BOARD OF TRUSTEES
Fiscal and Legal Affairs Committee (FLAC)
Members: Trustee Macey Moore, Chair; Trustee Brad Bonner; Trustee David Fall, Trustee Elizabeth Greenwood, Trustee Jeff Marsh

AGENDA
Wednesday, September 14, 2022; 3:00 – 5:00 PM

Call to Order – Trustee Moore

Items for Discussion:

Internal Audit Activity
  Academic Affairs                      Page 3-16
  Wyoming State Veterinary Laboratory   Page 17-34

Follow-up Reports
  Catering and Events                   Page 35-39
  Office of Scholarships and Financial Aid Page 40-43
  Governmental and Community Affairs    Page 44-46
  Change of Management Audit

Additional Reports:
  “Report a Concern” web page          Page 47-50
  Internal Audit Plan Update and Progress for 2021-2022 Page 51-52

Finance
  External Audit Pre-Audit Report       Page 53-59
  Fiscal Year 2021 Audit Overview and Timeline Page 60
  Quarterly Market and Investment Update-July 2022 Page 61-90
  Division of Budget and Finance Organizational Chart as of August 2022 Page 91

Enterprise Risk Management Project and Goals Update
  ’22-’23Enterprise Risk Management Project and Focus Area Goals Page 92-93
INTERNAL AUDIT ACTIVITY CONDUCTED IN ACCORDANCE WITH THE AUDIT PLAN FOR THE PERIOD September 2021 – August 2022

AUDITS:
- Academic Affairs
- Wyoming State Veterinary Laboratory

FOLLOW-UP REPORTS:
- Catering and Events
- Office of Scholarships and Financial Aid
- Governmental and Community Affairs Change of Management Audit

ADDITIONAL REPORTS:
- “Report a Concern” web page
- Internal Audit Plan Update and Progress for 2021-2022

AUDITS IN PROGRESS:
- Student Fees
- Student Health
- Human Resources
- Change of Management Audit of the Deputy Vice President for Finance
Change of Management Audit
Office of the Provost and Executive Vice President

August 22, 2022

Auditors:
Danika Salmans MBA, CIA, CRMA
Rebecca Garcia, MBA, CIA
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University of Wyoming Board of Trustees:

Internal Audit has completed a review of the Office of the Provost and Executive Vice President for Academic Affairs (AA). This was a change of management audit due to a transition in key leadership. Dr. Kevin Carman was named Provost and Senior Vice President of Academic Affairs in March 2021 beginning to serve full-time in this role on June 7th, 2021. Dr. Carman currently serves as Provost and Executive Vice President. Prior to his hire, Dr. Anne Alexander served in this role in an interim capacity beginning 7/1/2020 succeeding Dr. Kate Miller.

A change in management audit is an independent appraisal that provides feedback to management regarding the design and operational effectiveness of the past leadership and helps to identify any risks to the University related to internal control weaknesses.

The objectives of this audit were to assess activity during FY2020 through FY2022 and review the transition of operations, reporting, compliance, and strategic direction. Internal controls were assessed to ensure that they are designed to address risks to the achievement of strategic objectives.

The overall financial management practices observed in this unit were complex, well-developed, and thorough.

Concerns and weaknesses are identified in this report and potential modifications were discussed with management. If the department is not in compliance with criteria, policies, procedures, or best-practice, this deficiency is described in a formal observation so that the department can develop an action plan to mitigate the risks. The following observations have been made:

**Observation #1:** Some current operating procedures are not formalized, documented, and/or are dated.

A follow-up will be performed in 6 months to assess progress related to the audit recommendations. The audit will remain open until the completion of the follow-up review, at which time we will provide another report.

We would like to thank Kevin Carman – Provost and Executive Vice President, Tami Benham-Deal – Senior Vice Provost, Stephanie Stark – Director of Business Operations, and Mandy Gifford – Chief of Staff for the assistance we received on this audit.

Sincerely,

Danika Salmans MBA, CIA, CRMA  
Director of Internal Audit

Becky Garcia MBA, CIA  
Senior Internal Auditor
Background

The Office of the Provost and Executive Vice President for Academic Affairs oversees and provides leadership for all academic programs and functions at the University of Wyoming.

The Office of Academic Affairs has the lead responsibility for academic planning and academic budget administration, academic personnel decisions and career development, university-wide curricular requirements and degree program development, assessment of student learning, and academic accreditation.

The Provost and Vice Provosts work closely with academic deans and directors, faculty committees, and other divisions of the University on a broad array of policy and strategic planning issues. Our goals are always: excellence in teaching, research and scholarship, and UW Distance and extension; distinctive leadership among institutions of higher learning; and an academic work environment that promotes human capital development and cultivates leaders.

As of July 2021, the organization chart for the Division of Academic Affairs\(^1\) includes the following direct reports to the Provost and Executive Vice President. Vice Provosts and Vice Presidents who report to the Provost and Executive Vice President also have units that report directly to them. As the reorganization effort progresses, it is anticipated evolution from this structure to occur.

- Sr. Vice Provost, Academic Personnel
- Vice Provost, Digital, Distance, and Online
- Vice Provost, Enrollment Management
- Vice Provost, Global Engagement
- Vice Provost, Graduate Education and Dean of the Graduate School
- Vice Provost, Strategic Planning and Initiatives
- Vice Provost, Undergraduate Education
- Vice President, Division of Information Technology
- Vice President, Division of Student Affairs
- Deans
  - College of Agriculture, Life Sciences, and Natural Resources
  - College of Arts & Sciences
  - College of Business
  - College of Education
  - College of Engineering and Physical Sciences
  - College of Health Sciences
  - College of Law
  - Haub School of Environment and Natural Resources
  - Honors College
  - Libraries
  - UW-Casper
- Directors
  - Wyoming Geographic Information Science Center
  - Art Museum
- Faculty Senate

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\(^1\) [http://www.uwyo.edu/acadaffairs/_files/docs/Academic_Affairs_org_chart.pdf](http://www.uwyo.edu/acadaffairs/_files/docs/Academic_Affairs_org_chart.pdf)
Governance

As per UW Regulation 1-1:

Academic Affairs

Academic Affairs oversees the academic colleges and schools; academic personnel; academic centers and institutes; the University of Wyoming at Casper; enrollment management; international programs; the University Libraries; and undergraduate and graduate education.

Academic Affairs shall initiate, organize, or direct such actions as are necessary and appropriate to assure that academic program needs and standards are established and implemented by appropriate units and officers of the University, including accreditation. Academic Affairs shall consult with and advise the President on the recommendations of the heads of the various academic units concerning the organization, development of programs, the appointment of academic personnel, promotions, leaves of absence, salaries, and the commission of special studies relating to curriculum, instruction, academic personnel, and other areas as needed.

Additional administrative units may be assigned to Academic Affairs by the President. Academic Affairs may be supervised by a provost, a senior vice president, or a vice president and may be assisted by a vice provost, associate vice provosts, senior vice presidents, deputy vice presidents, associate vice presidents, and such other assistants as are authorized by the President from time to time

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2 [http://www.uwyo.edu/regs-policies/_files/docs/regulations-2022/uw_reg_1-1_approved_5-12-22.pdf](http://www.uwyo.edu/regs-policies/_files/docs/regulations-2022/uw_reg_1-1_approved_5-12-22.pdf)
Audit Scope, Procedures, and Outcomes

The following steps represent the extent of work needed to achieve the audit objectives. The scope of this audit focused on FY2020 through FY2022; the audited areas and steps are summarized below. The status includes an evaluation of risk to the achievement of objectives as per the below metrics.

- **Concern** – A concern indicates that a department currently satisfies a criterion, policy, or procedure; however, minor improvements need to be made so that the department maintains compliance.
- **Weakness** – A weakness indicates that a department lacks the strength of compliance with criterion, policy, or procedure to ensure that the quality of the program will not be compromised. Therefore, remedial action is required to strengthen compliance with the criterion, policy, or procedure. This might require follow-up to ensure that corrective action has been taken.
- **Deficiency** – A deficiency indicates that a criterion, policy, or procedure is not satisfied. Therefore, the department is not in compliance with the criterion, policy, or procedures. A formal recommendation is issued that requires the department to develop an action plan to mitigate the risks.

<table>
<thead>
<tr>
<th>Area Audited</th>
<th>Test Work Performed</th>
<th>Status</th>
<th>Sample Size</th>
<th>Summary of Findings/Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Controls</td>
<td>Asset Management</td>
<td>Acceptable</td>
<td>4/5</td>
<td>Assets assigned to the department were physically verified. This unit also maintains a comprehensive listing of sensitive assets. Due to a transition in personnel, management is encouraged to facilitate the transition by formally standardizing the practice of regular physical verification of assets.</td>
</tr>
<tr>
<td></td>
<td>Access to Building &amp; Security (Keys &amp; electronic access)</td>
<td>Acceptable</td>
<td>NA</td>
<td>The physical access to AA office space is accomplished through physical keys. Keys to the building and specific offices are assigned to employees as needed; additional keys have been inventoried and are kept in a lockbox. Management is encouraged to formally standardize a check-out/check-in process as well as a regular physical verification of key inventory.</td>
</tr>
<tr>
<td>Financial Controls</td>
<td>Financial Reporting and Monitoring</td>
<td>Deficiency</td>
<td>100%</td>
<td>Accounts were reviewed for solvency, budget authority, and expenditures within limits and criteria. Multiple financial reports were also reviewed to assess the ongoing management of finances. Ancillary reports provided to Management are WyoCloud based with no manual entry components. These reports are considered</td>
</tr>
</tbody>
</table>
informative, comprehensive, and necessary to understanding the financial complexities of this unit. Financial reports are regularly discussed with management.

The unrestricted funding for the Office of the Provost closed in > 10% deficit for multiple fiscal years requiring transfers of funds to resolve. Budget variances improved substantially for FY22.

A designated funding source was observed that included a budgeted transfer of 2% from academic unrestricted budgets; this fund is referred to as the “Provost Tax.”

The Central Position Management (CPM) tracking system was reviewed. CPM tracks salary savings captured throughout the year to meet actual salary commitments for filled positions. CPM is heavily reliant on salary savings to meet budgetary expectations. Due to system limitations, there is no mechanism to validate the data through reconciliation to another source of information. (Observation #1)

This unit successfully manages a significant array of commitments to other departments with unrelated strategic priorities using WyoCloud chart of accounts system tools. However, no standardized process or expectations were observed. (Observation #1)

<table>
<thead>
<tr>
<th>Foundation Accounts</th>
<th>Acceptable</th>
<th>100% 15/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation accounts assigned to the “VP Academic Affairs,” were reviewed to ensure solvency and that expenditures were compliant with criteria. This unit does an exceptional job of managing foundation funding, no concerns were noted.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure Controls</td>
<td>Concern</td>
<td>Data Analysis</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------</td>
<td>---------------</td>
</tr>
<tr>
<td>Expenditures: Purchase Orders, Expense Reports and IDTs</td>
<td></td>
<td>100% 3175/3175</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Fees</td>
<td>Concern</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>Acceptable</td>
<td>100% 26/26</td>
</tr>
<tr>
<td>Personnel</td>
<td>Payroll and Benefits</td>
<td>Acceptable</td>
</tr>
<tr>
<td>-----------</td>
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<td>------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The objective in this category was to assess adequate documentation, controls, staffing structure, reasonableness, and verify that only valid employees were paid. A review of honorariums, awards, and supplemental pay was also performed. No issues were noted.

<table>
<thead>
<tr>
<th>Strategic Controls</th>
<th>Policies and Procedures</th>
<th>Deficiency</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

AA serves to direct academic units towards successfully achieving strategic objectives; AA has not developed procedures that standardize assessing and reporting performance toward strategic objectives. In reviewing comparator institutions, further development of procedures beyond legacy understandings should be considered. (Observation #1)

Central Position Management (CPM), an institutional practice dating to 1999 should be reevaluated for continued institutional benefit. Processes have not evolved with the change in financial systems to consider system capabilities and limitations. (Observation #1)

<table>
<thead>
<tr>
<th>Governance &amp; Culture</th>
<th>NA</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

An assessment of governance and culture was performed by surveying staff. The results have been provided to management to be used to understand concerns and address risks to strategic progress.
Observations, Recommendations, and Responses

Observation #1
Some current procedures are not formalized, documented, and/or are dated

Criteria (control framework or policy that establishes the standard)

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) As per this framework, policies and procedures are a critical foundational and directive control designed to encourage the occurrence of stated objectives. This guidance standardizes practice, establishes internal controls to prevent deviation, and mitigates the risks that the lack of uniformity could present to achieving goals. In addition, they: provide transparency, reinforce the commitment to the institutional mission through expectations of compliance, serve as a reference for accountability, and are fundamentally important to succession planning.

As per UW Regulation 1-13: Academic Affairs shall initiate, organize, or direct such actions as are necessary and appropriate to assure that academic program needs, and standards are established and implemented by appropriate units and officers of the University…

Condition (the current state based on testing)

The following observations were made:

- **Central Position Management (CPM):** The management of this institutional procedure dates to 1999 and has evolved with the changes in departmental leadership. It was developed to accommodate the functionality of a prior financial system which allowed for centralized funding and tracking of positions so that funds related to vacancies could be “captured”.

  - Procedural documentation provided by management was last revised in 2004.
  - The documentation reviewed references language specific to the prior financial system and does not specify fiscal management protocol in WyoCloud.
  - The current CPM financial tracking mechanism does not have a reconciliation component due to WyoCloud system capabilities.

- **Division Budget Planning:** No procedural documentation, either internally or institutionally, was observed developing expectations for standardization of budget planning for entities included in the academic division to ensure congruency and consistency, particularly in the critical area of salary savings.

- **Strategic Funding:** AA manages multiple fund sources which are used for Provost purposes but also used to fund a variety of campus-wide commitments; some currently maintained commitments are priorities of previous administrations. One mechanism for providing this support was the “Provost Strategic Tax.”

  - Although it was reported that information was communicated directly to Deans, no formalized documentation was observed regarding the “2% Provost Strategic Tax.”

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No formal documentation was observed regarding a process for assessing strategic utilization of ongoing support or established the expectations of allowable expenditures.

- **Standardized Expenditures:** AA serves as Cost Center Approver for over 25 Orgs. A wide array of submission styles and standards was observed.

- **Procedural Omissions:** An analysis of the policies and procedures of eleven close peer institutions revealed two types of procedural documents that are not well documented at UW or that need updating.
  - Course overloads
  - Course buyouts (“Release Time”)
    - May 2010 procedural documentation issued by Academic Affairs titled “Release Time Fundamentals,” addresses control and accountability for the practice of “holding state funds that an administrator can use to replace duties for which an employee will be temporarily released”
    - A form to request release 4 time is available on Academic Affairs website. It defines a routing chain of approval and provides direction regarding the financial nuances of the process. It is no longer being used.
    - It was confirmed with the Office of Research and Economic Development that course buyouts are a regular practice in grant submissions.

**Cause** (the reason for the difference between the criteria and condition)

Over the last 10 years, the Office of the Provost and Executive Vice President of Academic Affairs has experienced multiple personnel changes in leadership and staff, and the institution accomplished a major financial system upgrade.

CPM was developed to accommodate the functionality of a prior financial system which allowed for centralized funding and tracking of positions so that funds related to vacancies could be “captured”. The procedure has continued to be used after the implementation of the new financial system. Due to system constraints, these funds are no longer housed in a centralized account and functionality does not track salary obligations to the level of detail required for true management of funds at the position level.

**Consequence** (the impact to the unit or the University)

The lack of or dated nature of policies and procedures contributes to the risk of tasks being completed inconsistently based on personal preferences/objectives and legacy understandings rather than in a standardized and effective manner focused on compliance and meeting institutional objectives.

Sustained inconsistency lends to inefficiencies that could contribute to financial, strategic, compliance, and operational risks. In addition, failure to have standard operating procedures results in dependence on key individuals for performance and continuity.

**Conclusion** (action plans that address the condition, recommendations)

**Recommendation:**

It is recommended that the Central Position Management (CPM) process be reviewed to ensure effectiveness and efficiency, that the benefits exceed the costs. If maintained, the process requires

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4 [https://www.uwyo.edu/acadaffairs/_files/docs/RT_form.pdf](https://www.uwyo.edu/acadaffairs/_files/docs/RT_form.pdf)
functional re-engineering to document procedures, and incorporate an element of reconciliation in the university’s financial system to regularly validate calculations that drive management decisions.

**It is recommended** the Office of the Provost continue to fulfill its compliance with Regulation 1-1 by orchestrating a review of procedures with constituents as necessary to ensure accuracy, applicability, and alignment with strategic objectives. This should include:

- Funding commitments made outside of formal proposal calls
  - Establishing a formalized process for funding requests, where none exist
  - Establishing a process to assess the strategic value of ongoing commitments
  - Establishing expectations regarding how funds will be expensed
- Provost Tax
- Course overloads – procedures to standardize treatment, salary or otherwise
- “Release Time”
- Academic budgeting and salary recapture protocol to include effective and efficient management of CPM salary savings
- Mechanisms to address lack of consistency in expenditures submissions
- Establishment of a cyclical review schedule to ensure regular review and update of practices and procedures

These mechanisms, policies, and procedures have been identified to assist in establishing internal controls that: reduce errors, increase effectiveness and efficiency, address risks to the achievement of objectives, provide for succession planning, transparency and consider the capacity to implement. Written procedures should be communicated to employees, published, and considered a component of performance.

It is a desirable outcome for the delivery of these revised documents to be achieved through a reorganization of the shared drive to provide access to necessary procedural documents to appropriate personnel.

**Response:**

The Office of the Provost has reviewed the report and appreciates the thoroughness of the audit. We are committed to reviewing the CPM process for the purpose of improving efficiencies and effectiveness as well as the mitigation of risk. Consideration will be given to alternative solutions for position management, including the possibility of phasing out CPM and replacing it with a model that gives colleges more autonomy in filling vacancies while simultaneously providing the Provost’s Office with a mechanism for reallocating salary savings captured when higher ranked positions become vacant and replaced by lower ranked positions.

The Provost’s Business Office will develop guidance documents for Division budgeting and planning expectations/processes, funding commitments, and standards for expenditure submission that follow standards established by the Budget and Finance Division. The Provost Tax will be reviewed and determined if it should be retained. If retained, guidance documents will be prepared, distributed, and communicated broadly. The Provost’s Office will work with the Office of Research and Economic Development to review and revise/update standing policies and procedures pertaining to ‘release time’, and distributed/communicated broadly. Since the WyoCloud systems create some limitations for data tracking, the Provost’s Office will establish a mechanism for tracking important information. We will also work with constituents to find solutions for improving
the university’s online systems so that data collection, tracking, analysis, and reporting is more efficient and effective.
Distribution List
Edward Seidel, President of the University of Wyoming
Kevin Carman, Provost and Executive Vice President
Wyoming State Veterinary Laboratory

July 12, 2022

Auditors:
Danika Salmans MBA, CIA, CRMA
Rebecca Garcia MBA, CIA
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University of Wyoming Board of Trustees:

Internal Audit has completed a review of the Wyoming State Veterinary Laboratory (WSVL). This area was identified during the annual risk assessment.

The objectives of this audit were to assess activity during FY 2021 (7/1/2020) through current and included a review of compliance with policies and procedures. Internal controls were assessed to ensure that they are designed to address risks to the achievement of strategic objectives.

The level of risk is assessed by reviewing a department’s compliance with best practice criteria as well as institutional policies or procedures. These documents provide important internal controls instituted by management and designed to mitigate risk to the achievement of strategic objectives.

Concerns and weaknesses are identified in this report and potential modifications are discussed with management. If the department is not in compliance with criteria, policies, or procedures, this deficiency is described in a formal observation so that the department can develop an action plan to mitigate the risks. The following observations have been made:

- **Observation #1:** The Q-Pulse, Vetstar Animal Disease Diagnostic System (VADDS), and S2 system lack proper verification of access
- **Observation #2:** Processes related to account receivables, reconciliations, and cash handling are incomplete
- **Observation #3:** Elements of lab safety and PCI training have not been completed by staff
- **Observation #4:** Advisory committee has not been active as per Wyoming Statute 21-17-308

A follow-up will be performed in six (6) months to assess progress related to the audit recommendations. The audit will remain open until the completion of the follow-up review at which time we will provide another report.

We would like to thank Dr. Jonathan Fox – Department Head for Veterinary Sciences, Dr. Will Laegreid – Former Director of the Wyoming State Veterinary Laboratory, Dr. Kerry Sondgeroth – Interim Director of the Wyoming State Veterinary Laboratory, Beckie Chapin – Accountant, and the many other staff for the assistance we received on this audit.

Sincerely,

Danika Salmans MBA, CIA, CRMA
Director of Internal Audit

Becky Garcia MBA, CIA
Internal Auditor
Background

Our Mission

The Wyoming State Veterinary Laboratory (WSVL) is the largest component of the Department of Veterinary Sciences (VS). The mission of the entire department is to provide quality animal disease diagnostic services; conduct research that impacts animal and human disease; and deliver instruction with experiential learning for students, veterinarians, and citizens of Wyoming. Within this, the mission of the WSVL is to provide accessible, timely, and accurate animal diagnostic services to support the regional livestock industry, public health, wildlife agencies, and the general public. The department has 14 faculty positions (3 currently open). Ten of these positions have significant WSVL appointments and include the WSVL Director. The WSVL also employs about 19 staff members. In addition to laboratory technicians there is a dedicated WSVL accountant and two dedicated senior office associates. The WSVL is a tier II NAHLN laboratory, part of a network of diagnostic laboratories prepared to complete high throughput testing in the event of an animal foreign animal disease outbreak on US soil. Experience in this area enabled the WSVL to be well positioned to complete COVID-19 testing for the University of Wyoming and the surrounding business community during the pandemic. Another key component of the Department is the University of Wyoming Biocontainment Facility (UWBF) which is registered with the CDC to conduct research on tier I select agents. The UWBF comprises a BSL3 necropsy laboratory that is part of the WSVL, and space that allows for research on infectious diseases important to Wyoming such as brucellosis and Q-fever. The departmental faculty/staff/students are primarily based at the West Laramie VS/WSVL complex including all WSVL functions, the UWBF, and some faculty research labs.

Quality Assurance

The Wyoming State Veterinary Laboratory is a fully accredited laboratory committed to the maintenance of a quality assurance program that ensures that all procedures and documentation are in compliance with the quality standards of the American Association of Veterinary Laboratory Diagnosticians (AAVLD). The AAVLD has administered an accreditation program for state-funded veterinary diagnostics laboratories since 1969, and regularly sends both administrative and scientific personnel of accredited laboratories on site visits to other labs seeking accreditation. The WSVL uses the guidelines established by the AAVLD to maintain a high level of quality control throughout our facility to assure reliable and efficient results.

Other Activities

The WSVL is an integral part of the Department of Veterinary Sciences within the College of Agriculture and Natural Resources. In addition to providing diagnostic services, faculty and staff are engaged in research, undergraduate and graduate teaching, and extension work. The majority of our scholastic efforts focus on diseases that threaten the health of livestock, wildlife and companion animals. The laboratory strives to continually modernize testing techniques and efforts. Current test development efforts are centered on expanding the range of molecular diagnostic tests available for known infectious diseases.

Testing
Tests are offered in various areas of analysis, including necropsy, histopathology, bacteriology, parasitology, clinical pathology, toxicology, serology and virology. The WSVL also operates a State-Federal Cooperative program to provide testing that is requested within the state [e.g. Brucellosis and EIA testing (Coggins test)] for federally regulated diseases.

Collaborations

The WSVL research efforts result from collaboration with other diagnostic laboratories, veterinary schools, universities, the USDA, Wyoming Game and Fish Department, and other researchers and teaching programs within the University of Wyoming.

Special Agent Program

The Federal Select Agent Program is jointly comprised of the Centers for Disease Control and Prevention/Division of Select Agents and Toxins and the Animal and Plant Health Inspection Service/Division of Agricultural Select Agents and Toxins. The Federal Select Agent Program oversees the possession, use and transfer of biological select agents and toxins, which have the potential to pose a severe threat to public, animal or plant health or to animal or plant products. The Program greatly enhances the nation’s oversight of the safety and security of select agents by:

- Developing, implementing, and enforcing the Select Agent Regulations
- Maintaining a national database
- Inspecting entities that possess, use, or transfer select agents
- Ensuring that all individuals who work with these agents undergo a security risk assessment performed by the Federal Bureau of Investigation/Criminal Justice Information Service
- Providing guidance to regulated entities on achieving compliance to the regulations through the development of guidance documents, conducting workshops and webinars
- Investigation of any incidents in which non-compliance may have occurred.¹

The WSVL has documents that regulate compliance to the program.

Biosafety and Biosecurity Plan: This document provides guidance for developing and implementing a biosafety/biocontainment plan in accordance with section 12 of the select agent regulations. This includes definitions, plan provision requirements, hazardous characteristics, and a Biosafety/Biocontainment Plan Template.

Incident Response Plan: This document provides guidance for developing and implementing an incident response plan in accordance with section 14 of the select agent regulations. This includes information regarding requirements, natural disasters, and the goals of incident response planning.

Security Plan: This document provides guidance for developing and implementing a security plan in compliance with section 11 of the select agent regulations. This includes information regarding site-specific risk assessments, planning requirements, access, inventory and audits, and barriers.

Compliance is reviewed as part of their accreditation review by the AAVLD (American Association of Veterinary Laboratory Diagnosticians) and CLIA (Centers for Medicare & Medicaid Services Clinical

¹ https://www.selectagents.gov/index.htm
Laboratory Improvement Amendments). Both CLIA and AAVLD site visits occurred in 2021. CLIA certification expires in August 2023, and AAVLD accreditation expires in December 2026.
Audit Scope, Procedures, and Outcomes

The following steps represent the extent of work needed to achieve the audit objectives. The scope of this audit focused on FY 2021 through current, the audited areas and steps are summarized below. The status includes an evaluation of risk to the achievement of objectives as per the below.

- **Concern** – A concern indicates that a department currently satisfies a criterion, policy, or procedure; however, minor improvements need to be made so that the department maintains compliance.

- **Weakness** – A weakness indicates that a department lacks the strength of compliance with criterion, policy, or procedure to ensure that the quality of the program will not be compromised. Therefore, remedial action is required to strengthen compliance with the criterion, policy, or procedure. This might require follow-up to ensure that corrective action has been taken.

- **Deficiency** – A deficiency indicates that a criterion, policy, or procedure is not satisfied. Therefore, the department is not in compliance with the criterion, policy, or procedures. A formal recommendation is issued that requires the department to develop an action plan to mitigate the risks.

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<th>Sample Size</th>
<th>Summary of Findings/Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Controls</td>
<td>Asset Management</td>
<td>Partially Acceptable with Noted Concern</td>
<td>7.6% 11/114</td>
<td>A listing of capitalized assets was obtained from UW Asset Management. A sample of 11 assets was selected for verification. All assets were located. The department has a process for regular review and verification of capitalized and sensitive assets. There is no designated Organization Property Administrator (OPA) for the area. This individual would be responsible to manage equipment from acquisition through disposition. The department is encouraged to designate an onsite individual to serve in this capacity.</td>
</tr>
<tr>
<td>Safety and Emergency Response</td>
<td>Acceptable</td>
<td>NA</td>
<td></td>
<td>The Federal Select Agent Program oversees the possession, use, and transfer of biological select agents and toxins, which have the potential to pose a severe threat to public, animal, or plant health or animal or plant products. There are three documents that regulate compliance. These documents are required by the Federal Select Agent Program (FSAP) and were reviewed as a part of CLIA certification and AAVLD accreditation. No issues were noted.</td>
</tr>
<tr>
<td>Access to Building, Systems &amp; Security</td>
<td>Deficiency</td>
<td>The WSVL utilizes electronic keycard access for exterior doors and interior door access. Security response and break-in alarms are also tested regularly. The department has a process of granting, removing, and reviewing access. Access to BSL2 and BSL3 spaces is reviewed monthly to ensure appropriateness. <strong>Testing of general access identified 53 individuals that should no longer have access.</strong> General access to common areas should be reviewed on a more regular basis. A process should be established for emergency responders, and for reviewing and removing access for ancillary employees. System user access is not regularly validated, thus creating a potential for individuals to maintain system access after the need is terminated. (See Observation #1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Reporting and Monitoring</td>
<td>Partially Acceptable with Noted Concern</td>
<td>Accounts were reviewed for solvency, budget authority, and expenditures within limits and criteria. Multiple financial reports were also reviewed to assess the ongoing management of finances. This fund appears to be sufficient to meet the needs of this department and is managed within the allocation. Upon the placement of a new accountant and director, processes of regular review of financial information with management should continue.</td>
<td></td>
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</tr>
<tr>
<td>Accounts Receivable &amp; Cash Handling</td>
<td>Deficiency</td>
<td>The WSVL charges for services provided and receives approximately $60,000 in payments per month. The review of processes indicated issues with internal controls, segregation of duties, PCI compliance, reconciliations, and cash handling procedures. <strong>Policies regarding the management of AR and associated cash handling need</strong></td>
<td></td>
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</tr>
<tr>
<td>Category</td>
<td>Subcategory</td>
<td>Overall Status</td>
<td>Notes</td>
<td></td>
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<td>--------------------------</td>
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<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Expenditure Controls</td>
<td>Foundation Accounts</td>
<td>Acceptable</td>
<td>Reports were reviewed for utilization of Foundation funding sources. Within the period of audited transactions, no expenditures were expensed to donor fund sources. The Foundation reports show that one account exists to support operations and outreach. No issues were noted.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expenditures: Purchase Orders, Expense Reports and IDTs</td>
<td>Acceptable</td>
<td>All transactional data was analyzed using data analytics software to find potential duplicate or fraudulent transactions, and/or other suspicious areas. Transactions identified through an analysis were tested to ensure compliance, proper documentation, and authorization were present. The department is to be commended for its purchasing practices. Procedures were validated as followed, adequate documentation was attached, and business purposes were sufficiently stated. In many cases, the information and documentation present in the system were beyond expectations.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grants</td>
<td>Acceptable</td>
<td>Controls related to grant management were reviewed. Expenditures were evaluated to ensure compliance with agreements; adherence to budgets was assessed. No issues were noted.</td>
<td></td>
</tr>
<tr>
<td>Personnel Controls</td>
<td>Payroll and Benefits</td>
<td>Partially Acceptable with Noted Concern</td>
<td>The objective in this category was to assess adequate documentation, controls, staffing structure, reasonableness, and verify that only valid employees were paid. A review of awards paid was also performed. The WSVL is currently in the process of hiring for various positions. Further development of duties, policies, and procedures is needed that defines how responsibilities of available staff contribute toward adequate segregation of duties.</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>Deficiency</td>
<td>11% 6/52</td>
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<tr>
<td>Employees have required testing and certification to obtain authorization to work in various areas of the facility. Compliance is tracked in ancillary systems. The UW also requires lab safety training to be completed and documented on a 3-year cycle. <strong>Of 6 employees tested, one was compliant with this requirement. The department needs to ensure compliance with UW training requirements.</strong> (See Observation #3)</td>
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</table>

<table>
<thead>
<tr>
<th>Policies and procedures</th>
<th>Partially Acceptable with Noted Concern</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>The department maintains a detailed inventory of procedures related to operations. These are reviewed regularly and modifications are vetted through an approval process. <strong>Policies and procedures related to accounts receivable, and account management need to be re-engineered.</strong></td>
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<table>
<thead>
<tr>
<th>Strategic Controls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accreditation/ Certification</td>
</tr>
<tr>
<td>Compliance is assessed as part of the accreditation review by the AAVLD (American Association of Veterinary Laboratory Diagnosticians), CLIA (Centers for Medicare &amp; Medicaid Services Clinical Laboratory Improvement Amendments), and the Centers for Disease Control (CDC). Both CLIA and AAVLD site visits occurred in 2021 with certification received Officially, the Biocontainment Facility, a biosafety level 3 laboratory (BSL-3), received Centers for Disease Control and Prevention (CDC) registration in October after a decade long collaborative effort allowing the handling and containment of select pathogens and agents opening the pathway to the study of critical biological problems with national significance.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Governance &amp; Culture</th>
<th>Deficiency</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wyoming Statute 21-17-308 states a six (6) member advisory council should exist known as “the council,” that advises regarding “matters pertaining to the Wyoming State Veterinary Laboratory…” <strong>This council last met in 2019 and has 3 active members. The annual report for 2021 has not been submitted as per statute.</strong> (See Observation #4)</td>
<td></td>
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<tr>
<td>An assessment of governance and culture was performed by surveying staff. The</td>
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</tbody>
</table>
results have been provided to management to be used to understand concerns and address risks to strategic progress.
Observation #1
The Q-Pulse, Vetstar Animal Disease Diagnostic System (VADDS), and S2 system lack proper verification of access

Criteria (control framework or policy that establishes the standard)
A key component of safeguarding University assets (physical and electronic) is an established procedure of independent review and verification of access at unit levels.

Condition (the current state based on testing)
Q-Pulse is a quality management system utilized by Vet Lab to institute best practices but also to ensure maintenance of accreditation.

The WSVL provides diagnostic support to veterinarians, livestock producers, companion animal owners, and the Department of Fish & Game as well as other state and federal agencies. The laboratory uses the Vetstar Animal Disease Diagnostic System (VADDS) to store test results and generate invoices for the services provided.

The WSVL utilizes S2 to manage electronic keycard access for exterior and interior doors. The system has been designed with various access levels. Those with access to BSL3 and BSL2 areas are reviewed monthly.

The WSVL has a process of approving/terminating access in Q-Pulse, VADDS, and S2 for UW Vet Lab and Vet Sciences employees. Permission for physical and electronic/system access additions and removals are dependent on supervisor notification. Upon notification of termination or transfer, access is ended, and access cards are destroyed. However, there was no process to validate that this internal control worked through a regular review (credential audit) of electronic and general physical access.

Testing of the S2 system included a review of individuals that have general physical access. Several individuals (approx. 50) were identified to still have the authorization to access the building even though they are no longer employed and/or no longer have a valid need. Many of these were support staff associated with Operations who are not subject to the WSVL exit process. Access was terminated for these individuals.

Consequence (the impact to the unit or the University)
At the WSVL, users should only have access based on job/educational-related needs. Once that need has ended and/or the job has been terminated, access should be updated timely.

If access permissions are not reviewed on a regular (monthly) basis there is an increased risk that inappropriate access would not be identified and corrected promptly.

Cause (the reason for the difference between the condition and criteria)
System access has been scheduled to be reviewed twice a year though staff shortages have caused a disruption to this process.

Operational staff are provided access based on the need for repair, skilled labor, and to respond to special or urgent matters. As access is granted it is retained in the system.
There is no current communication mechanism for Operations to communicate with WSVL to notify regarding when employees are terminated or will no longer be servicing the WSVL. In addition, the WSVL has not developed a process to request validation from Operations of employees with access so that access can be reviewed and terminated based on need.

Conclusion (action plans that address the condition, recommendations)

Recommendation:
Physical and electronic access additions and removals are currently dependent upon supervisor notification. Further development of this control needs to include periodic (monthly) validation of user access. In addition, the department should cooperate with Operations to devise a collaborative process for determining critical access needs to ensure timely responses. A process should be developed for granting, controlling, and removing access for ancillary staff.

Response:
We recognize that the twice yearly audit of personnel with card access to WSVL is not sufficient. An initial attempt to resolve this insufficiency was unsuccessful due to extreme WSVL staffing shortages. We are in the process of becoming fully staffed and will be developing a plan for monthly evaluation of system access.

Observation #2
Processes related to account receivables, reconciliations, and cash handling are incomplete

Criteria (control framework or policy that establishes the standard)
Presidential Directive 3-1993-1\(^2\) provides detailed expectations regarding accounts receivable, reconciliations, segregation of duties, and cash handling.

The University of Wyoming Fee Book FY2022 July 1, 2021 – June 30, 2022, is a publication that includes approved fees, charges, refunds, and deposits. Exceptions to the elements in the fee book may be granted by the Vice President for Administration.

Condition (the current state based on testing)
Accounts Receivable:

Testing was performed to ensure the life cycle of receivables was complete. This included a review of aging reports, confirmation of balances, and verification of deposits.

Further testing was performed to ensure that account receivable processes were compliant with best practices, and Presidential Directive 3-1993-1 Cash Handling Policies and Procedures. The following issues were noted:

- Rates, as posted in the UW Fee Book as approved by the Trustees, are not consistent with the rates that are being charged to customers. Other discounts are given that are not provisions in the Fee Book.
- Employees are not charged for lab services.

\(^{2}\) http://www.uwyo.edu/regs-policies/_files/docs/presidential-directives/pd_3-1993-1_updated_7-11-17.pdf
• There is no hard system control or established process that incorporates manager approval for issuing write-offs and account adjustments.
• There is no established process for evaluating the customer’s ability to provide payment for high-dollar agreements.

Reconciliations:
Reconciliation processes were validated to ensure that the AR records are regularly reviewed and compared to the system of record. The department demonstrated consistent, partial reconciliations. Deposits are visually compared to WyoCloud/TouchNet reports ensuring they were properly applied. However, the records did not include a fully documented reconciliation to VADDS to demonstrate that the deposit was comprised of credits that were applied to accounts.

Cash handling:
The processes and procedures were compared against best practices, and Presidential Directive 3-1993-1 Cash Handling Policies and Procedures. The following issues were noted:

• Checks are not restrictively endorsed immediately upon receipt.
• Credit card/check payments are not settled daily by posting payments to accounts and forwarding documentation and checks for deposit.
• A change fund existed that was not established as per policy. This has been abandoned.
• The office reported that it accepts credit card information over the phone and enters credit card information on their workstation into the Touchnet Marketplace application. This puts the workstation in the scope of PCI compliance and university guidance on the marketplace application states this practice is prohibited.
• Due to staffing, issues with segregation of duties exist which creates the opportunity for one individual to commit and conceal errors or impropriety.

Consequence (the impact to the unit or the University)
The ability to offer programs and services needs to be evaluated against the capacity to implement proper internal controls. Having documented and implemented internal control processes specific to AR and cash handling are necessary to mitigate the risk associated with these services.

Policies and procedures are essential to provide standardized guidance, establish internal controls, and mitigate the risks that lack of uniformity could present to achieving objectives. In addition, they: reinforce compliance, communicate expectations, serve as a reference for accountability, and are fundamentally important to succession planning.

Conclusion (action plans that address the condition, recommendations)
Recommendation:
It is recommended that the department review its current VADDS Financial/Administrative Procedures and re-engineer them to ensure alignment with the UW Cash Handling Policy and Touchnet Marketplace application expectations.

It is recommended that the presentation in the Fee Book be reviewed and brought into alignment with the current billing rates and practices. In addition, as per policy, the practice of offering employees free services needs to be reviewed by the administration to ensure allowability and then for authorization.

Response:
The Financial/Administrative Procedures have been reviewed, and we are in the process of re-engineering the procedures and internal controls. We are also developing written standard operating procedures and re-staffing the back office. Many of the recommendations related to cash handling, accounts receivable and reconciliations have already been implemented. The remainder will be assigned and implemented over the coming months.

The Fee Book will be reviewed, and the WSVL practice of providing “free” services to employees will be presented to the administration for review/authorization.

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**Observation #3**

Elements of lab safety and PCI training have not been completed by staff

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**Criteria** (control framework or policy that establishes the standard)

Job-related training components are required to equip staff with the information to protect the university and the individual from errors that can cause injury or mismanagement.

As per the University Safety Office³:

- Laboratory Safety, Hazardous Waste, and Biosafety training is required upon hire and every three years thereafter.

As per the Standard Administrative Policy and Procedure related to Payment Card Industry Compliance⁴:

- All personnel in positions that store, process, transmit, have access to, or affect the security of account data will complete PCI DSS training upon hire and at least annually.

**Condition** (the current state based on testing)

To test compliance with training requirements, a sample of lab employees was assessed for completion of the university’s Review Laboratory Safety training. Of the 6 individuals sampled, only one was current with this requirement.

The WSVL accepts credit card payments through Marketplace. Since the unit accepts credit payments, applicable staff are required to complete PCI Compliance training. This has not been completed by the current office staff.

**Consequence** (the impact to the unit or the University)

Compliance with safety training requirements not only protects the individual but also protects the institution should there be an insurance claim. The lack of training compliance could present challenges to the insurer honoring claims if, during the investigation, training requirement violations were uncovered and deemed a related cause.

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³ https://www.uwyo.edu/safety/training/index.html
⁴ http://www.uwyo.edu/regs-policies/_files/docs/policies/pci_policy_sap_final_8-7-18.pdf
Non-compliance with PCI requirements can result in fines to the institution. Training of employees helps to mitigate this risk.

**Conclusion (action plans that address the condition, recommendations)**

**Recommendation:**
WSVL staff must be current on all UW training requirements, further investigation is necessary to ensure comprehensive remedial action is taken.

**Response:**
All students (graduate and undergraduate), staff, and faculty have been informed of this training requirement. An email, containing a link to the training in WyoLearn was sent to all employees alerting them of this UW training requirement. Employees that have been at WSVL three or more years, will take the refresher course; while all new employees will take the full “Laboratory Safety Training” series. The date of the WyoLearn completion will be entered into QPulse (the document and training management system for WSVL), and will automatically alert the employee to refresh their training every 3 years.

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**Observation #4**
Advisory committee has not been active as per Wyoming Statute 21-17-308

**Criteria (control framework or policy that establishes the standard)**
As per Wyoming Statute 21-17-308:
- A six (6) member advisory council should exist known as “the council,” that advises regarding “matters pertaining to the Wyoming State Veterinary Laboratory…” The council shall meet at least semiannually and on other occasions as deemed necessary by the council.
- Prepare an annual report. The annual report of the council shall be prepared for the governor, Wyoming livestock board, Wyoming board of veterinary medicine, president of the University of Wyoming, and such other individuals deemed necessary by the council.

As per University Regulations 12-4, Government Relations:
- University employees have a responsibility to respond to requests from state and federal elected officials and agencies for factual, non-partisan information. University employees shall advise their supervisors of such requests, and the supervisors shall advise both the Vice President for their division and the Director of Government Relations. The Director of Government Relations shall assume responsibility for coordinating the institution’s response to the inquiry.
- Any information provided must be factual and must be shared with the University’s Director of Government Relations.

**Condition (the current state based on testing)**
The advisory council should be made up of 6 members. Three (3) members of the council shall be appointed by the Wyoming board of veterinary medicine and three (3) members shall be appointed by the Wyoming livestock board.
Currently, the advisory council has three active members and one ex officio member. The council last met in 2019.

An annual report for 2020 (submitted) as well as 2021 (in review) were available and provided upon audit request.

The University of Wyoming Office of Governmental and Community Affairs consolidates and publishes governmental reports on a dedicated website upon completion as of the University Regulation process indicating “University employees shall advise their supervisors of such requests, and the supervisors shall advise both the Vice President for their division and the Director of Government Relations. The Director of Government Relations shall assume responsibility for coordinating the institution’s response to the inquiry.” At time of audit, current and historical Wyoming State Veterinary Lab annual reports were not published at the dedicated site.

**Consequence (the impact to the unit or the University)**

Compliance with university regulations and state statutes is a critical component of ensuring that all stakeholder expectations of this entity are met. The council serves as an important internal control to provide review and guidance to the activities of the WSVL, while the University Regulation serves as an important control for the institution to ensure informed and compliant governmental communication and activities.

**Cause (the reason for the difference between the condition and criteria)**

The council did not meet during the COVID pandemic. As members have ended their terms on the council, the department has reported that it has been difficult to find replacements.

**Conclusion (action plans that address the condition, recommendations)**

**Recommendation:**

The WSVL should actively work toward the full appointment of the council and resume meetings as per statute. Further communications with leadership of Government Relations will be necessary to provide information regarding historical activities and establish appropriate protocol for external governmental communications as mandated by statute and as further guided by University Regulation.

**Response:**

Dr. Sondgeroth has reviewed the state Statute ([https://codes.findlaw.com/wy/title-21-education/wy-st-sect-21-17-308](https://codes.findlaw.com/wy/title-21-education/wy-st-sect-21-17-308)) and contacted both the Wyoming Livestock Board and the Wyoming Board of Veterinary Medicine for possible volunteers to create a six member panel. Once all members have been identified a preliminary meeting will be held. Dr. Sondgeroth will be an ex officio member, and a secretary and president will be elected. Following the first organizational meeting, there will be a minimum of two meetings per year. More information to the charge of the committee will be obtained through former directors, and Bill Mai (the UW Vice President for government relations).
Distribution List
Edward Seidel, President of the University of Wyoming
Kevin Carman, Provost and Executive Vice President for Academic Affairs
Barbara Rasco, Dean of the College of Agriculture & Natural Resources
Jonathan Fox, Department Head Veterinary Sciences
Will Laegreid, Director of Wyoming State Veterinary Laboratory
UW Catering

Follow-up

August 2, 2022

Auditor:

Danika Salmans MBA, CIA, CRMA

Rebecca Garcia MBA, CIA
University of Wyoming Board of Trustees:

As per International Internal Audit Standards, audit follow-ups must be completed to ensure management has taken action to effectively implement their audit response action plan or accepted the risk of taking no action.

Internal Audit has completed the follow-up review of the UW Catering audit. This review was originally completed in April 2021. In the assessment of the progress made toward the observations, substantial progress has been made towards the implementation of objectives as indicated in responses to the original report.

As all material concerns have been addressed, this audit is considered closed.

The following table summarizes the recommendations, responses and current status of the observations that were noted in the audit.

Sincerely,

Danika Salmans MBA, CIA, CRMA
Director, Internal Audit
<table>
<thead>
<tr>
<th>Observations</th>
<th>Summary of Recommendations</th>
<th>Summary of Response and Action Plan</th>
<th>Current Status: (Pending, In Progress, or Complete)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Internal systems are not reconciled to WyoCloud resulting in discrepancies</td>
<td>Catering and Events needs to develop a process to reconcile internal inventory (based on physical verification counts), deposit, and purchasing records to WyoCloud reports. Catering should also work with UW Accounting to ensure proper valuation of inventory from July 2017 to date. The errors must be identified, investigated, and explained. Reconciliations between Sage50 and WyoCloud should be completed at regular intervals (at least monthly) for all accounts to ensure that reports to management which include profit and loss statements are correct and differences are identified, investigated, and explained. While Sage50 serves to manage AR, the continued utilization of the system for tracking operations should be assessed for efficiency.</td>
<td>We agree with this observation and will be working toward the recommendation. The Business Office has already begun the training required for the staff to reconcile all accounts to WyoCloud including inventory. Additionally, the Business Office will begin exploring options with the WyoCloud team.</td>
<td>Complete. Beginning in FY2023, we’ve adjusted how we will be tracking accounts receivables for Catering and how we will be reconciling and reviewing on a monthly basis once July is closed. We’ve cleaned up the inventory balances in WyoCloud for the beginning of FY2023 and plan to review inventory monthly. The Director of Shared Business Services (Kaylyn Greenawalt) will be meeting with each Director monthly to review financials and financial details.</td>
</tr>
<tr>
<td>2. Invoicing procedures led to billing and payment issues</td>
<td>Catering and Events should design a procedure to increase the efficiency and effectiveness of billing for services. This includes the practice of issuing a unique invoice number for each event and creating a mechanism so there is no delay in invoicing customers for services provided.</td>
<td>We agree with this observation and have already began implementation of a procedure to ensure unique invoice numbers for all invoices. Additionally, the Catering and Events team is working on a process to ensure that the delays in invoicing customers for services provided is minimized.</td>
<td>Complete. Invoices all have unique invoice numbers, including separation of alcohol. Catering has been better about completing invoices in a more timely manner and we area billing out to customers in a more timely manner. We have restructured job duties in the Business Office and hope this will improve timeliness of billing.</td>
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<tr>
<td>3. Operating procedures were incomplete</td>
<td>Management should analyze processes and develop operating procedures to effectively govern the Catering and Events operation, and for succession planning. These operating procedures should be communicated to employees and considered a component of performance. These written procedures would clearly list decision points and responsible employees for major activities such as food life cycle (ordering to disposal), event planning, event billing, accounts receivable, accounts payable, safety, etc.</td>
<td>The Catering and Events team will be harnessing the resources from the FAST team and begin updating procedures that fit within our directives and goals.</td>
<td>Complete. All training manuals and procedures have been updated for Front of House, Back of House, and Culinary positions.</td>
</tr>
<tr>
<td>Observations</td>
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<tr>
<td><strong>4. Terms and Conditions are not consistently attached to agreements and do not incorporate current business practices</strong></td>
<td>Catering should work with General Counsel to ensure that the Terms and Conditions are updated to represent current operations and expectations. In addition, Catering should attach Terms and Conditions to all customer agreements.</td>
<td>Catering &amp; Events will begin working w/GC and the WyoCloud team for a cohesive and uniformed “terms and conditions” contract verbiage for all clients.</td>
<td>Near completion, will be completed by August 21st. Finalizing verbiage for an embedded hyperlink of terms &amp; conditions.</td>
</tr>
<tr>
<td>Observations</td>
<td>Summary of Recommendations</td>
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<tr>
<td>4. WyoCloud account code functionality is not used consistently and does not fully allow for profit and loss analysis</td>
<td>It is also recommended that financial monitoring outcomes and objectives be established and then accounting mechanisms designed to accomplish those outcomes. This would involve consistent utilization of program and activity codes when processing revenue and expenditure transactions. In addition, management should consider coding labor costs to specific apartments, if deemed appropriate.</td>
<td>We agree it is important for management to see financial profitability for each apartment complex. Beginning in the fiscal year 2022, we started to use program codes differently to effectively report on each apartment complex both. Beginning in FY2023, we will begin to budget for each apartment complex using these codes as well. The Business Office has already made significant progress for this level of review.</td>
<td>Complete. New account coding has been updated for FY2023 so apartment complexes and halls are separated out and expenses will be accounted for appropriately. Monthly review of financials and financial details will be done with the Director of Housing and Director of Shared Business Services. Adjustments will be made as needed to account coding throughout the year.</td>
</tr>
<tr>
<td>5. Internal controls related to leaseholder account management need to be improved</td>
<td>Management should first explore StarRez functionality to install a hard control of approval for all rate changes. An aging report should be reviewed monthly and provided to management. The deposit documentation and reconciliation process must include a receipt/log process for all funds received in person so that these deposits may effectively be tracked from receipt.</td>
<td>Management is exploring the possibility of a StarRez functionality for approving rate changes. The Business Office will include a review of the internal controls and separation of duties during the process of updating the standard operating procedures and will include this information in the documentation of the procedures. The Director of Shared Business Services and Business Manager will review the accounts in StarRez monthly to ensure adherence to policies and procedures and balance issues with tenants.</td>
<td>Near Completion. A report in StarRez known as the &quot;Room Rate Mis Match Report&quot; is run monthly, saved in the Contract Teams files, and reviewed for any room rates that don’t match the booking rate. Additionally, the room rates in StarRez will be compared to the Fee Book &amp; Website after the Fee Book has been approved and the Website updated. An aging report, currently known as the Late Fee Report, is sent to management twice a week (Mondays &amp; Fridays). For any tenant who is past due without a payment plan established is charged late fees for each day they are late per their lease agreement. Three notices are sent to a tenant on an established cadence. The third notice begins the eviction process which involves General Counsel and UW PD. The Director of Shared Business Services and Business Manager are establishing a reconciliation process as of July 2022 month-end close comparing StarRez billing and WyoCloud payments. Additionally, refunds for any reason (deposit, lease cancellation, etc.) require a three-step process to ensure the accuracy of the amount refunded.</td>
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</table>
Office of Scholarships & Financial Aid

Follow-up

August 11, 2022

Auditor:

Danika Salmans MBA, CIA, CRMA

Rebecca Garcia MBA, CIA
University of Wyoming Board of Trustees:

As per International Internal Audit Standards, audit follow-ups must be completed to ensure management has taken action to effectively implement their audit response action plan or accepted the risk of taking no action.

Internal Audit has completed the follow-up review of the Office of Scholarships and Financial Aid audit. This review was originally completed in December 2021. In the assessment of the progress made toward the observations, implementation of objectives as indicated in responses to the original report is substantially complete and this audit is considered closed.

The following table summarizes the recommendations, responses and current status of the observations that were noted in the audit.

Sincerely,

Danika Salmans MBA, CIA, CRMA
Director, Internal Audit
<table>
<thead>
<tr>
<th>Observations</th>
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<th>Summary of Response and Action Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Internal controls related to awarding procedures need to be improved</td>
<td>While one individual is the expert on awarding funds, the department is encouraged to enhance internal controls by developing a process of review and validation by a second individual. This will contribute toward better segregation of duties.</td>
<td>Complete: With Foundation Funds, we have modified the prior process of secondary validation to include a second individual that is not involved in the initial awarding of funds. This individual will review a qualification report prior to disbursement to ensure secondary validation is in place and donor criteria maintained. With Hathaway, Admissions has provided their process, which outlines multiple levels of secondary validation. We have hard system controls in place that prevents the award and disbursement of funds that do not coincide with the previously validated Admissions attribute.</td>
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<td></td>
<td>The Office of Scholarships &amp; Financial Aid (OSFA) will review areas where singular knowledge exists with regard to awarding funds and make a concentrated effort to expand training and responsibilities to relevant staff.</td>
<td>In Progress: We have incorporated a step in our new account process that hard system controls for both awarding and disbursement are established in the student information system (Ellucian/Banner). Additionally, we are auditing the system to add and/or enhance hard system controls for both awarding and disbursement for funds where they previously did not exist or did but require modification. Unfortunately, we have lost the position that was concentrating on this task but we will continue to incorporate in the duties of their replacement when hired/trained.</td>
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<tr>
<td>Opportunities to implement hard system controls should be explored</td>
<td>The scholarship system ensures hard system controls with regard to awarding at time of selection. The student information system (Ellucian/Banner) has the capability to ensure hard system controls for both awarding and disbursement. These rules are partially implemented therefore integrity reports are generated in advance of disbursement to maintain fund/donor criteria. To ensure they are implemented across all funds with specific criteria an overhaul and substantial time commitment is required. OSFA will concentrate a team of individuals to project completion over a reasonable amount of time.</td>
<td>In Progress: We have incorporated a step in our new account process that hard system controls for both awarding and disbursement are established in the student information system (Ellucian/Banner). Additionally, we are auditing the system to add and/or enhance hard system controls for both awarding and disbursement for funds where they previously did not exist or did but require modification. Unfortunately, we have lost the position that was concentrating on this task but we will continue to incorporate in the duties of their replacement when hired/trained.</td>
</tr>
<tr>
<td>Due to the nature of the work in this office, the inclusion of FERPA training as an annual requirement should be considered. Completion of all required training should be considered in annual performance evaluations.</td>
<td>FERPA training has been implemented within HCM to be completed on an annual basis. Upon hire and annually, employees will take FERPA training. OSFA managers will utilize HCM reminders to address timely completion of all required training.</td>
<td>Complete: FERPA and GLBA training has been implemented within HCM and is required for all new employees, access will not be granted until training is complete. OSFA will require all employees to retake the training each year in January. Timely completion will be monitored in February and access will be removed until the training is complete. To date all OSFA employees are current on FERPA and GLBA training.</td>
</tr>
<tr>
<td>In addition, a comprehensive document of policies and procedures is present, but would benefit from the addition of some departmental procedures for the purpose of training and contribute toward succession planning.</td>
<td>OSFA has a current Policies and Procedures document that focuses on the administration of federal aid as required by the Department of Education. A recent restructured position was developed to address internal operations, communications, policies, and procedures with specific focus on the administration of non-federal programs and will add the recommended departmental procedures to the policies and procedures manual. OSFA will work with Foundation, Sponsored Programs, and Student Financial Services to further develop cross-communication and collaboration to ensure effective administration of related programs.</td>
<td>In Progress: We continue to develop and refine internal Policies &amp; Procedures for all aspects of financial aid. We have established a Policy &amp; Procedure development goal for all employees and have assigned a singular employee (Program Coordinator for Compliance) to ensure we are working towards formalization in a central manner. We are organizing all Policies &amp; Procedures in a central Team to compile in an evolving platform. OSFA has established a consistent line of communication with Foundation, Sponsored Programs, and Student Financial Services to develop cross-communication and collaboration.</td>
</tr>
<tr>
<td>Observations</td>
<td>Summary of Recommendations</td>
<td>Summary of Response and Action Plan</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td><strong>2. Financial management needs to be improved</strong></td>
<td><strong>The department is encouraged to develop a process to review and analyze the financial reports (Account Analysis, General Accounting Dashboard, CDO, etc.) to assess and monitor financial activity. This will mitigate the risk of accounts carrying balances or deficits and reduce the risk of undetected errors.</strong></td>
<td><strong>The Office of Scholarships &amp; Financial Aid (OSFA) utilizes the monthly Account Analysis provided by a member of UW’s FAST Team to review and reconcile the OSFA budget and internal expenditures. To further utilize the financial reports provided by the institution, OSFA will identify an individual within the office as an internal monitoring control.</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Balances in a designated account need to be reviewed, and sources investigated. Future requests for funds need to ensure that requests incorporate current balances.</strong></td>
<td><strong>OSFA will work with Sponsored Programs and Student Financial Services to develop cross-communication and collaboration to ensure effective administration of the specified designated account and other related accounts.</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Expired grants need to be closed in the WyoCloud system. If there is a deficit balance, the department needs to work closely and expediently with the Office of Sponsored Programs to rectify the deficit balances.</strong></td>
<td><strong>An analysis and review has been completed by Sponsored Programs to reconcile and close by January 2022. A process is being developed to ensure accounts are reconciled throughout the fiscal year to ensure there is no deficit or excess balance. We will maintain active collaboration between OSFA and Sponsored Programs.</strong></td>
</tr>
</tbody>
</table>
Government and Community Affairs

Follow-up

July 27, 2022

Auditor:

Danika Salmans MBA, CIA, CRMA
Rebecca Garcia MBA, CIA
July 21, 2022

University of Wyoming Board of Trustees:

As per International Internal Audit Standards, audit follow-ups must be completed to ensure management has taken action to effectively implement their audit response action plan or accepted the risk of taking no action.

Internal Audit has completed the follow-up review of the Government and Community Affairs audit. This review was originally completed in October 2021. In the assessment of the progress made toward the observations, substantial progress has been made towards the implementation of objectives as indicated in responses to the original report and the audit is considered closed.

The following table summarizes the recommendations, responses and current status of the observations that were noted in the audit.

Sincerely,

Danika Salmans MBA, CIA, CRMA
Director, Internal Audit
### Observations

1. Deficiencies were noted in the current support structure.

<table>
<thead>
<tr>
<th>Observations</th>
<th>Summary of Recommendations</th>
<th>Summary of Response and Action Plan</th>
<th>Current Status: (Pending, In Progress, or Complete)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the ongoing process of establishing and optimizing the support structure for Governmental Affairs, immediate priority should be given to working with Human Resources to appropriately update and audit job descriptions and titles to reflect actual duties and supervisor relationships.</td>
<td>The office will also work with Human Resources to ensure that the positions appropriately reflect the actual job duties and supervisor relationships.</td>
<td>Two new positions have been added to the budget for FY 2023 for the Governmental Affairs and Community Engagement office. The positions are Assistant to the Vice President (1382) and Administrative Associate (3158). The new Vice President for Governmental Affairs, Community Engagement will start on August 15, 2022 and will then be able to hire people for the newly added positions.</td>
<td>Two new positions have been added to the budget for FY 2023.</td>
</tr>
<tr>
<td>In the next budget cycle, adjustments should be made to associate these positions with Government Relations so that true costs of business can be accurately assessed.</td>
<td>The office of Governmental and Community Affairs will work with the President’s office and Vice President for Administration’s office to ensure that funding in the next budget cycle for the two positions align correctly.</td>
<td>Two new positions have been added to the FY 2023 budget.</td>
<td>Two new positions have been added to the FY 2023 budget.</td>
</tr>
<tr>
<td>The physical office location of the unit should also be assessed to appropriately reflect the delineation of responsibilities and prevent continued confusion</td>
<td>In addition alternative locations for the office will be looked at and evaluated.</td>
<td>Due to the new hire for Vice President for Governmental Affairs and Community Engagement, the location issue has not been addressed at this time. Once the new Vice President for Governmental Affairs and Community Engagement has started this issue can be addressed.</td>
<td>Due to the new hire for Vice President for Governmental Affairs and Community Engagement, the location issue has not been addressed at this time. Once the new Vice President for Governmental Affairs and Community Engagement has started this issue can be addressed.</td>
</tr>
</tbody>
</table>
Report a Concern

**Background:** Internal audit has maintained an anonymous reporting mechanism for many years. Formerly, an individual could report a concern using a form on the Internal Audit webpage that would then send notice and details via email to Internal Audit staff. If appropriate, an investigation would be performed, and the results reported to the administration and the FLAC.

**Issue:** The reporting form on Internal Audit’s web page did not provide a way to communicate with the individual issuing the concern. This did not allow Internal Audit to seek clarifying information or provide feedback that the concern was addressed. In addition, many other departments campus-wide also maintained web-based forms for reporting department-specific concerns.

**Solution:** In researching reporting functions used by other higher education institutions, EthicsPoint was identified as a good solution to mitigate the identified issues. In cooperation with General Counsel, Internal Audit contracted with NAVEX Global to provide the EthicsPoint reporting tool. This tool has consolidated the efforts of multiple departments (EORR, HR, Audit) and allows individuals to make an anonymous report but also creates a mechanism for those responding to the situation to seek clarifying information or provide feedback that their concerns have been addressed.

**What is EthicsPoint?**

EthicsPoint is a comprehensive and confidential reporting tool created by NAVEX Global that enables management, employees, students, and other stakeholders to work together to address fraud, abuse, and other misconduct in the workplace while cultivating a positive environment.

**EthicsPoint** created a reporting site that looks consistent with UW websites. The system also has a way for people to call a “hotline” to report their concern.

---

Our Commitment

University of Wyoming is an organization with strong values of responsibility and integrity. Our Code of Ethics contains guidelines for accomplishing our mission with the highest standards of excellence.

University of Wyoming is committed to an environment where open, honest communications are the expectation, not the exception. We want you to feel comfortable in approaching your supervisor or management in instances where you believe violations of policies or standards have occurred.

In situations where you prefer to place an anonymous report in confidence, you are encouraged to use this hotline, hosted by a third-party hotline provider, EthicsPoint. If you have concerns or need further guidance, you are encouraged to submit reports.

This system allows you to make an anonymous report while still allowing us to communicate with you. You can provide additional information and receive follow-up. The information you provide will be sent to us by EthicsPoint on a totally confidential and anonymous basis if you should choose. You have our guarantee that your comments will be heard.

See the EthicsPoint FAQs for more information.
Why does UW need a system like EthicsPoint?

- Our employees and students are our most important assets. By creating open channels of communication, we promote a positive campus environment and maximize productivity.
- An effective reporting system augments our other efforts to foster a culture of integrity and ethical decision-making.

“Report a Concern” web page

To further promote the importance of an ethical climate on campus, a “Report a Concern” web page has been developed that concatenates reporting mechanisms from other areas across campus.

Visibility, Marketing, and Promotion:

Visibility and promotion of opportunities to ask questions and report concerns fosters an ethical climate on campus.

A link will be placed on WyoWeb so that the ability to report a concern will be front facing. A link to the UW Code of Ethical Conduct will also be provided on this page.

Internal Audit will continue to work with UW Marketing to promote the availability of this page. In addition, EthicsPoint has made marketing posters available for further promotion of the reporting tool.
Other Crimes

Campus Climate

Health & Safety

Fraud, Waste, Misuse of Funds

Discrimination & Harassment

Research Ethics

Concerns About a Student

Employment, Conflicts or Disputes

Our Commitment - Your Concern

The University of Wyoming is committed to an environment where open, honest communications are the exception, not the exception. We want you to accomplish our mission with the highest standards of excellence.

The University of Wyoming is an organization with strong values of responsibility and integrity. Our Code of Ethical Conduct contains guidelines for policies.

In our community based on the concept of "Do unto others, as you would have them do unto you." If this is an emergency, call 911.
MAKE A DIFFERENCE

SPEAK UP

PRESCRIBE OUR CULTURE OF INTEGRITY

If you ever have a concern about unethical, illegal or irresponsible activity, don’t keep it to yourself. Discuss it with a manager or supervisor.

If you prefer to remain anonymous, contact NAVEX.

Mobile:
uwymobile.ethicspoint.com

Online:
uwyo.ethicspoint.com

Phone:
833-921-5214

Toll-free • 24 hours a day • 7 days a week
Internal Audit Plan Review

According to the International Professional Practices Framework adopted by the Institute of Internal Auditors, Performance Standard 2010 states that the Director of Internal Audit must establish a risk-based plan that is consistent with the University’s goals.

Progress against the Audit Plan should be evaluated regularly to ensure that risks are being addressed. In any given year, there will be changes that might impact the audit plan due to the University’s dynamic nature. As a result, it is important to review the audit plan, manage the plan throughout its life cycle, and be flexible to University changes so that resources stay focused on evolving risk areas and concerns.

This section provides an overview of audits that were approved by the FLAC committee and progress against that approved plan.
<table>
<thead>
<tr>
<th>Audit Schedule for September 2021 - August 2022</th>
<th>Audit Year</th>
<th>Presented</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alumni (Annual) FY21</td>
<td>2021-2022</td>
<td>11/17/2021</td>
</tr>
<tr>
<td>NCAA (Annual)</td>
<td>2021-2022</td>
<td>1/12/2022</td>
</tr>
<tr>
<td>4-H Foundation (Annual) FY21</td>
<td>2021-2022</td>
<td>1/12/2022</td>
</tr>
<tr>
<td>Main Cashier (Annual)</td>
<td>2021-2022</td>
<td>3/23/2022</td>
</tr>
<tr>
<td>NCAA Football Ticket Verification (Annual)</td>
<td>2021-2022</td>
<td>Canceled - not required</td>
</tr>
<tr>
<td>Results and Reporting (Annual)</td>
<td>2021-2022</td>
<td>5/11/2022</td>
</tr>
<tr>
<td>Audit Schedule Development (Annual)</td>
<td>2021-2022</td>
<td>5/11/2022</td>
</tr>
<tr>
<td>Capital Construction Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR/Payroll Review - scope to be defined</td>
<td>2021-2022</td>
<td>in progress</td>
</tr>
<tr>
<td>Cash Advance Process Review</td>
<td>2021-2022</td>
<td>9/14/2022</td>
</tr>
<tr>
<td>Student Course/Program Fees</td>
<td>2021-2022</td>
<td>in progress</td>
</tr>
<tr>
<td>Student Health Services</td>
<td>2021-2022</td>
<td>in progress</td>
</tr>
<tr>
<td>Alternative (see list below): State Vet Lab</td>
<td>2021-2022</td>
<td>9/14/2022</td>
</tr>
<tr>
<td>Fraud, Waste, and Abuse (FWA) Investigations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*FWA - questionable use of equipment</td>
<td>2021-2022</td>
<td>11/17/2021</td>
</tr>
<tr>
<td>Consultation - Special Projects (COVID)</td>
<td>2021-2022</td>
<td>NA</td>
</tr>
<tr>
<td>Follow-Up Reports / Unfinished audits from previous year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Financial Aid</td>
<td>2020-2021</td>
<td>1/12/2022</td>
</tr>
<tr>
<td>*Change of Management - Arts and Sciences</td>
<td>2020-2021</td>
<td>5/11/2022</td>
</tr>
<tr>
<td>*Change of Management - Academic Affairs</td>
<td>2020-2021</td>
<td>9/14/2021</td>
</tr>
<tr>
<td>*UW Apartments</td>
<td>2020-2021</td>
<td>11/17/2021</td>
</tr>
<tr>
<td>*State Match</td>
<td>2020-2021</td>
<td>11/17/2021</td>
</tr>
<tr>
<td>*Change of Management Government and Community Affairs</td>
<td>2020-2021</td>
<td>11/17/2021</td>
</tr>
<tr>
<td>Change of Management Audit: Admin, Budget, Finance (David Jewell) added 9/2021 per FLAC</td>
<td>Additional</td>
<td>in progress</td>
</tr>
<tr>
<td>IMPACT 307</td>
<td>Additional</td>
<td>3/23/2022</td>
</tr>
</tbody>
</table>

Alternatives:
- Operations
- State Vet Lab
- Crypto Currency/internal controls - College of Business
- Student Media
- OSP Invoicing
- Student Travel
University of Wyoming

Pre-Audit Report to the Fiscal and Legal Affairs Committee
August 23, 2022
Contents

Introductory Matters 1
Planned Scope and Timing of the Audit 2
Auditing and Accounting Matters 4
Consideration of Errors or Fraud 4
Questions/Observations/Suggestions 5
The purpose of this report is to summarize various matters relating to our approach for the June 30, 2022, audit of the financial statements of the University of Wyoming (the University).

Audits of Financial Statements and Compliance

We will conduct our audits in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) Those standards require that we plan and perform

- The audit of the financial statements to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
- The audit of compliance with the types of compliance requirements described in the U.S. Office of Management and Budget, Compliance Supplement that are applicable to each major federal award program to obtain reasonable rather than absolute assurance about whether noncompliance having a direct and material effect on a major federal award program occurred.

Our audits will be made for the purpose of rendering opinions on the following financial statements as of and for the years ended June 30, 2022 and 2021:

- University of Wyoming (including bond requirements) (financial and compliance audit)
- Wyoming Public Media (financial audit)

An audit of the financial statements does not relieve management or the Board of Trustees of their responsibilities.

Other Services

Other services we will provide include:

- NCAA Agreed-upon Procedures Engagement
- Agreed-upon Procedures for Cowboy Joe Club
- Attestation Services related to the Corporation of Public Broadcasting Annual Financial Report for Wyoming Public Media
- Assist in drafting the schedule of expenditures of federal awards and assistance completing the auditee portion of the data collection form (nonattest service)
The actual terms of our engagement are more fully documented in the Agreement for Services (Agreement) dated May 16, 2018 and Amendment No. 8 of the Agreement dated April 12, 2022, and signed by you and FORVIS.

Our audit approach emphasizes the areas of higher risk, focusing on the unique characteristics of the operating environment, the effectiveness of your internal control, and your financial statement amounts and disclosures.

Based on our understanding of your entity and our assessment of your internal control, we plan our audit to achieve the appropriate level of assurance regarding material misstatements and material weaknesses in internal control over financial reporting.

Significant Risks Identified

We have preliminarily identified the following areas of significant risks of material misstatement due to error or fraud and propose to address these areas as described:

✓ Risk of management override of controls
  • **Planned Audit Approach:** Review accounting estimates for bias, review of journal entries, evaluate business rationale for unusual transactions

✓ Revenue recognition
  • **Planned Audit Approach:** Review revenue for proper cut-off and compliance with requirements determining recognition for significant revenue streams including state appropriations, tuition and fees, and grants revenue (includes COVID-19 funding). Analytically test revenue accounts and inquire of unexpected variances.

✓ Related-party transactions
  • **Planned Audit Approach:** Review transactions occurring between related parties (including component units) by comparing activities to agreements and/or confirmation of activity

✓ Implementation of new accounting standards – GASB 87, Leases
  • **Planned Audit Approach:** Review management’s determination and analysis of leases under GASB 87; test for proper valuation and presentation within the financial statements

✓ Grants receivable
  • **Planned Audit Approach:** Perform various tests/analysis on balances to assess reasonableness of amounts recorded

✓ University – Student accounts receivable, net and student loans receivable, net
  • **Planned Audit Approach:** Evaluate adequacy of allowance for doubtful accounts estimated by management

✓ University – Capital assets
  • **Planned Audit Approach:** Review for proper capitalization and depreciation

✓ University – Debt
  • **Planned Audit Approach:** Confirm new debt and test debt covenants for compliance
University – Compliance with requirements described 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)

- **Planned Audit Approach:** Select a sample of transactions and test for compliance with federal and grant requirements for major federal programs

Wyoming Public Media – Paycheck Protection Program (PPP) Loan

- **Planned Audit Approach:** Confirm forgiveness with the Small Business Administration

Wyoming Public Media – Compliance with Corporation of Public Broadcasting (CPB) guidelines

- **Planned Audit Approach:** Review financials for compliance with CPB guidelines

We welcome any input you may have regarding the risk areas identified above, any other significant risk areas in your opinion, or other matters you believe warrant particular attention during the audit.

We may identify additional significant risks as we complete risk assessment procedures.

We propose the following timeline:

**Delivery and Review of Draft Financial Statements, Auditor’s Reports and Management Letter – June 30, 2022**

Drafts of the financial statements, auditor’s reports, and management letter, together with our letter regarding auditor responsibilities, will be furnished to the Fiscal and Legal Affairs Committee two weeks prior to the November Board of Trustees meeting.

**Final Reports – June 30, 2022**

Final reports to the Board of Trustees will be issued subsequent to the approval of the draft financials at the November 2022 scheduled meeting of the Board.

**Ongoing Communication**

Regular communication between the Fiscal and Legal Affairs Committee and the auditors is critical to the success of the audit. Accordingly, the audit team will be available to the Fiscal and Legal Affairs Committee at any time throughout the audit. In addition, there may be instances which require communication during the audit (prior to delivery of the financial statements), such as:

- Fraud involving senior management
- Illegal acts
- Significant deficiencies and/or material weaknesses
- Material instances of noncompliance for federal award programs
We understand the appropriate person in the governance structure with whom to communicate is Ms. Macey Moore.

If for any reason any member of the Fiscal and Legal Affairs Committee would need to contact us, please call Marcie Ardan, Managing Director, at 303.861.4545.

We wish to communicate the following significant matters related to the financial statement audit to you that are, in our judgment, relevant to your responsibilities in overseeing the financial reporting process:

**Critical Audit Areas**

- Segregation of duties
- Revenue recognition
- Related-party transactions and component units
- Significant estimates
- Commitments and contingencies
- Capital assets and construction in process
- Compliance with debt covenants
- Expenses/expenditures
- Recognition and disclosure of retirement and postemployment benefit plan information
- New accounting pronouncements
- Compliance with federal award programs

**Use of Specialists or Other Experts**

- Harvest Investments will be used to test the valuation of the investments held by the University
- ITRS review of the IT systems

**New Accounting Pronouncements**

- Implementation of GASB 87, *Leases*

**Independent Auditor’s Report**

- An emphasis-of-matter paragraph will be included for the implementation of GASB 87

One of the most common questions we receive from audit committees is, “How do you address fraud in a financial statement audit?” Our responsibility, as it relates to fraud, in an audit of financial statements is addressed in auditing standards generally accepted in the United States of America.
Our audit approach includes such procedures as:

Engagement Team Brainstorming

- Discussion among key engagement team members regarding the University’s selection and application of accounting principles, including related disclosure requirements, and how and where the University’s financial statements might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the University could be misappropriated
- An emphasis is placed on the need to maintain a questioning mind throughout the audit and to exercise professional skepticism in gathering and evaluating evidence

Inquiries of Management and Others

- Inquiring of the Fiscal and Legal Affairs Committee Chair, the President, the Vice President for Finance and Administration, the Internal Auditor, General Counsel, the Controller, and others within the University about the risks of material misstatement
- Inquiries about the risks of material misstatement include specific inquiries regarding fraud risks, such as whether the individual has knowledge of any fraud or suspected fraud affecting the University

Reviewing Accounting Estimates for Bias

Considering the Risk that Management May Attempt to Present Disclosures to the Financial Statements in a Manner that May Obscure a Proper Understanding of the Matters Disclosed (For Example, By Using Unclear or Ambiguous Language)

Evaluating Business Rationale for Significant Unusual Transactions

Evaluating Business Rationale for Significant Transactions with Related Parties

Incorporating an Element of Unpredictability Into the Audit Each Year

At this time, we would certainly welcome any additional questions that any members of the Board of Trustees may have. As always, you may also contact Marcie Ardan, Managing Director, at 303.861.4545 at any time.
FY 22 Audit Overview and Timeline

University of Wyoming FORVIS Audit Timeline:

- Main Audit Fieldwork - September 6th to October 28th
- Wyoming Public Media – September 19th to September 23rd and October 17th to October 21st
- Single Audit – September 19th to October 7th
- NCAA Agreed Upon Procedures – October 10th to October 14th
- Cowboy Joe Club Agreed Upon Procedures – October 17th to October 21st
- Draft Financial Statements - Late October
- Final Financial Statements – November FLAC Meeting
University of Wyoming

Investment Performance Review
For the Quarter Ended June 30, 2022
Agenda

- Market Update
- Account Summary
- Portfolio Review
Market Update
The focus on inflation remains very high, with the Consumer Price Index increasing 8.5% year-over-year as of July 31, 2022.

Due to the surge in inflation, the Federal Reserve has increased the overnight federal funds target rate four times in 2022 (March, May, June and July).

The Federal Reserve is expecting to continue to hike interest rates to combat inflation.

The U.S. labor market remains a tailwind as the economy added 2.7 million new jobs this year.

Unemployment declined to at 3.5% in July while wage growth remains elevated. Nearly 2 job openings (10.7mm) for every unemployed person (5.7mm).

Job gains have begun to moderate, and the level of new weekly jobless claims has increased noticeably. Fed is okay with softer job market to slow inflation.

The economy has downshifted from its torrid pace of 2021 as federal stimulus programs ended and rampant inflation cuts into consumer spending habits and corporate profits.

Economists' estimates for the future GDP reflect expectations for growth to normalize in the future.
Factors Contributing to the Consumer Price Index (CPI YoY)

Source: Bloomberg, as of July 2022.
### Treasury Yields Move Higher Across the Curve

<table>
<thead>
<tr>
<th>Maturity</th>
<th>2Q2022 06/30/22</th>
<th>2Q2021 06/30/21</th>
<th>YoY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-month</td>
<td>1.63%</td>
<td>0.04%</td>
<td>+1.59%</td>
</tr>
<tr>
<td>1-year</td>
<td>2.74%</td>
<td>0.07%</td>
<td>+2.67%</td>
</tr>
<tr>
<td>2-year</td>
<td>2.95%</td>
<td>0.25%</td>
<td>+2.70%</td>
</tr>
<tr>
<td>3-year</td>
<td>3.01%</td>
<td>0.46%</td>
<td>+2.55%</td>
</tr>
<tr>
<td>5-year</td>
<td>3.04%</td>
<td>0.89%</td>
<td>+2.15%</td>
</tr>
<tr>
<td>10-year</td>
<td>3.01%</td>
<td>1.47%</td>
<td>+1.54%</td>
</tr>
<tr>
<td>30-year</td>
<td>3.18%</td>
<td>2.09%</td>
<td>+1.09%</td>
</tr>
</tbody>
</table>

Source: Bloomberg, as of August 26, 2022.
Treasury yields rose in anticipation of rate hikes.

Source: Bloomberg, as of 7/31/2022.
Fed Participants’ Assessments of ‘Appropriate’ Monetary Policy

- Jun-22 FOMC Projections
- Jun-22 Median

Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members’ judgement of the midpoint of the appropriate target range for the federal funds rate at each year-end.
### Account Summary

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>WGIF</td>
<td>$91,956,310</td>
</tr>
<tr>
<td>WGIF Managed Account</td>
<td>$416,307,318</td>
</tr>
<tr>
<td>Total Program</td>
<td>$508,263,628</td>
</tr>
</tbody>
</table>

### Sector Allocation

- U.S. Treasury: 60%
- Commercial Paper: 18%
- Local Government Investment Pool: 8%
- Negotiable CD: 6%
- Corporate: 6%
- Supranational: 1%

### Maturity Distribution

(Weighted Average Maturity: 466 Days)

<table>
<thead>
<tr>
<th>Maturity</th>
<th>Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 30 days</td>
<td>7.3%</td>
</tr>
<tr>
<td>31 to 60 days</td>
<td>10.9%</td>
</tr>
<tr>
<td>61 to 90 days</td>
<td>2.4%</td>
</tr>
<tr>
<td>91 to 180 days</td>
<td>3.8%</td>
</tr>
<tr>
<td>181 days to 1 year</td>
<td>24.8%</td>
</tr>
<tr>
<td>1 to 2 years</td>
<td>28.8%</td>
</tr>
<tr>
<td>2 to 3 years</td>
<td>14.4%</td>
</tr>
<tr>
<td>3 to 4 years</td>
<td>4.6%</td>
</tr>
<tr>
<td>4 to 5 years</td>
<td>3.1%</td>
</tr>
<tr>
<td>5 to 7 years</td>
<td>0.0%</td>
</tr>
<tr>
<td>7 to 10 years</td>
<td>0.0%</td>
</tr>
<tr>
<td>Over 10 years</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

1. Account summary includes market values, accrued interest, cash and cash equivalents. Sector allocation and the maturity distribution include market values and accrued interest.
# Account Summary

## University of Wyoming - UW Core - 27305

<table>
<thead>
<tr>
<th>Portfolio Values</th>
<th>June 30, 2022</th>
<th>Analytics¹</th>
<th>June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>WGF Managed Account</td>
<td>$94,581,460</td>
<td>Yield at Market</td>
<td>3.23%</td>
</tr>
<tr>
<td>WGF</td>
<td>$618,976</td>
<td>Yield on Cost</td>
<td>1.09%</td>
</tr>
<tr>
<td>Amortized Cost</td>
<td>$99,451,332</td>
<td>Portfolio Duration</td>
<td>2.47</td>
</tr>
<tr>
<td>Market Value</td>
<td>$94,581,460</td>
<td>WGF7-Day Yield</td>
<td>1.14%</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>$294,131</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## University of Wyoming - 2021 Construction Fund - 27309

<table>
<thead>
<tr>
<th>Portfolio Values</th>
<th>June 30, 2022</th>
<th>Analytics¹</th>
<th>June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>WGF Managed Account</td>
<td>$209,272,737</td>
<td>Yield at Market</td>
<td>2.85%</td>
</tr>
<tr>
<td>WGF</td>
<td>$6,637,780</td>
<td>Yield on Cost</td>
<td>0.68%</td>
</tr>
<tr>
<td>Amortized Cost</td>
<td>$214,554,455</td>
<td>Portfolio Duration</td>
<td>1.19</td>
</tr>
<tr>
<td>Market Value</td>
<td>$209,272,737</td>
<td>WGF7-Day Yield</td>
<td>1.14%</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>$687,529</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## University of Wyoming - UW Short Term - 27311

<table>
<thead>
<tr>
<th>Portfolio Values</th>
<th>June 30, 2022</th>
<th>Analytics¹</th>
<th>June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>WGF Managed Account</td>
<td>$111,471,445</td>
<td>Yield at Market</td>
<td>2.14%</td>
</tr>
<tr>
<td>WGF</td>
<td>$29,870,521</td>
<td>Yield on Cost</td>
<td>0.91%</td>
</tr>
<tr>
<td>Amortized Cost</td>
<td>$111,854,883</td>
<td>Portfolio Duration</td>
<td>0.30</td>
</tr>
<tr>
<td>Market Value</td>
<td>$111,471,445</td>
<td>WGF7-Day Yield</td>
<td>1.14%</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>$17</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Yield at market, yield on cost, and portfolio duration only include investments held within the separately managed account(s), excludes balances invested in overnight funds.
2. The current 7-day yield is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally $1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed.
Certificate of Compliance

During the reporting period for the quarter ended June 30, 2022, the account(s) managed by PFM Asset Management ("PFMAM") were in compliance with the applicable investment policy and guidelines as furnished to PFMAM.

Acknowledged: PFM Asset Management LLC

Note: Pre- and post-trade compliance for the account(s) managed by PFM Asset Management is provided via Bloomberg Asset and Investment Management ("AIM").
Portfolio Review:
WGIF-UNIVERSITY OF WYOMING CORE
Portfolio Snapshot - WGIF-UNIVERSITY OF WYOMING CORE¹

Portfolio Statistics

Total Market Value
$95,494,566.25

Managed Account Sub-Total
$94,581,459.72

Accrued Interest
$294,130.88

Pool
$618,975.65

Portfolio Effective Duration
2.47 years

Benchmark Effective Duration
2.56 years

Yield At Cost
1.09%

Yield At Market
3.23%

Portfolio Credit Quality
AA

Sector Allocation

- U.S. Treasury: 64%
- Corporate: 30%
- Supranational: 6%
- Local Government Investment Pool: 1%

Credit Quality - S&P

AAA | 6%
AAAm | 1%
AA+ | 64%
AA | 1%
AA- | 1%
A+ | 2%
A | 6%
A- | 10%
BBB+ | 6%
BBB | 3%

Duration Distribution

- 0-1 Yr: 11%
- 1-2 Yrs: 26%
- 2-3 Yrs: 32%
- 3-4 Yrs: 29%
- 4-5 Yrs: 20%
- 1-2 Yrs: 22%
- 2-3 Yrs: 13%

1. Total market value includes accrued interest and balances invested in WGIF, as of June 30, 2022.
   Yield and duration calculations exclude balances invested in WGIF.
   The portfolio’s benchmark is the ICE BofAML 1-5 Year U.S. Government/Corp Index. Source: Bloomberg.
   An average of each security’s credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.
### Sector Allocation Review - WGIF-UNIVERSITY OF WYOMING CORE

<table>
<thead>
<tr>
<th>Security Type</th>
<th>Sep-21</th>
<th>% of Total</th>
<th>Dec-21</th>
<th>% of Total</th>
<th>Mar-22</th>
<th>% of Total</th>
<th>Jun-22</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury</td>
<td>$43.9</td>
<td>58.7%</td>
<td>$43.8</td>
<td>59.2%</td>
<td>$64.0</td>
<td>66.6%</td>
<td>$61.0</td>
<td>64.0%</td>
</tr>
<tr>
<td>Agency MBS Pass Through</td>
<td>$0.3</td>
<td>0.5%</td>
<td>$0.3</td>
<td>0.4%</td>
<td>$0.0</td>
<td>0.0%</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Supranational</td>
<td>$5.8</td>
<td>7.8%</td>
<td>$5.7</td>
<td>7.8%</td>
<td>$5.6</td>
<td>5.8%</td>
<td>$5.5</td>
<td>5.8%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>$1.5</td>
<td>2.0%</td>
<td>$0.0</td>
<td>0.0%</td>
<td>$0.0</td>
<td>0.0%</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Corporate</td>
<td>$22.9</td>
<td>30.7%</td>
<td>$23.8</td>
<td>32.1%</td>
<td>$26.3</td>
<td>27.4%</td>
<td>$28.1</td>
<td>29.5%</td>
</tr>
<tr>
<td>Local Government Investment Pool</td>
<td>$0.2</td>
<td>0.3%</td>
<td>$0.4</td>
<td>0.5%</td>
<td>$0.2</td>
<td>0.2%</td>
<td>$0.6</td>
<td>0.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$74.6</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$74.0</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$96.2</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>$95.2</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

- **U.S. Treasury**
- **Agency MBS Pass Through**
- **Supranational**
- **Commercial Paper**
- **Corporate**
- **Local Government Investment Pool**

Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.
For the Quarter Ended June 30, 2022

Portfolio Performance

The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is March 31, 2021.

Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

The portfolio’s benchmark is the ICE BofAML 1-5 Year U.S. Government/Corp Index. Source: Bloomberg.
Accrual Basis Earnings - WGIF-UNIVERSITY OF WYOMING CORE

<table>
<thead>
<tr>
<th></th>
<th>3Q2021</th>
<th>4Q2021</th>
<th>1Q2022</th>
<th>2Q2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Earned¹</strong></td>
<td>$200,790</td>
<td>$210,279</td>
<td>$246,182</td>
<td>$302,466</td>
</tr>
<tr>
<td><strong>Realized Gains / (Losses)²</strong></td>
<td>($12,554)</td>
<td>($61,028)</td>
<td>($78,451)</td>
<td>($109,690)</td>
</tr>
<tr>
<td><strong>Change in Amortized Cost</strong></td>
<td>($128,118)</td>
<td>($120,114)</td>
<td>($96,412)</td>
<td>($85,639)</td>
</tr>
<tr>
<td><strong>Total Earnings</strong></td>
<td>$60,118</td>
<td>$29,137</td>
<td>$71,318</td>
<td>$107,137</td>
</tr>
</tbody>
</table>

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
2. Realized gains / (losses) are shown on an amortized cost basis.
Portfolio Review:
WGIF-UNIVERSITY OF WYOMING SHORT TERM
For the Quarter Ended June 30, 2022

Portfolio Snapshot - WGIF-UNIVERSITY OF WYOMING SHORT TERM¹

Portfolio Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Market Value</td>
<td>$141,341,983.20</td>
</tr>
<tr>
<td>Managed Account Sub-Total</td>
<td>$111,471,444.85</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>$16.98</td>
</tr>
<tr>
<td>Pool</td>
<td>$29,870,521.37</td>
</tr>
<tr>
<td>Portfolio Effective Duration</td>
<td>0.30 years</td>
</tr>
<tr>
<td>Benchmark Effective Duration</td>
<td>0.40 years</td>
</tr>
<tr>
<td>Yield At Cost</td>
<td>0.91%</td>
</tr>
<tr>
<td>Yield At Market</td>
<td>2.14%</td>
</tr>
<tr>
<td>Portfolio Credit Quality</td>
<td>AA</td>
</tr>
</tbody>
</table>

Sector Allocation

- Commercial Paper | 51%
- U.S. Treasury | 28%
- Local Government Investment Pool | 21%

Credit Quality - S&P

- AAAm | 21%
- AA+ | 3%
- A-1+ | 44%
- A-1 | 32%

Duration Distribution

- Portfolio
- Benchmark

1. Total market value includes accrued interest and balances invested in WGIF, as of June 30, 2022.
Yield and duration calculations exclude balances invested in WGIF.
The portfolio’s benchmark is the ICE BofAML 6 Month U.S. Treasury Bills Index. Source: Bloomberg.
An average of each security’s credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.
### Sector Allocation Review - WGIF-UNIVERSITY OF WYOMING SHORT TERM

<table>
<thead>
<tr>
<th>Security Type</th>
<th>Sep-21</th>
<th>% of Total</th>
<th>Dec-21</th>
<th>% of Total</th>
<th>Mar-22</th>
<th>% of Total</th>
<th>Jun-22</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury</td>
<td>$0.0</td>
<td>0.0%</td>
<td>$0.0</td>
<td>0.0%</td>
<td>$44.2</td>
<td>33.7%</td>
<td>$38.9</td>
<td>27.5%</td>
</tr>
<tr>
<td>Federal Agency</td>
<td>$4.0</td>
<td>7.5%</td>
<td>$4.0</td>
<td>3.2%</td>
<td>$4.0</td>
<td>3.1%</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>$50.0</td>
<td>92.5%</td>
<td>$104.9</td>
<td>83.8%</td>
<td>$82.6</td>
<td>62.9%</td>
<td>$72.5</td>
<td>51.4%</td>
</tr>
<tr>
<td>Local Government Investment Pool</td>
<td>$0.0</td>
<td>0.0%</td>
<td>$16.2</td>
<td>13.0%</td>
<td>$0.4</td>
<td>0.3%</td>
<td>$29.9</td>
<td>21.1%</td>
</tr>
<tr>
<td>Total</td>
<td>$54.0</td>
<td>100.0%</td>
<td>$125.1</td>
<td>100.0%</td>
<td>$131.2</td>
<td>100.0%</td>
<td>$141.3</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.
Portfolio Performance

The lesser of 10 years or since inception is shown. Since inception returns for periods one year or less are not shown. Performance inception date is March 31, 2021.

Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.

Returns for periods one year or less are presented on a periodic basis. Returns for periods greater than one year are presented on an annualized basis.

The portfolio’s benchmark is the ICE BofAML 6 Month U.S. Treasury Bills Index. Source: Bloomberg.
Accrual Basis Earnings - WGIF-UNIVERSITY OF WYOMING SHORT TERM

<table>
<thead>
<tr>
<th></th>
<th>3Q2021</th>
<th>4Q2021</th>
<th>1Q2022</th>
<th>2Q2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Earned¹</td>
<td>$48,839</td>
<td>$23,844</td>
<td>$24,936</td>
<td>$45,795</td>
</tr>
<tr>
<td>Realized Gains / (Losses)²</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Change in Amortized Cost</td>
<td>($44,147)</td>
<td>$9,590</td>
<td>$52,643</td>
<td>$155,980</td>
</tr>
<tr>
<td>Total Earnings</td>
<td>$4,693</td>
<td>$33,434</td>
<td>$77,580</td>
<td>$201,775</td>
</tr>
</tbody>
</table>

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
2. Realized gains / (losses) are shown on an amortized cost basis.
Portfolio Review:
WGIF-UW 2021 CONSTRUCTION FUND
Portfolio Snapshot - WGIF-UW 2021 CONSTRUCTION FUND¹

Portfolio Statistics

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Market Value</td>
<td>$216,598,046.35</td>
</tr>
<tr>
<td>Managed Account Sub-Total</td>
<td>$209,272,737.08</td>
</tr>
<tr>
<td>Accrued Interest</td>
<td>$687,528.85</td>
</tr>
<tr>
<td>Pool</td>
<td>$6,637,780.42</td>
</tr>
<tr>
<td>Portfolio Effective Duration</td>
<td>1.19 years</td>
</tr>
<tr>
<td>Yield At Cost</td>
<td>0.68%</td>
</tr>
<tr>
<td>Yield At Market</td>
<td>2.85%</td>
</tr>
<tr>
<td>Portfolio Credit Quality</td>
<td>AA</td>
</tr>
</tbody>
</table>

Sector Allocation

- U.S. Treasury: 79%
- Negotiable CD: 14%
- Commercial Paper: 4%
- Local Government Investment Pool: 3%

Credit Quality - S&P

- AAAm: 3%
- AA+: 79%
- A-1+: 7%
- A-1: 11%

Duration Distribution

- 0-1 Yr: 40%
- 1-2 Yrs: 48%
- 2-3 Yrs: 12%

1. Total market value includes accrued interest and balances invested in WGIF, as of June 30, 2022. Yield and duration calculations exclude balances invested in WGIF. An average of each security’s credit rating was assigned a numeric value and adjusted for its relative weighting in the portfolio.
### Sector Allocation Review - WGIF-UW 2021 CONSTRUCTION FUND

<table>
<thead>
<tr>
<th>Security Type</th>
<th>Sep-21</th>
<th>% of Total</th>
<th>Dec-21</th>
<th>% of Total</th>
<th>Mar-22</th>
<th>% of Total</th>
<th>Jun-22</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Treasury</td>
<td>$152.7</td>
<td>61.3%</td>
<td>$151.1</td>
<td>65.0%</td>
<td>$147.5</td>
<td>66.5%</td>
<td>$170.9</td>
<td>79.1%</td>
</tr>
<tr>
<td>Negotiable CD</td>
<td>$33.4</td>
<td>13.4%</td>
<td>$33.4</td>
<td>14.4%</td>
<td>$33.3</td>
<td>15.0%</td>
<td>$29.1</td>
<td>13.5%</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>$36.5</td>
<td>14.6%</td>
<td>$36.5</td>
<td>15.7%</td>
<td>$33.3</td>
<td>15.0%</td>
<td>$9.4</td>
<td>4.3%</td>
</tr>
<tr>
<td>Local Government Investment Pool</td>
<td>$26.7</td>
<td>10.7%</td>
<td>$11.4</td>
<td>4.9%</td>
<td>$7.8</td>
<td>3.5%</td>
<td>$6.6</td>
<td>3.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$249.3</td>
<td>100.0%</td>
<td>$232.4</td>
<td>100.0%</td>
<td>$221.9</td>
<td>100.0%</td>
<td>$215.9</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Market values, excluding accrued interest. Only includes fixed-income securities held within the separately managed account(s) and LGIPs managed by PFMAM. Detail may not add to total due to rounding.
### Accrual Basis Earnings - WGIF-UW 2021 CONSTRUCTION FUND

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Interest Earned¹</th>
<th>Realized Gains / (Losses)²</th>
<th>Change in Amortized Cost</th>
<th>Total Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>3Q2021</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4Q2021</td>
<td>-</td>
<td>($565,758)</td>
<td>($549,946)</td>
<td>$135,651</td>
</tr>
<tr>
<td>1Q2022</td>
<td>$689,155</td>
<td>-</td>
<td>-</td>
<td>$139,210</td>
</tr>
<tr>
<td>2Q2022</td>
<td>$769,589</td>
<td>-</td>
<td>($511,200)</td>
<td>$258,389</td>
</tr>
</tbody>
</table>

1. Interest earned calculated as the ending accrued interest less beginning accrued interest, plus net interest activity.
2. Realized gains / (losses) are shown on an amortized cost basis.
Important Disclosures

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- In accordance with generally accepted accounting principles, information is presented on a trade date basis; forward settling purchases are included in the monthly balances, and forward settling sales are excluded.

- Performance is presented in accordance with the CFA Institute's Global Investment Performance Standards (GIPS). Unless otherwise noted, performance is shown gross of fees. Quarterly returns are presented on an unannualized basis. Returns for periods greater than one year are presented on an annualized basis. Past performance is not indicative of future returns.

- Bank of America/Merrill Lynch Indices provided by Bloomberg Financial Markets.

- Money market fund/cash balances are included in performance and duration computations.

- Standard & Poor's is the source of the credit ratings. Distribution of credit rating is exclusive of money market fund/LGIP holdings.

- Callable securities in the portfolio are included in the maturity distribution analysis to their stated maturity date, although, they may be called prior to maturity.

- MBS maturities are represented by expected average life.
Glossary

- **Accrued Interest**: Interest that is due on a bond or other fixed income security since the last interest payment was made.

- **Agencies**: Federal agency securities and/or Government-sponsored enterprises.

- **Amortized Cost**: The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short-term securities (those with less than one year to maturity at time of issuance) is amortized on a straight line basis. Such discount or premium with respect to longer-term securities is amortized using the constant yield basis.

- **Asset-Backed Security**: A financial instrument collateralized by an underlying pool of assets—usually ones that generate a cash flow from debt, such as loans, leases, credit card balances, and receivables.

- **Bankers’ Acceptance**: A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill as well as the insurer.

- **Commercial Paper**: An unsecured obligation issued by a corporation or bank to finance its short-term credit needs, such as accounts receivable and inventory.

- **Contribution to Total Return**: The weight of each individual security multiplied by its return, then summed for each sector to determine how much each sector added or subtracted from the overall portfolio performance.

- **Effective Duration**: A measure of the sensitivity of a security’s price to a change in interest rates, stated in years.

- **Effective Yield**: The total yield an investor receives in relation to the nominal yield or coupon of a bond. Effective yield takes into account the power of compounding on investment returns, while nominal yield does not.

- **FDIC**: Federal Deposit Insurance Corporation. A federal agency that insures bank deposits to a specified amount.

- **Interest Rate**: Interest per year divided by principal amount and expressed as a percentage.

- **Market Value**: The value that would be received or paid for an investment in an orderly transaction between market participants at the measurement date.

- **Maturity**: The date upon which the principal or stated value of an investment becomes due and payable.

- **Negotiable Certificates of Deposit**: A CD with a very large denomination, usually $1 million or more, that can be traded in secondary markets.

- **Par Value**: The nominal dollar face amount of a security.

- **Pass-through Security**: A security representing pooled debt obligations that passes income from debtors to its shareholders. The most common type is the mortgage-backed security.
Glossary

- Repurchase Agreements: A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date.

- Settle Date: The date on which the transaction is settled and monies/securities are exchanged. If the settle date of the transaction (i.e., coupon payments and maturity proceeds) occurs on a non-business day, the funds are exchanged on the next business day.

- Supranational: A multinational union or association in which member countries cede authority and sovereignty on at least some internal matters to the group, whose decisions are binding on its members.

- Trade Date: The date on which the transaction occurred; however, the final consummation of the security transaction and payment has not yet taken place.

- Unsettled Trade: A trade which has been executed; however, the final consummation of the security transaction and payment has not yet taken place.

- U.S. Treasury: The department of the U.S. government that issues Treasury securities.

- Yield: The rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.

- YTM at Cost: The yield to maturity at cost is the expected rate of return based on the original cost, the annual interest receipts, maturity value, and the time period from purchase date to maturity, stated as a percentage on an annualized basis.

- YTM at Market: The yield to maturity at market is the rate of return based on the current market value, the annual interest receipts, maturity value, and the time period remaining until maturity, stated as a percentage on an annualized basis.
Information Paper
Fiscal and Legal Affairs Committee (FLAC) Meeting – September 14, 2022

Subject: ‘22–’23 Enterprise Risk Management Advisory Committee (ERMAC) Goals and Areas of Focus

Background: UW’s enterprise risk management program completed its Year 1 activities in June of 2022 and provided an end-of-year report to the Board of Trustees FLAC during its May meeting. The Year 1 activities summary included a report on projects and areas of focus. Some of the risk areas were significant enough to merit carrying forward into Year 2 (AY ’22–’23). FLAC members were advised that an updated ERMAC focus/risk issue list would be provided for their information during the September meeting after the ERMAC members were re-appointed and could meet to discuss. UW’s ERMAC deliberations and subsequent communication with President Seidel and the cabinet yielded the following risk projects/risk issues for focus during ’22–’23.

Goals and Areas of Focus ‘22–’23:

1. Fiscal Situation and Budget (Strategic/Financial) – Monitor
   a. Include review with UW Financial Services of relevant ’20 Budget Reduction Working Group materials/recommendations
   b. Consider effects of current inflation and Wyoming, U.S. and global economic turbulence
   c. Work with Provost’s Office on other mitigation strategies already in progress
   d. Continue to address facilities upkeep and deferred maintenance

2. Employee Recruiting, Hiring and Retention (Strategic/Operational) – Monitor
   a. Consider workplace “new normal” hybrid work (and learning) models, including managing expectations and employee morale – remote/non-remote (to include employees living outside of WY)
   b. Include review of salaries, especially non-competitive salaries

3. Recruitment, Enrollment and Retention of Students (Strategic/Operational) - One of top four risks identified in the 2022 Internal Audit risk survey
   a. Evaluate impact of Saddle Up, Cowboy Coaches, and Navigate on student retention
   b. Diversify recruitment efforts including international students and students who have stopped out
   c. Strategically invest in additional graduate assistantships to expand doctoral programs with high growth potential and create new doctoral programs that serve Wyoming
   d. Engage stakeholders to develop a recruitment, retention and enrollment plan
   e. Strengthen existing in-state transfer recruitment pipelines and expand partnerships with out-of-state community colleges

4. Inclusiveness (Reputational/Strategic) – Monitor
   a. Include considerations in risk management treatments and discussions
   b. Consider emerging issues related to environmental, social and governance (ESG) areas
   c. Be cognizant of increasing cultural divide between some elements of the campus community and the people UW serves in the State along with generally increased political polarization

5. Building Security and Access Controls (Operational) – Monitor
6. **Emergency Response Plan Update (Phase II) (Operational/Safety)**
   a. Coordinate updates of building emergency action plans and continuity plans
   b. Update pandemic annex as/if needed based on further review of post-pandemic action assessments

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