep Monitoring (BSM3)	99.U02	-	4,307
WCFC Aquatic Invasive Species Prev (BCB2)	99.U03	-	10,004
Bighorn Sheep Monitoring (BSM2)	99.U04	13,048	13,048
Soc. Sec. Reimb./Prog. Inc.	99.U05	-	33,323

Continued

STATE OF WYOMING

**SCHEDULE OF EXPENDITURES OF FEDERAL
AWARDS, *Continued*
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Provided to Subrecipients	Total Federal Expenditures
<i>Other Programs - Direct, Continued</i>			
<i>Other Federal financial awards, Continued:</i>			
NAHLN Level III (NAH0)	99.U06	\$ -	\$ 48,665
Head Start Program FPY17 & GFY18 (HS)	99.U07	-	110,795
Med Bow/Thunder Basin	99.U09	-	239,102
Total other Federal financial awards		13,048	461,402
Total direct expenditures of Federal awards		1,072,979,925	2,507,187,239
Total expenditures of Federal awards		\$ 1,072,979,925	\$ 2,507,187,239

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, 2021, 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, the Wyoming Department of Transportation, or the Wyoming Energy Authority 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 Federal expenditures:

- U.S. Department of Agriculture (USDA) Emergency Food Assistance Program (Food Commodities) (Assistance Listing #10.569) of \$3,627,905
- USDA Supplemental Nutrition Assistance Program (SNAP) Benefits (Assistance Listing #10.551) of \$78,376,223
- U.S. Department of Health and Human Services Immunization Cooperative Agreements Vaccines (Assistance Listing #93.268) of \$3,191,124

The values of the Food Commodities and Vaccines are 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 \$139 million of State Unemployment Insurance Compensation Benefits (SUICB) (Assistance Listing #17.225). The SUICB is included in the Schedule pursuant to a directive issued by the U.S. Department of Labor.

Note 7. Coronavirus Relief Fund (CRF) Timing of Expenditures

Due to the enabling legislation for the CRF (Assistance Listing #21.019), the State was allowed to claim expenditures that were incurred any time during the period of performance (March 1, 2020 through December 31, 2021). During the year under audit, certain non-Federal expenditures incurred in the previous fiscal year were reclassified to CRF. As a result, the Schedule for the year ended June 30, 2021 includes expenditures for CRF that were incurred between March 27, 2020 and June 30, 2020.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP):

Unmodified

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, 2021 and has issued its report thereon dated May 31, 2022. 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. We also did not audit the Wyoming Retirement System, which is shown as a fiduciary fund. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it related 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.

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

- Any audit findings disclosed that are required to be reported in accordance with Section 2 Code of Federal Regulations 200.516(a)? ☒ Yes ☐ No

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

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

Identification of major Federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
15.252	Abandoned Mine Land Reclamation
17.225	Unemployment Insurance
21.019	Coronavirus Relief Fund
64.005	Grants to States for Construction of State Home Facilities
84.010	Title I Grants to Local Educational Agencies
84.126	Rehabilitation Services_Vocational Rehabilitation Grants to States
84.367	Supporting Effective Instruction State Grant
84.425C/D	Education Stabilization Fund
93.323	Epidemiology and Laboratory Capacity for Infectious Diseases
97.050	Presidential Declared Disaster Assistance to Individuals and Households - Other Needs
Cluster	Employment Service Cluster
Cluster	Medicaid Cluster
Cluster	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B programs: \$7,521,561

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS

2021-001: 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 revise the entity-wide elimination entry that increased general government expenses by approximately \$142 million and increased revenue from others by approximately \$142 million.
- To decrease the other postemployment benefits liability by approximately \$19.1 million, decrease the deferred inflows by approximately \$3.1 million, decrease the deferred outflows by approximately \$17.4 million and decrease expenses by approximately \$4.8 million on the entity-wide level.
- To decrease pension deferred outflows by approximately \$4.7 million, increase pension deferred inflows by approximately \$1.9 million, and increase expenses by approximately \$6.6 million on the entity-wide level.
- To decrease due to component unit in the General Fund by approximately \$5.6 million.
- To increase deferred revenue and decrease charges for services by approximately \$28.4 million within the Group Insurance Fund.
- To revise mineral severance tax accrual entries by approximately \$12.2 million within the Non-Major Funds and General Fund.
- To reclassify charges for sales and service revenue and rental, supplies and services expense by approximately \$5.2 million in the Worker's Compensation Fund.
- To decrease charges for sales and service and increase fund balance by approximately \$1.1 million in the General Fund.
- To reclassify business regulation and recreation and resource development expenses by approximately \$4.4 million in a Non-Major Fund.
- To reclassify recreation and resource development expenses and Federal revenue by approximately \$22.3 million in the COVID Fund.
- To increase transfers in by approximately \$16.9 million, charges for sales and service revenue by \$1.2 million, expenses by \$837,000, and transfers out by \$17.3 million in the General Fund.
- To reclassify approximately \$2.7 million from unassigned fund balance to restricted fund balance and \$112.5 million from assigned fund balance to unassigned fund balance within the General Fund.
- To reclassify approximately \$534,000 from committed fund balance to unassigned fund balance within Non-Major Funds.
- To decrease due from other governments and Federal mineral royalties by approximately \$29.8 million in the General Fund.
- To decrease due from other governments and Federal mineral royalties by approximately \$14.9 million in the School Foundation Fund.
- To decrease due from other governments and Federal mineral royalties by approximately \$40.6 million in the General Fund.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-001: State Auditor's Office (SAO) - Internal Controls and Audit Adjustments (Material Weakness), *Continued*

- To increase cash and pooled investments and investment income by approximately \$8.4 million in the Permanent Mineral Trust Fund.
- To decrease cash and pooled investments and investment income by approximately \$8.4 million in the General Fund.
- To increase unassigned fund balance and decrease investment income by approximately \$2.6 million in the General Fund.
- To decrease unassigned fund balance and increase investment income by approximately \$2.6 million in the Foundation Program Fund.
- To reclassify investment income and operating transfers by approximately \$5.3 million in the General Fund, \$3 million in the Foundation Program Fund and \$2.3 million in Non-Major Funds.

In addition, deficiencies in both the design and operating effectiveness of the SAO's internal control system were identified as budget statements were not completed accurately, and the errors were not identified during review.

Finally, within the report, the Statements of Cash Flows were reclassified for proper presentation and adjustments were made to ensure proper reconciliation between the direct and indirect method.

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, not utilizing check figures) and the errors were not caught in the review process.

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

Identification as a repeat finding: Yes. See prior-year findings 2020-001 and 2020-018.

Recommendation: We recommend that the SAO continue to refine its internal review process 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 adjusted financial statement balances, as well as completed projects, to assist in identifying unusual or inconsistent relationships.

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, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-002: SAO and 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 as follows:

- To increase (decrease) cash and pooled investments and investment income by approximately \$14.1 million in the Worker's Compensation Fund, \$54.1 million in the General Fund, \$31.8 million in the Foundation Program Fund, (\$582,000) in the COVID Fund and \$8.1 million in Non-Major Funds.
- To increase due from other governments and Federal mineral royalty revenues by approximately \$29 million within the General Fund and \$14.5 million within the School Foundation Program Fund.

Cause: Each adjusting journal entry proposed was initially not recorded properly due to the lack of a standard and consistent process by which journal entries are communicated between the STO and the SAO.

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 that the STO and the SAO develop a standard process by which required journal entries are communicated between the respective agencies.

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

2021-003: SAO - Internal Controls and Audit Adjustment to Revenue (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 decrease revenue from others and cash and pooled investments by \$40 million in the Permanent Mineral Trust Fund.
- To decrease cash and pooled investments and general government expenses by approximately \$4.3 million in the General Fund.
- To decrease revenue from others and education expense by \$8 million in the General Fund.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-003: SAO - Internal Controls and Audit Adjustment to Revenue (Material Weakness), *Continued*

Cause: Certain repayments related to loans receivable or appropriation reversions were not identified in converting the cash basis information into the accrual financial statements.

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 that the SAO continue its efforts in incorporating improvements in its year-end projects to ensure all unique transactions are properly identified and evaluated. In addition, we recommend increased training and communication with agencies to ensure such transactions are communicated to the SAO.

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

2021-004: SAO - Internal Controls and Audit Adjustments to Accounts Payable (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 COVID Fund, as follows:

- To increase accounts payable and the corresponding expenses by approximately \$1.6 million.
- To increase Federal revenue and deferred revenue by approximately \$1.6 million.

Cause: The SAO did not evaluate its historical accounting practices and procedures for the economic impact of COVID-19. Specifically, the historical cut-off date for calculating the year-end warrants payable liability was not re-evaluated and extended for the increased risk and utilization. Due to the nature of the COVID major fund, the estimation process could not be utilized and the cut-off was not extended.

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 SAO continue its efforts to 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, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-004: SAO - Internal Controls and Audit Adjustments to Accounts Payable (Material Weakness), *Continued*

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

2021-005: SAO - Internal Controls and Audit Adjustments to Cash and Pooled Investments and Bonds Payable Related Balances (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 decrease general government expenditures and transfers in by approximately \$13.6 million in the Foundation Program Fund.
- To decrease interest income by approximately \$17 million, general government expenditures by \$3.4 million, and transfers out by \$13.6 million in the Common School Land Fund.
- To increase cash and pooled investments and fund balance by approximately \$2.4 million in the General Fund.
- To increase cash and pooled investments and fund balance by approximately \$351,000 in the Foundation Program Fund.
- To increase cash and pooled investments and fund balance by approximately \$82,000 in the Common School Land Fund.
- To decrease cash and pooled investments and fund balance by approximately \$560,000 in the Permanent Mineral Trust Fund.
- To decrease cash and pooled investments and fund balance by approximately \$250,000 in the Unemployment Insurance (UI) Fund.
- To decrease cash and pooled investments and fund balance by approximately \$2 million in Non-Major Funds.

Cause: The SAO failed to account for the specific portions of the cash and pooled investments and bonds payable projects appropriately due to the complexities and unique nature of the transactions associated with the projects.

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 2020-008.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-005: SAO - Internal Controls and Audit Adjustments to Cash and Pooled Investments and Bonds Payable Related Balances (Material Weakness), *Continued*

Recommendation: We recommend that the SAO continue to develop institutional knowledge related to the complex transactions unique to the State. Additionally, we recommend that the SAO expand its internal documentation and project instructions related to cash and pooled investments and bonds payable.

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

2021-006: 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.

In addition, Wyoming State Statute (WSS) 9-1-403(a)(v) requires the State Auditor's Office to provide an annual financial report of the fiscal affairs of the State to specified parties on or before December 31 of each year. The report shall include financial statements that shall be prepared, insofar as practical, in conformance with U.S. GAAP.

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

- To increase cash and pooled investments by approximately \$874,000, increase fund balance by approximately \$3.2 million and decrease investment income by approximately \$2.4 million in the General Fund.
- To decrease cash and pooled investments by approximately \$158,000, increase fund balance by approximately \$1.3 million and decrease investment income by approximately \$1.5 million in the Foundation Program Fund.

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 investments balances were not completed and reviewed on a timely basis. Additionally, the reconciliations failed to identify material reconciling items.
- Reconciliations of the State's year-end investment income balances, while completed in a manner that identified material reconciling items, were not completed and reviewed on a timely basis.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-006: STO - Internal Controls and Audit Adjustments to Cash and Pooled Investments (Material Weakness), *Continued*

Cause: The STO had an established internal control system in place; however, due to resource constraints and the complexity of the reconciling variances, the STO was unable to timely research and correct misstatements identified in the State's cash and pooled investments and investment income 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 investments balances and related disclosures. Additionally, improper reporting and allocations of cash and pooled investments balances could impact the accuracy and reliability of the financial information used by State personnel as they make programmatic, operational, and budgeting decisions.

As the cash and pooled investment information was not able to be incorporated into the State's financial statements on a timely basis, the financial report provided per WSS 9-1-403(a)(v) on December 30, 2021 was not prepared in accordance with U.S. GAAP and the completion of the audit was delayed by several months.

Identification as a repeat finding: Yes. See prior-year finding 2020-015.

Recommendation: We recommend that 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 terms of the cash and investment balances, as well as the related investment activity. We recommend that these reconciliations be performed at least quarterly and be completed in a timely manner.

Additionally, we recommend that the STO (1) continually review its staffing needs to ensure its resources and level of expertise are growing proportionately with the volume, complexity, and diversity of the investment portfolio and number of investment managers, (2) increase the cross-training of STO staff, while at the same time determining if staff should be assigned to investment managers with similar investment strategies to provide for more specialized knowledge and awareness of the accounting and reporting intricacies, and (3) increase the communication between the Financial Accounting and Investments Divisions of the STO.

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, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-007: SAO - Internal Controls and Audit Adjustments to Fiduciary 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.

Condition/context: An adjusting journal entry was proposed to decrease distributions and collections to local governments by approximately \$326.7 million in custodial funds.

Cause: The SAO did not properly eliminate the income and expense gross-up caused by its own source revenue collected by, and disbursed through, custodial funds. This gross-up did not impact financial reporting prior to the implementation of Governmental Accounting Standards Board Statement No. 84.

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 that the SAO review the implementation procedures surrounding new accounting standards to identify all potential financial reporting implications.

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

2021-008: 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.

The Governmental Accounting, Auditing, and Financial Reporting 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 \$85.2 million to account for noncash Federal commodities.

Cause: The receipt of noncash Federal commodities were 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.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-008: SAO - Internal Controls and Audit Adjustments to Federal Revenues (Material Weakness), *Continued*

Identification as a repeat finding: Yes. See prior-year finding 2020-011.

Recommendation: We recommend that the SAO continue to collaborate and communicate with agencies to ensure the accuracy and completeness of agency Schedule of Expenditures of Federal Awards (SEFA), including all financial implications.

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

2021-009: Department of Workforce Services (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 WSS 27-3-211, Employer Support Fund (ESF) collections are to be credited to the ESF special revenue fund by the department.

Condition/context: Adjusting journal entries to the UI Fund were proposed to decrease taxes receivable by approximately \$5.6 million, due to other funds by approximately \$248,000, and charges for sales and services by approximately \$5.9 million.

In addition, an adjusting journal entry was proposed to increase taxes receivable by approximately \$524,000.

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

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 2020-013.

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, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-010: DWS - 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 in the UI Fund, as follows:

- To increase due from other funds and general government expense by approximately \$460,000.
- To decrease benefits payable and claims and benefits expense by approximately \$629,000.
- To increase taxes receivable and the corresponding charges for services by approximately \$1.5 million.
- To increase the allowance for doubtful accounts for taxes receivable by \$860,000.
- To decrease change in fair value of investments and claims and benefits expense by approximately \$1.3 million.
- To decrease Federal revenue and cash and pooled investments by approximately \$1.8 million.
- To decrease amounts on deposit with the U.S. Treasury and increase claims and benefits expense by approximately \$1.5 million.
- To reclassify amounts on deposits with the U.S. Treasury to noncurrent amounts on deposit with the U.S. Treasury by approximately \$7.7 million.
- To reduce the allowance for doubtful accounts on taxes receivable by approximately \$1.2 million.

Cause: The DWS does not maintain internal financial records in accordance with U.S. GAAP throughout the year. Instead, the DWS prepares several year-end spreadsheets and journal entries to convert its financial information to U.S. GAAP. As the DWS does not operate in a full accrual environment for the majority of the year, it is unable to properly and consistently identify instances in which new accrual adjustments (or modifications to recurring accrual adjustments) are necessary.

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

Identification as a repeat finding: Yes. See prior-year findings 2020-009 and 2020-010.

Recommendation: We recommend that the DWS 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 DWS should consider performing a high-level analytical review of the financial statement balances after adjustment to assist in identifying unusual changes in account balances. We further recommend that the DWS continue efforts to improve communication with the SAO to resolve any uncertainties, specifically regarding accrual accounting, and attend additional training to improve its skill in preparing U.S. GAAP financial reports. Finally, the DWS should consider engaging professional accounting consultants in aiding and reviewing the preparation of financial statement information.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-010: DWS - Internal Controls and Audit Adjustments (Material Weakness), *Continued*

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

2021-011: 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 in the following funds, as follows:

- To increase cash and pooled investments and investment income (specifically, the change in fair value of investments) by approximately \$5.1 million in the Worker's Compensation Fund, \$104.2 million in the General Fund, \$5.5 million in the Foundation Program Fund, and \$71.4 million in Non-Major Funds.
- To reclassify approximately \$959.5 million from cash and pooled investments to noncurrent cash and pooled investments in the Worker's Compensation Fund.

Cause: Each adjusting journal entry proposed was caused by human error (utilizing inaccurate or incomplete data and not appropriately updating spreadsheets for the current year), and the errors were 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: No.

Recommendation: In addition to the reconciliation recommendations cited in item 2021-009 above, we recommend that the STO continue to refine its internal review process in order to determine the propriety of the information provided to the SAO for preparation of the State's financial statements.

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

2021-012: Department of Revenue Liquor Commission (the Commission) - Internal Controls to Inventory (Significant Deficiency)

Criteria: An internal control structure should be 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 is 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, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-012: Department of Revenue Liquor Commission (the Commission) - Internal Controls to Inventory (Significant Deficiency), *Continued*

Condition/context: Upon physical observation and count at the State Liquor Department (SLD), it was discovered that the SLD's new accounting inventory system (EnCompass) was not accurately reporting inventory levels within the warehouse. The inventory as of the count date per the provided EnCompass report indicated that the Commission's inventory was approximately \$24.1 million, as opposed to the balance reported in the warehouse system of approximately \$21.0 million, for a difference of \$4.1 million.

Cause: The EnCompass system was implemented during the year and adequate testing had not been performed to ensure the accuracy of the financial reports produced by the system prior to full migration of the system.

Effect: The SLD's accounting system was unable to produce accurate reports over the current inventory levels.

Identification as a repeat finding: No.

Recommendation: We recommend that the SLD implement a control system to validate the accuracy of all financial information generated and reported from the EnCompass system. In addition, testing should occur over any new IT system to ensure accurate and complete reporting is accessible prior to a full migration of data.

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

2021-013: STO - Internal Controls and Audit Adjustment to Investment Income (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 pooled investments and investment income (specifically, the change in fair value of investments) by approximately \$1.2 million in the General Fund, \$10.8 million in the Common School Land Fund, \$10 million in the Permanent Mineral Trust Fund, and \$1.9 million in Non-Major Funds.

Cause: A return of capital transaction was improperly reported by JP Morgan Chase (the State's investment custodian). The redemption was reported with a zero-cost basis, resulting in a significant (and improper) realized gain.

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.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-013: STO - Internal Controls and Audit Adjustment to Investment Income (Significant Deficiency), *Continued*

Identification as a repeat finding: No.

Recommendation: In addition to the reconciliation recommendations cited in item 2021-009 above, we recommend that the STO implement additional control procedures to review the information provided to JP Morgan Chase for propriety and the statements received from JP Morgan Chase for reasonableness.

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

2021-014: SAO - Internal Controls and Audit Adjustment to Fiduciary Funds (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 decrease cash and pooled investments and sales, use, and excise taxes by approximately \$6.5 million in Fiduciary Funds.
- To increase cash and pooled investments and sales, use, and excise taxes by approximately \$6.5 million in Non-Major Special Revenue Funds.

Cause: In the current year, a new source of legislatively created taxes was set up within the accounting software as a Fiduciary Fund rather than a Special Revenue 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 SAO continue its efforts in improving its internal control structure and review over new funds.

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, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-015: DWS - SEFA (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 toward Federal awards expended, as determined in accordance with §200.502, the basis for determining Federal awards expended.

Condition/context: The DWS did not provide a SEFA that accurately identified Federal funds expended. During the course of testing performed on the initial SEFA provided for audit, \$4,961,119 in Federal expenditures for Assistance Listing #17.225, Unemployment Insurance, were improperly reported twice within the SEFA.

Cause: The UI Program operates out of two fund classes: G01 and T25. General administrative expenditures occur in G01, while benefit payments occur in T25. During the year under audit, administrative expenditures for the UI Program occurred in fund class G01 but were reimbursed by T25. During the SEFA preparation process, DWS personnel included the transfer of funds from T25 to G01 as "expenditures," thereby overstating 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 instance noted above, major program determination was not impacted.

Identification as a repeat finding: Yes. See prior-year finding 2020-019.

Recommendation: We recommend that the DWS implement additional procedures to ensure accurate reporting within the SEFA.

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

2021-016: Governor's Office - SEFA (Significant Deficiency)

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

Condition/context: The Governor's office did not provide a SEFA that properly identified all Federal funds expended. Specifically, the expenditures reported for Assistance Listing #84.425C, Education Stabilization Fund - Governor's Emergency Education Relief Fund, were overstated by \$1,209,788.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-016: Governor's Office - SEFA (Significant Deficiency), *Continued*

Cause: While the Governor's office initially received the Federal funds from the U.S. Department of Education, the Governor's office assigned spending authority to other State agencies through the B-11 process. However, the Governor's office retained the responsibility to prepare the Statewide SEFA for these funds. Rather than using actual expenditures made during the fiscal year, the Governor's office improperly used the amount of spending authority assigned to each State agency. While some State agencies had utilized their full spending authority by the fiscal year-end, three State agencies had not, which resulted in an overstatement of expenditures reported on the SEFA. This error was ultimately caused by inconsistent and confusing guidance from the U.S. Department of Education on the treatment of subrecipients when there was no delegation of authority by the Governor's office to another State agency.

Effect: An inaccurate or incomplete SEFA could result in the improper identification and/or exclusion of major programs and the related audit requirements. Further, an inaccurate SEFA could also impact Federal accounts receivable or Federal deferred revenue at year-end. In the instance noted above, major program determination was not impacted; however, an adjustment was required to properly state Federal deferred revenue at year-end.

Identification as a repeat finding: No.

Recommendation: We recommend the Governor's office implement procedures to ensure actual Federal expenditures are reported within the SEFA.

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

2021-017: Wyoming Department of Health (WDH) and State Construction Department (SCD) - SEFA (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 toward Federal awards expended, as determined in accordance with §200.502, the basis for determining Federal awards expended.

Condition/context: The WDH, in conjunction with the SCD, 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 that \$1,106,385 in Federal expenditures related to Assistance Listing #64.005, State Veterans Home Construction Grant Program, were improperly excluded from the SEFA.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

II. FINANCIAL STATEMENT FINDINGS, *Continued*

2021-017: Wyoming Department of Health (WDH) and State Construction Department (SCD) - SEFA (Significant Deficiency), *Continued*

Cause: The program is facilitated/managed by the SCD. Expenditures are incurred by the SCD and recorded in the State's General Ledger within the SCD chart of accounts. Federal drawdowns for this grant are performed by the WDH and are recorded as grant revenue within the WDH's chart of accounts. Once the cash is received by the WDH, it is then transferred to the SCD. On the June 30, 2021 SEFA, the WDH only included the expenditures of which it was aware. More specifically, on the SEFA, the WDH reported the expenditures that were requested on the drawdowns that occurred during the fiscal year, rather than the total underlying expenditures incurred. Additional expenditures outside of the drawdowns were incurred by the SCD for this grant but were not communicated to the WDH. This gap in communication resulted in an understatement of expenditures on the SEFA for June 30, 2021.

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 instance noted above, the major program determination for June 30, 2021 was not impacted.

Identification as a repeat finding: No.

Recommendation: We recommend that the WDH and the SCD implement additional procedures near the fiscal year-end to ensure that the SEFA is accurate and complete. Specifically, we recommend that a process be implemented to ensure any expenditures incurred by the SCD during the fiscal year are presented within 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, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2021-018: Office of State Lands and Investments (OSLI) - Reporting (Significant Deficiency)

<i>Assistance Listing Numbers and Titles:</i> 1. #10.664, Cooperative Forestry Assistance 2. #10.676, Forest Legacy Program
<i>Federal Agency Names:</i> 1. U.S. Department of Agriculture 2. U.S. Department of Agriculture
<i>Award Numbers:</i> 1. 15-DG-11020000-039 2. 16-DG-11020000-028
<i>Award Years:</i> 1. June 26, 2015 - March 31, 2021 2. July 5, 2016 - March 31, 2021

Criteria: Per 2 CFR 200.327 - Financial Reporting, and the laws, regulations, and 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: As a part of the follow-up on the status of prior-year findings, as discussed in item 2020-025 in the Summary Schedule of Prior Audit Findings, a report filed during the current year under audit was tested. The results of those tests identified the following:

1. In the final report tested for the Cooperative Forestry Assistance Program, the amount reported in the Total Recipient Share of Required was improperly reported and did not agree to supporting records.
2. In the final report tested for the Forest Legacy Program, the amounts reported in the Total Recipient Share of Required and Recipient Share of Expenditures were improperly reported and did not agree to supporting records.

Questioned costs: None.

Cause: These reports were completed prior to new procedures being implemented by the OSLI and the review process failed to catch the inaccuracies.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

2021-018: Office of State Lands and Investments (OSLI) - Reporting (Significant Deficiency), *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 2020-025.

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.

2021-019: Governor's Office - Reporting (Significant Deficiency)

<i>Assistance Listing Number and Title:</i> #84.425C - Governor's Emergency Education Relief Fund (GEER)
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Award Number/Name:</i> S425C200041/GEER
<i>Award Year:</i> June 26, 2020 - June 30, 2021

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

2021-019: Governor's Office - Reporting (Significant Deficiency), *Continued*

Criteria: 2 CFR 200.328 and 329(a) and (b) require the non-Federal entity report financial and performance information as required by the terms and conditions of the Federal award.

Specific to this program, the Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136) authorized funding for the GEER Program. This program required an annual report filed by February 1, 2021, covering the period of March 13, 2020 through September 30, 2020.

Within Requirement L of the compliance supplement for GEER, the supplement identifies the following required reporting elements:

- The types of entities within the state that were awarded GEER funds;
- Funding conditions or requirements on GEER awards for local educational agencies (LEA) and institutions of higher education (IHE) to ensure that the funds were spent on specific purposes or activities;
- Amounts expended and the purposes from which the funds were expended by an LEA;
- For each IHE awarded GEER funds from the State, the amount expended and additional information if GEER funds were used by the IHE to provide financial aid to students and the IHE;
- The amount awarded and expended by each education-related entity, including;
 - Which populations of students were or will be served by the entity?
 - Did the funding awarded to the entity support distance-learning and remote education or provide financial support to students?
- Full-time-equivalent positions for LEAs, IHEs, or education-related entities; and
- The number of K-12 schools (public and nonpublic) that received GEER funds or received services paid for with GEER funds.

2 CFR 200.329, Monitoring and Reporting Program Performance, requires that the non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to ensure compliance with applicable Federal requirements and achievement of performance expectations. Monitoring by the non-Federal entity must cover each program, function, or activity.

Condition/context: The Governor's office did not file an accurate Year One annual performance report (APR). Specifically, the Governor's office reported spending authority transfers to other State agencies as incurred expenditures. Within the State's fiscal policies and procedures, a spending authority transfer creates a budget against which an agency can incur expenditures but does not represent actual expenditures. Instead, the Governor's office should have reported the actual expenditures incurred by these other State agencies during the reporting period. This error resulted in an overstatement of expenditures on the Year One APR of \$820,274. Further, the Governor's office treated the other State agencies as subrecipients. As a result of this classification, the Governor's office did not disclose amounts expended and the purposes for which the funds were expended by the LEAs, IHEs, or education-related entities.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

2021-019: Governor's Office - Reporting (Significant Deficiency), *Continued*

In addition, there was no formal review process prior to submission of the APR or the Federal Funding Accountability and Transparency Act (FFATA) reports.

Questioned costs: None.

Cause: In preparing the Year One APR, the Governor's office relied upon a question/answer document provided by the U.S. Department of Education on its Educations Stabilization Fund - GEER webpage. This document provided guidance for how the Governor's office should report another State agency within the FFATA Sub-Award Reporting System, specifically when there is no formal delegation of authority by the Governor's office. The guidance indicated that without formal delegation of authority by the Governor's office to another State agency, the Governor's office would treat the State agency as a subrecipient and would not be required to report any further sub-awards made by the State agency. The Governor's office analogized the subrecipient treatment noted above to the treatment of subrecipients within the APR.

Effect: Per 2 CFR 200.339, Remedies for Noncompliance, if a non-Federal entity fails to comply with the U.S. Constitution or 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 § 200.208. 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.
- (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 work with the U.S. Department of Education to correct the reporting of the information within the Year One APR to its satisfaction. We also recommend that the Governor's office develop a formal review and approval process over reports before they are submitted.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

2021-019: Governor's Office - Reporting (Significant Deficiency), *Continued*

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

2021-020: DWS - Special Test N: UI Benefit Payments (Significant Deficiency)

<i>Assistance Listing Number and Title:</i> #17.225, Unemployment Insurance
<i>Federal Agency Name:</i> U.S. Department of Labor
<i>Award Numbers/Names:</i> UI-34095-20-55-A-56; UI-35685-21-55-A-56
<i>Award Years:</i> October 1, 2019 - December 31, 2022; October 1, 2020 - December 31, 2023

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. 395.

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 payments and denied claims. The Benefits Accuracy Measurement (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 completed the correct number of paid claims. However, they did not properly select and complete the proper number of denied claims. Of the required 339 denied claims, 113 of each denied type were required to be selected (Monetary, Separation and Nonseparation). The BAM investigators only completed a total of 331 denied claims: 107 Monetary, 111 Separation and 113 Nonseparation.

In addition, the BAM reviews did not meet established timeliness metrics. For paid claims, the Federal BAM State Operations Handbook as well as additional Federal guidance provided to UI through Program Letters throughout the fiscal year require 70% of the testing to be completed within 60 days of the week-ending batch date, 95% within 90 days and 98% by October 28, 2021. Of the 360 completed paid claims tested by the BAM investigators, only 242 (67%) were completed within 60 days and only 272 (76%) were completed within 90 days. The requirement of all paid cases being completed by October 28, 2021 was met. For denied claims, 60% of the testing is to be completed within 60 days, 85% within 90 days and 98% by October 28, 2021. Of the 331 completed denied claims tested by the BAM investigators, the UI Program met the requirements for the 60-day window, 90-day window and October 28, 2021.

Questioned costs: None.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

2021-020: DWS - Special Test N: UI Benefit Payments (Significant Deficiency), *Continued*

Cause: The UI Program went live with a new system (WYUI) in June 2018, which changed the processing of BAM cases to be all 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, during fiscal year 2020, 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. While the BAM supervisor was ultimately able to catch up by October 2020, the BAM investigator team has been indefinitely short-staffed and unable to complete cases timely. However, there were still unfilled BAM case reviewer positions, which caused additional issues with completing the required reviews timely.

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 2020-028.

Recommendation: We recommend that the DWS 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.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

2021-021: DWS - Special Test N: UI Program Integrity - Overpayments (Significant Deficiency)

<i>Assistance Listing Number and Title:</i> #17.225, Unemployment Insurance
<i>Federal Agency Name:</i> U.S. Department of Labor
<i>Award Numbers/Names:</i> UI-3400-55-A-56; UI-35685-21-55-A-56
<i>Award Years:</i> October 1, 2019 - December 31, 2022; October 1, 2020 - December 31, 2023

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, which were enacted to improve program integrity and reduce overpayments. WSS 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 DWS 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 UI 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 UI Program has established a five-time "pattern" rule, meaning the employer can be delinquent in their response five times and still obtain relief. However, on the sixth and subsequent instances, the UI Program would deny relief and require the employer to reimburse the UI Program for the overpayment. In monitoring this compliance requirement, the UI 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 UI 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: None.

Cause: The UI 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 resulting data was inaccurate, so the UI Program disabled this module of WYUI until the coding could be 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 UI Program was unable to collect on any potential overpayments.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

2021-021: DWS - Special Test N: UI Program Integrity - Overpayments (Significant Deficiency), *Continued*

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 2020-029.

Recommendation: We recommend the UI 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.

2021-022: DWS - Special Test N: Employer Experience Rating (Significant Deficiency)

<i>Assistance Listing Number and Title:</i> #17.225, Unemployment Insurance
<i>Federal Agency Name:</i> U.S. Department of Labor
<i>Award Numbers/Names:</i> UI-3400-55-A-56; UI-35685-21-55-A-56
<i>Award Years:</i> October 1, 2019 - December 31, 2022; October 1, 2020 - December 31, 2023

Criteria: Title 26 USC Section 3303 and WSS 27-3-501 establish the requirement for the State to calculate the annual State UI employer experience tax rate.

STATE OF WYOMING

SCHEDULE OF FINDINGS AND QUESTIONED COSTS Year Ended June 30, 2021

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS, *Continued*

2021-022: DWS - Special Test N: Employer Experience Rating (Significant Deficiency), *Continued*

Condition/context: The UI Program is required to calculate the employer experience tax rating to determine the tax rate each employer is charged in the succeeding year. This rate is computed based on the taxable wages for the preceding three years, excluding taxable wages for which contributions have not been remitted prior to the computation period.

Of the 40 employers selected for testing compliance with the employer experience rating calculations, we noted two instances in which the UI Program improperly excluded taxable wages for contributions that were timely remitted. This resulted in overstated tax rates for the employers' experience ratings.

Questioned costs: None.

Cause: When the WYUI system calculated the rate batch in 2020, the WYUI system was not properly updated with a rule to ensure that employers with contribution balances of \$4.99 or less that were properly remitted to the UI Program were included in the experience rating calculation.

Effect: Some employers' 2020 employer experience ratings were not properly calculated, which resulted in an overstatement of their experience rating rates. As a result, the UI Program could be overcollecting UI taxes.

Identification as a repeat finding: No.

Recommendation: We recommend that the UI Program correct the coding issues within WYUI, review the 2020 employer experience rating calculations to identify all incorrectly calculated ratings and issue credits to employers impacted.

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, 2021

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS

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

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 postemployment 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.

Status: This is a work in progress. The SAO did include the step of reviewing the balances for appropriateness. Additionally, the SAO has been having training sessions to increase all Accounting Division staff's knowledge of the reasons behind adjustments made for the annual comprehensive financial report (ACFR). The Accounting Division is working toward leadsheets for all major projects during the fiscal year 2022 ACFR.

Auditor's comment: The SAO continues to work on fully implementing its correction action plan at June 30, 2021. This finding remains open; see current-year finding at 2021-001.

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

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.

Status: The SAO implemented a new procedure of breaking down the payables by fund class for the fiscal year 2021 ACFR.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS, *Continued*

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

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

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

Condition/context: The State and other participating employers were 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.

Status: The Wyoming Department of A&I contracted with a new actuary for the fiscal year 2021 actuarial valuation report and ensured the above recommendations were incorporated into the report.

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

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

Condition/context: Adjusting journal entries were proposed to reallocate cash and pooled investments from the COVID Fund to the various participating funds in the State 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.

Status: The STO has implemented a new process to ensure the allocations of distributed earnings to the COVID funds is appropriate based on the cash balance in those funds retained in the cash account with its custodian.

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

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS, *Continued*

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

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.

Status: The SAO implemented a new process requiring agencies to “attest” to various requirements, including information about service dates. This was completed prior to June 30, 2021.

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

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

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.

Status: The SAO split out journal entries for the fiscal year 2021 ACFR for visibility by loan instead of by fund class. Additionally, the SAO made notes of loans that tied to other projects in an effort to not double up on any eliminations.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS, *Continued*

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

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

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

Condition/context: An adjusting journal entry was proposed to increase (decrease) cash and pooled investments and 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 (UI) Fund, (\$24.7 million) in the Coronavirus Aid, Relief, and Economic Security Act Coronavirus Relief Fund and \$8 million in Non-Major Funds.

Status: STO has instituted additional training opportunities as well as process documentation to eliminate this type of error in the future.

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

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

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 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 the 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.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS, *Continued*

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

- 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 UI 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.

Status: The SAO held meetings with the applicable agencies prior to starting on these projects to gain an understanding of any changes in procedure. The SAO continues to work on enhancing these projects to ensure accuracy, including the creation of leadsheets.

Auditor's comment: The SAO continues to work on fully implementing its corrective action plan at June 30, 2021. While not all of these specific adjustments occurred again, the systemic cause of the finding resulted in current-year adjustments. This finding remains open; see current-year finding 2021-005.

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

Condition/context: Adjusting journal entries were proposed within the UI 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 noncurrent portion of amounts on deposits with the U.S. Treasury by approximately \$64 million.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS, *Continued*

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

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.

Status: The DWS continues to work on its internal accounting practices to ensure accuracy. The DWS is continuing to look for additional actions that will ensure accuracy of all financial information provided during the course of the audit.

Auditor's comment: The DWS continues to work on fully implementing its correction action plan at June 30, 2021. While not all of these specific adjustments occurred again, the systemic cause of the finding resulted in a current-year adjustment. This finding remains open; see current-year finding 2021-010.

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

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.

Status: The DWS implemented additional review processes over the preparation of its Schedule of Expenditures of Federal Awards (SEFA) to ensure the accuracy of information reported.

Auditor's comment: The DWS continues to work on fully implementing its corrective action plan at June 30, 2021. This finding remains open; see current-year findings 2021-010 and 2021-015.

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

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 noncash Federal commodities.

Status: The SAO continues to work on noncash commodity reporting. The SAO created a new folder for the project as a reminder that it needs to be asking agencies for this information going forward.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS, *Continued*

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

Auditor's comment: The SAO continues to work on fully implementing its correction action plan at June 30, 2021. This finding remains open; see current-year finding at 2021-008.

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

Condition/context: An adjusting journal entry was proposed within the UI 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.

Status: The SAO reviews all SEFA reports for completeness. If a report is not complete, the agency is contacted and asked to complete the report.

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

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

Condition/context: Adjusting journal entries to the UI 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.

Status: The DWS continues to work with its internal Information Technology staff to program necessary reports and have its fiscal staff validate all reports. The DWS is continuing to look for additional actions that will ensure accuracy of all financial information provided during the course of the audit.

Auditor's comment: The DWS continues to work on fully implementing its correction action plan at June 30, 2021. While not all of these specific adjustments occurred again, the systemic cause of the finding resulted in a current-year adjustment. This finding remains open; see current-year finding 2021-009.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS, *Continued*

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

Condition/context: Adjusting journal entries to the UI 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 noncurrent cash and pooled investments.

Status: The SAO and the DWS held monthly meetings during the ACFR season to discuss the project. Additionally, the DWS has hired an outside contractor to assist with the UI reporting for fiscal year 2022.

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

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

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

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS, *Continued*

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

Status: The STO has revised reconciliations to encompass additional ways to ensure JP Morgan Chase, WOLFS, and QED balance continually. In addition, the STO is upgrading its investment accounting software to facilitate automations in its reconciliation processes and eliminate manual errors.

Auditor's comment: The STO continues to work on fully implementing its correction action plan at June 30, 2021. This finding remains open; see current-year finding at 2021-006.

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

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

Status: The SAO and the DWS held monthly meetings during the ACFR season to discuss the project.

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

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

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

Status: The SAO implemented a process change where payroll taxes are dated for the last working day of the month. This was completed by December 31, 2020.

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

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

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.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS, *Continued*

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

- 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.

Status: The SAO implemented a new procedure to identify the appropriate fund balance classification at the time of creation. This was implemented by June 30, 2021.

Auditor's comment: The SAO continues to work on fully implementing its correction action plan at June 30, 2021. This finding remains open; see current-year finding at 2021-001.

2020-019: SEFA (Significant Deficiency)

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 noncash commodities was on a calendar year-end instead of the fiscal year-end. This resulted in a reduction of noncash 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 Assistance Listing #10.664 when those awards should have been identified as Assistance Listing #10.697.

Status:

1. The DWS implemented a review process as part of its update to the Financial Management Manual and added training for staff who compile the SEFA.
2. The DFS implemented procedures to request the noncash commodities value from its Federal oversight agency to ensure the noncash commodities are reported on a fiscal year basis rather than a calendar year basis.
3. The OSLI implemented an additional review process to ensure Assistance Listing numbers are properly identified during the preparation of the SEFA.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2021

I. FINANCIAL STATEMENT PRIOR AUDIT FINDINGS, *Continued*

2020-019: SEFA (Significant Deficiency), *Continued*

Auditor's comments:

1. As noted in current-year finding 2021-015, the DWS is still working to provide an accurate SEFA. This finding remains open.
2. The corrective action plan was implemented by the DFS. This finding is considered resolved.
3. The corrective action plan was implemented by the OSLI. This finding is considered resolved.

II. FEDERAL AWARD PRIOR AUDIT FINDINGS

2017-009: Subrecipient Monitoring (Significant Deficiency)

<i>Assistance Listing Number and Title:</i> #66.460, Non-Point Source Implementation Grants
<i>Federal Agency Name:</i> U.S. Environmental Protection Agency
<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 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).

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.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

II. FEDERAL AWARD PRIOR AUDIT FINDINGS, *Continued*

2017-009: Subrecipient Monitoring, *Continued*

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 this letter has been added as a required item on the DEQ's internal contract route slip. The corrective action plan to ensure subrecipients certify and provide a copy of their audit has not been implemented.

Auditor's comments: The DEQ has indicated that the Federal agency's lack of response to the DEQ's acknowledgement of the noncompliance indicates the Federal agency's acceptance. The DEQ has met all of the criteria specified in CFR 200.511(b)(3), specifically that two years have passed since the audit report in which the finding occurred was submitted to the Federal Audit Clearinghouse, the Federal agency is not currently following up with the DEQ on the audit finding, and a management decision was not issued. We believe that this finding has been resolved.

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

<i>Assistance Listing Number and Title:</i> #16.575, Crime Victim Assistance
<i>Federal Agency Name:</i> U.S. Department of Justice
<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

Condition/context: Of the 40 items selected for testing in conjunction with Allowable Costs/Cost 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.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

II. FEDERAL AWARD PRIOR AUDIT FINDINGS, *Continued*

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

Status: 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 Victims of Crime Act (VOCA) charged payroll expenses. As a result, the DVS immediately implemented the following course of action intended to rectify the oversight:

1. The DVS 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 the proper submission of T&E information, the DVS has developed a standardized T&E log that became mandatory for all subrecipients beginning on July 1, 2021. The new form assists both the submitting agency and the reviewing RPM in assessing accuracy. The form also automatically calculates the hours worked credited to each supporting fund, as well as calculates 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 provided training for all subrecipients on the proper use and submission of the new T&E log before its implementation on July 1, 2021.

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

2020-021: Eligibility (Significant Deficiency)

<i>Assistance Listing Number and Title:</i> #93.767, Children's Health Insurance Program
<i>Federal Agency Name:</i> U.S. Department of Health and Human Services
<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

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2021

II. FEDERAL AWARD PRIOR AUDIT FINDINGS, *Continued*

2020-021: Eligibility (Significant Deficiency), *Continued*

Condition/context: Of the 60 participants selected for testing compliance with the eligibility requirements of the Children's Health Insurance Program (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 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.

Status:

- 1a: The WES system fix needed to correctly exclude grandparent income in this situation was effectively updated in May 2022. Further, the contract with the customer service vendor that was in use at the time of the error was not renewed. The worker who made the error has been coached on countable income and the appropriate workaround that should have been used in this situation. Lastly, the current customer service vendor has been provided with a CHIP PowerPoint discussing the exclusion of grandparents caretaker relative income, and an extensive three-month training period for representatives currently employed at the customer service center has been implemented. The State is confident this helps reduce this type of error.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2021

II. FEDERAL AWARD PRIOR AUDIT FINDINGS, *Continued*

2020-021: Eligibility (Significant Deficiency), *Continued*

- 1b and 1c: The contract with the customer service vendor that was in use at the time of the error was not renewed. The worker who made the error is no longer employed in the customer service center. Lastly, the current customer service vendor has been provided with a CHIP PowerPoint discussing the exceptions to 12 continuous months of CHIP coverage, and an extensive three-month training period for representatives currently employed at the customer service center has been implemented. The State is confident this helps reduce this type of error.
- 2: The contract with the customer service vendor that was in use at the time of the error was not renewed and the worker who made the error is no longer employed; therefore, follow-up coaching is not an option. However, the current customer service vendor has been provided with a CHIP PowerPoint, and an extensive three-month training period for representatives currently employed at the customer service center has been implemented. The State is confident this helps reduce this type of error.
- 3a and 3b: The contract with the customer service vendor that was in use at the time of the error was not renewed and the worker who made the error is no longer employed; therefore, follow-up coaching is not an option. However, the current customer service vendor has been provided with a CHIP PowerPoint, and an extensive three-month training period for representatives currently employed at the customer service center has been implemented. Further, Copay Plan B and Copay Plan C now have the same copay amounts, which further minimizes the fiscal impact of future errors related to CHIP Copay Plans. The State is confident this helps reduce this type of error.

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

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

<i>Assistance Listing Number and Title:</i> #93.778, Medical Assistance Program
<i>Federal Agency Name:</i> U.S. Department of Health and Human Services
<i>Award Number/Name:</i> Various
<i>Award Year(s):</i> Various
<i>Department:</i> Wyoming Department of Health

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.

Status: The finding has been resolved. The elements of the confidentiality agreement required by the Medicaid NCCI Technical Guidance Manual, Sections 7.1.1 and 7.1.2 were included in the amended contract with Conduent covering the period from July 1, 2021 through October 31, 2021 as well as the fiscal year 2022 CNSI agreement.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2021

II. FEDERAL AWARD PRIOR AUDIT FINDINGS, *Continued*

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

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

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

<i>Assistance Listing Number and Title:</i> #21.019, Coronavirus Relief Fund
<i>Federal Agency Name:</i> U.S. Department of the Treasury
<i>Award Number:</i> N/A
<i>Award Year:</i> March 1, 2020 - December 31, 2021
<i>Department:</i> Wyoming Governor's Office

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.

Status: The Governor's office has created a Grant and Sub-Award Template, which was submitted and reviewed by MHP to ensure all required sections were appropriately included. This form was retroactively sent out to those entities identified as subrecipients of the Coronavirus Relief Funds. The 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 template will be used for future awards.

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

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

<i>Assistance Listing Number and Title:</i> #10.664, Cooperative Forestry Assistance
<i>Federal Agency Name:</i> U.S. Department of Agriculture
<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

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

II. FEDERAL AWARD PRIOR AUDIT FINDINGS, *Continued*

2020-024: Subrecipient Monitoring - Audit Reports (Significant Deficiency), *Continued*

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. For six of the 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.

Status: During the course of 2021, the Forestry Division implemented the corrective action plan. To date, the Forestry Division works with the subrecipients annually, around the audit time, to ensure they are aware that they need to provide a copy of their audit or official reasoning as to why they were exempt that year related to an audit. Staff often follows up via email regarding the status if an audit has not been received or is delayed, as many have been recently. These audits documents are now stored electronically on a shared network drive and accessible to applicable staff. Due to the multiple grant programs working with different subrecipients, the availability for staff to check the status of audits electronically has been very beneficial. Before a grant award is finalized, the pre-award requires Forestry Division staff to review that all requisites are in place. Additionally, during the 2022 legislative session, House Bill No. HB0060 was enacted, which may also assist with subrecipient monitoring related to audit reports going forward.

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

2020-025: Reporting (Significant Deficiency)

<i>Assistance Listing Numbers and Titles:</i> <ol style="list-style-type: none">1. #10.664, Cooperative Forestry Assistance2. #10.676, Forest Legacy Program
<i>Federal Agency Names:</i> <ol style="list-style-type: none">1. U.S. Department of Agriculture2. U.S. Department of Agriculture
<i>Award Numbers:</i> <ol style="list-style-type: none">1. 14-DG-11020000-039; 17-DG-11020000-0402. 18-DG-11020000-061
<i>Award Years:</i> <ol style="list-style-type: none">1. July 9, 2014 - June 30, 2019; June 12, 2017 - May 31, 20222. July 24, 2018 - July 30, 2020
<i>Departments:</i> <ol style="list-style-type: none">1. Wyoming OSLI2. Wyoming OSLI

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2021

II. FEDERAL AWARD PRIOR AUDIT FINDINGS, *Continued*

2020-025: Reporting (Significant Deficiency), *Continued*

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 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 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.

Status: During fiscal year 2021, the OSLI implemented the corrective action plan by implementing changes to the completion and review of required reports. The information necessary for the reports is compiled via the WOLFS system, InfoAdvantage Reports for both grant expenditures and revenues, and a monthly pivot table. The reports are completed by the Accounting Analyst and then reviewed by the Financial Reporting Manager before being further reviewed by the Assistant State Forester. The Assistant State Forester or Fiscal can sign and submit the report. The Accounting Analyst has attended grant training through the National Grants Management Association and Grant Management USA as well as various training classes offered by the SAO. In addition, the OSLI maintained a yearly membership to the National Grants Management Association and Grant Management USA, which allows for participation in various monthly webinars.

Auditor's comment: During our testing of the status, errors were identified in the reports submitted during fiscal year 2021. As such, there continue to be issues with the accuracy of the reports submitted. This finding is not considered resolved; see current-year finding 2021-018.

2020-026: Earmarking (Material Weakness)

<i>Assistance Listing Number and Title:</i> #84.126, Rehabilitation Services_Vocational Rehabilitation Grants to States
<i>Federal Agency Name:</i> U.S. Department of Education
<i>Award Number/Name:</i> H126A180075
<i>Award Year:</i> October 1, 2017 - September 30, 2019
<i>Department:</i> Wyoming DWS

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

II. FEDERAL AWARD PRIOR AUDIT FINDINGS, *Continued*

2020-026: Earmarking (Material Weakness), *Continued*

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).

Status: The Wyoming Department of Vocational Rehabilitation (DVR) did implement the corrective action as described for earmarking pre-employment transition services. A separate accounting budget was set up to track and manage the pre-employment transition service activities and expenditures. It is important to note that in fiscal year 2021, which was a carryforward grant and has not yet closed, the DVR is on track to meet 15% required for pre-employment transition services.

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

2020-027: Reporting (Significant Deficiency)

<i>Assistance Listing Number and Title:</i> #84.126, Rehabilitation Services_Vocational Rehabilitation Grants to States
<i>Federal Agency Name:</i> U.S. Department of Education
<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

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.

Status: The DWS initiated a deep review of vocational rehabilitation expenditures and identified corrections that needed to be made in several SF-425s. The DWS also initiated a standard practice of pulling data for its reports, which should enable consistency and accurate reporting in the future.

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

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

II. FEDERAL AWARD PRIOR AUDIT FINDINGS, *Continued*

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

<i>Assistance Listing Number and Title:</i> #17.225, Unemployment Insurance
<i>Federal Agency Name:</i> U.S. Department of Labor
<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

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 within 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.

Status: Due to the nature of the requirement, the specific instances could not be corrected. However, all required cases were correctly completed by October 22, 2020.

Auditor's comment: While the specific instances of noncompliance were corrected to the best of the UI Program's ability, 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 2021-020.

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

<i>Assistance Listing Number and Title:</i> #17.225, Unemployment Insurance
<i>Federal Agency Name:</i> U.S. Department of Labor
<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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2021

II. FEDERAL AWARD PRIOR AUDIT FINDINGS, *Continued*

2020-029: Special Test N - Program Integrity - Overpayments (Significant Deficiency), *Continued*

Condition/context: The UI 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 UI 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 UI Program would deny relief and require the employer to reimburse the UI Program for the overpayment. In monitoring this compliance requirement, the UI Program relies on data tracked within WYUI, the State's benefit system. However, the module within WYUI that tracks this data was turned off during the year under audit. The UI Program did not have additional processes, procedures, or mitigating controls in place to monitor the collection of overpayments due to prohibited employer relief.

Status: The UI Program started additional processes to monitor employers who failed to respond timely in November 2021. The Appeals division reports all overpayments caused by this employer failure, and the BAM unit recently began reporting these failures as well. A spreadsheet is maintained to keep track of the number of failures for each employer. The UI Program continues to work with a contractor to correct the coding issues, but until the coding is completed, the new manual processes are monitoring and tracking employer failure to respond adequately.

Auditor's comment: The program continues to work on fully implementing its corrective action plan at June 30, 2021. This finding remains open; see current-year finding 2021-021.

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

<i>Assistance Listing Number and Title:</i> #17.225, Unemployment Insurance
<i>Federal Agency Name:</i> U.S. Department of Labor
<i>Award Number/Name:</i> EUISAA 2020 Admin
<i>Award Year:</i> April 23, 2020 - December 31, 2020
<i>Department:</i> Wyoming DWS

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 UI Program.

The UI Program entered into a temporary worker contract with a vendor, wherein the vendor would supply the UI 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 UI Program could not provide time and attendance records needed to verify that the temporary workers actually performed the services they were contracted to perform.

STATE OF WYOMING

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Year Ended June 30, 2021

II. FEDERAL AWARD PRIOR AUDIT FINDINGS, *Continued*

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

Status: The UI Program 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. 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 are now required to review and sign these internal timesheets weekly and submit them to Fiscal as documentation to be attached to the invoice for payment.

Auditor's comment: 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 / justin.chavez@wyo.gov

CORRECTIVE ACTION PLAN

Year Ended June 30, 2021

The following is the corrective action plan for the Schedule of Findings and Questioned Costs reported in the June 30, 2021 Compliance Report for the State of Wyoming:

I. Financial Statement Findings

2021-001: State Auditor's Office (SAO) - Internal Controls and Audit Adjustments

Corrective actions: The SAO continues to work on the journal entry review process. All projects will now require a review of the trial balance in Engagement, the SAO's annual comprehensive financial report (ACFR) software, before they are submitted for review. This high-level analytical review of the adjusted financial statements will help identify errors or inconsistencies. The SAO Accounting Division has also been holding informational sessions about all ACFR projects in an effort to provide the entire team with a better understanding of why we complete projects and how they tie together. The SAO will also be utilizing leadsheets during the fiscal year 2022 ACFR to monitor trends and assist in the identification of incorrect journal entries.

Anticipated completion date: 12/31/2022

Contact person: Erin Benskin, Accounting Division Manager

2021-002: SAO and State Treasurer's Office (STO) - Internal Controls and Audit Adjustments to Cash and Pooled Investments

Corrective actions: The SAO and the STO will schedule weekly meetings to gain a mutual understanding on the workpapers and journal entries required for the ACFR regarding cash and investments. During these meetings, the SAO and the STO will concur on the journal entries before they are finalized.

Anticipated completion date: 12/31/2022

Contact person: Erin Benskin, Accounting Division Manager, SAO
Katie Smith, Administrator of Financial Accounting, STO

I. Financial Statement Findings, *Continued*

2021-003: SAO - Internal Controls and Audit Adjustment to Revenue

Corrective actions: The SAO held CFO trainings during the month of June. All agency fiscal staff were invited to these trainings. During the training, all ACFR-related reports required to be submitted to the SAO were discussed in detail. The SAO will continue to offer year-end CFO training consistently each June. Additionally, the Accounting Division at the SAO continues to encourage all agencies to reach out and discuss any new business practices and/or projects. The SAO is also creating a new revenue project for fiscal year 2022, including a comparison to prior-year revenue balances and a trend analysis in an effort to identify any additional journal entries that need to be made as well as any incorrect entries made to revenue accounts.

Anticipated completion date: 12/31/2022

Contact person: Erin Benskin, Accounting Division Manager

2021-004: SAO - Internal Controls and Audit Adjustments to Accounts Payable

Corrective actions: The SAO Accounting Division began holding regular internal meetings to discuss all aspects of the ACFR. Additionally, throughout the year, the SAO will be evaluating any new procedures noted by other State agencies and the impact those projects have on the ACFR. As part of the year-end process, the Accounting Division will hold a team meeting to evaluate accounting practices and procedures and identify any areas that may need to be adjusted.

Anticipated completion date: 12/31/2022

Contact person: Erin Benskin, Accounting Division Manager

2021-005: SAO - Internal Controls and Audit Adjustments to Cash and Pooled Investments and Bonds Payable Related Balances

Corrective actions: The SAO is completely revamping both the Cash and Investments project and the Bonds Payable project, which will include more detailed instructions for both projects. The Accounting Division Manager will be having meetings with the STO regarding both of these areas to ensure items are correctly reported within the ACFR. The SAO plans to have several meetings with the STO starting in September 2022 to make sure there is a good understanding of these projects.

Anticipated completion date: 12/31/2022

Contact person: Erin Benskin, Accounting Division Manager

I. Financial Statement Findings, *Continued*

2021-006: STO - Internal Controls and Audit Adjustments to Cash and Pooled Investments

Corrective actions: The STO's request for additional resources was granted by the legislature with five new positions in the 2022 Budget Session. While the State fills these positions, trains new staff, and onboards the new accounting system, the STO has contracted with KPMG to assist with its current resource deficit and facilitate more timely resolution of discrepancies. In addition, the STO has implemented additional continuous accounting practices with monthly and quarterly reconciliations.

Anticipated completion date: 06/30/2023

Contact person: Katie Smith, Administrator of Financial Accounting

2021-007: SAO - Internal Controls and Audit Adjustments to Fiduciary Funds

Corrective actions: The SAO will continue to review all materials related to new Governmental Accounting Standards Board (GASB) standards in an effort to properly implement them. This will include attending and offering trainings on new GASB standards as well as reviewing of all applicable implementation guides.

Anticipated completion date: 12/31/2022

Contact person: Erin Benskin, Accounting Division Manager

2021-008: SAO - Internal Controls and Audit Adjustments to Federal Revenues

Corrective actions: The SAO continues to hold Schedule of Expenditures of Federal Awards (SEFA) trainings for State agencies on at least a quarterly basis in an effort to collaborate with them on the accuracy of SEFA reports. The SAO has also added a reminder to the SEFA instructions for agencies to report any noncash commodities and will make sure this information is included in trainings and on training materials.

Anticipated completion date: 12/31/2022

Contact person: Erin Benskin, Accounting Division Manager

I. Financial Statement Findings, *Continued*

2021-009: Department of Workforce Services (DWS) - Internal Controls and Audit Adjustments to Taxes Receivable and Due to/from Other Funds

Corrective actions: The DWS continues to investigate and correct the WYUI reports. It currently has internal Information Technology (IT) staff and its IT contractor programming investigating report changes. Once the reports have been corrected, Fiscal and Unemployment Insurance (UI) Tax will test the reports and validate that they are accurate prior to submitting the UI financial statements to the SAO. The DWS will also continue to work with the UI Program team to better understand and be able to verify and/or correct the information extracted from the WYUI system.

Anticipated completion date: 10/31/2022

Contact person: Robin Martin, CFO

2021-010: DWS - Internal Controls and Audit Adjustments

Corrective actions: The DWS is working on an internal review process that includes UI Tax and Benefits to confirm accurate account balances. The DWS will set up meetings with the SAO to discuss uncertainties in accrual accounting. The DWS is also moving forward with a CPA firm that will be operating as a consultant to identify better processes to account for the balance sheet and adjustments made.

Anticipated completion date: 10/31/2022

Contact person: Robin Martin, CFO

2021-011: STO - Internal Controls and Audit Adjustments to Cash and Pooled Investments

Corrective actions: The STO is in the process of eliminating excessive manual entries currently required for all accounting procedures through the onboarding of a new accounting system with a robust reporting tool. The STO will continue to cross-train on procedures and review requirements.

Anticipated completion date: 06/30/2023

Contact person: Katie Smith, Administrator of Financial Accounting

2021-012: Department of Revenue Liquor Commission - Internal Controls to Inventory

Corrective actions: The Wyoming Liquor Division is validating the accuracy of the financial information in EnCompass and is in communication with EnCompass whenever any discrepancies are found by logging a task to resolve the issue.

I. Financial Statement Findings, *Continued*

2021-012: Department of Revenue Liquor Commission - Internal Controls to Inventory, *Continued*

The Liquor Division signed a contract with Accenture, formerly Blue Horseshoe Solutions, as of July 29, 2022. The new ERP and online ordering system is Microsoft Dynamics 365. The Liquor Division has hired a Project Manager to oversee the implementation of the new system. The Project Manager will work with the Accenture implementation team and the Liquor Division staff to conduct thorough testing and ensure accurate and complete reporting. Data mapping and migration will begin this fall to ensure all data uploaded into the new system is accurate.

Anticipated completion date: 03/31/2023

Contact person: Thomas Montoya, Administrator
Arlis Bauer, Accounting Manager

2021-013: STO - Internal Controls and Audit Adjustment to Investment Income

Corrective actions: The STO has added additional language identifying the reporting requirements on the State's investments in the custodial contract and the Investment Policy Statement. In addition, a future phase of the accounting system will complete an automatic third-party verification on all custodial reports. Until the third-party verification portion of the system is available, the STO will continue to review, question, and kick back all discrepancies found manually to the custodian.

Anticipated completion date: 06/30/2023

Contact person: Katie Smith, Administrator of Financial Accounting

2021-014: SAO - Internal Controls and Audit Adjustment to Fiduciary Funds

Corrective actions: The SAO has established a new fund form and a current fund listing, and both must be updated before a new fund is set up in the State's accounting system. Two SAO employees must concur on the classification of the fund, and the Accounting Division Manager must have the final sign-off on the new fund before it can be established in the accounting system.

Anticipated completion date: 12/31/2022

Contact person: Erin Benskin, Accounting Division Manager

I. Financial Statement Findings, *Continued*

2021-015: DWS - SEFA

Corrective actions: The DWS has worked with the SAO in rearranging the SEFA to make it easier for the SAO to identify G01 and T25 expenditures. This will ensure that the T25 expenditures are not reported twice within the SEFA for fiscal year 2022.

Anticipated completion date: June 30, 2022

Contact person: Robin Martin, CFO

2021-016: Governor's Office - SEFA

Corrective actions: The Federal guidance changed in the middle of the reporting period in regards to how primary expenditures should be calculated. Amounts are now calculated based upon when the primary recipient expends them and not when the spending authority is delegated to another State agency.

Anticipated completion date: This has already been completed, June 3, 2022. Fiscal year 2022 SEFA was corrected to properly adjust fiscal year 2021 carry forward numbers accurately and according to the new guidance. Future SEFAs will continue to be reported on the current guidance in place.

Contact person: Rory Horsley, CFO, Department of A&I

2021-017: Wyoming Department of Health (WDH) and State Construction Department (SCD) - SEFA

Corrective actions: The SCD will provide a WOLFS expenditure listing for the Skilled Nursing Facility to the WDH on a monthly basis so the Federal funds expended can be recorded on the WDH SEFA accurately. The WDH will also provide an expenditure listing to the SCD if the WDH records expenditures.

Anticipated completion date: 08/31/2022

Contact person: Ryan Scranton
Debbie Vizina

II. Federal Award Findings

2021-018: Office of State Lands and Investments - Reporting

Corrective actions: There were unknown issues with the prior Accounting Analyst; however, the position has been refilled and the new Accounting Analyst has attended several training courses with Grant Management USA, National Grants Management Association, and the SAO, as well as internal trainings. Meetings with the USDA Forest Service and State grant program managers take place periodically and continued training will take place monthly and annually. The process to verify reported amounts on the SF-425 has been updated to include cross-referencing the WOLFS InfoAdvantage Budget Structure 120 Expense Budget Summary report, Budget Structure 121 Revenue report, and the Detailed Transaction Listing report for each grant and period to show collected revenues and expenditures reported for the reporting period. The Detailed Transaction Listing reports are compiled and saved for each reporting period for reconciliation. The InfoAdvantage Reports (Excel) documents are utilized as a cross-check when compiling the Federal reports for the grants. The process for the completion and review has been adjusted as follows: (1) the Accounting Analyst completes the SF-425, (2) the financial reporting manager reviews for accuracy and completeness, and (3) the assistant state forester reviews, and (4) the state forester reviews and signs prior to submitting to the appropriate Federal agency contact.

Anticipated completion date: September 30, 2022 reporting period

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

2021-019: Governor's Office - Reporting

Corrective actions: The Governor's office received guidance from the U.S. Department of Education to include the Year One corrections in the Year Two annual performance report (APR). This was done and the APR was submitted on June 10, 2022. The APR and the Federal Funding Accountability and Transparency Act report will be reviewed by another Accounting Office staff member prior to their submission.

Anticipated completion date: This was completed in June 2022.

Contact person: Rory Horsley, CFO, Department of A&I

2021-020: DWS - Special Test N: UI Benefit Payments

Corrective actions: The Wyoming Benefits Accuracy Measurement (BAM) program is tasked to meet all Federal case completion requirements to include the 60-day paid timeliness Acceptable Level of Performance (ALP), the 90-day paid timeliness ALP, and a total paid case completion ALP of 98%. BAM staff have been authorized overtime with the objective to meet case completion ALP in compliance with BAM regulations, Employment and Training Handbook 395, Benefits Accuracy Measurement State operations handbook, 5th edition. Additionally, Wyoming BAM staff has an internal performance goal to meet Federal timeliness requirements.

II. Federal Award Findings, *Continued*

2021-020: DWS - Special Test N: UI Benefit Payments, *Continued*

Anticipated completion date: 04/20/2023

Contact person: Robin Martin, CFO

2021-021: DWS - Special Test N: UI Program Integrity - Overpayments

Corrective actions: The DWS is still working with its vendor and its own IT to get the coding issues within WYUI fixed. In the meantime, the DWS implemented a manual process in November 2021 to track employer responses. The DWS started additional processes to monitor employers who failed to respond. The Appeals Division reports all overpayments caused by failure to respond or employer failure, and the BAM unit recently began reporting these failures as well. A spreadsheet is monitored to keep track of the number of failures for each employer. The DWS is continuing work with its contractor to correct the coding issues, but until the coding is completed, the new manual processes are monitoring and tracking employers' failure to respond adequately.

Anticipated completion date: 12/31/2022

Contact person: Robin Martin, CFO

2021-022: DWS - Special Test N: Employer Experience Rating

Corrective actions: The DWS has logged a defect with the vendor for this issue. The UI Tax Division also has requested a query of all accounts with this issue to better understand the defect, fix any accounts that may be impacted, and adjust the rate if needed. The UI Tax Division will start the rating process in November 2022; at that time, we will begin fixing any rate defects.

Anticipated completion date: 12/31/2022

Contact person: Robin Martin, CFO