Fiscal and Legal Affairs Committee, Open Session

University of Wyoming
Salon C, Marian H. Rochelle Gateway Center
2026-09-23 10:30 - 12:30 MDT

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VIII. Other

IX. 12:30 p.m. Adjourn

Office of Internal Audit

Internal Audit of Athletics Recruiting and Eligibility Compliance

July 9, 2026

Auditors:

Whit Madère, MBA, MEd, CPA, CFE, CCEP

John Odhiambo, CPA

Kevin Chancellor, PMP

UNIVERSITY OF WYOMING

July 9, 2026

University of Wyoming Board of Trustees:

Internal Audit has completed a recruiting and eligibility compliance audit of the University of Wyoming Athletics Compliance Office. This audit was part of the FY 2025-2026 approved internal audit plan.

The purpose of this engagement was to evaluate the adequacy and effectiveness of internal controls surrounding NCAA recruiting activities, student-athlete eligibility determinations, monitoring processes, documentation retention, and institutional compliance oversight.

Audit methodologies included a review of applicable NCAA Division I bylaws, inquiries of department personnel, observation and review of current processes and policies, scanning of student-athlete records within the third-party documentation system including test sampling for NCAA compliance, and examination of historical documents.

Any concerns or weaknesses identified have been discussed with current leadership, and any management action plans arising from the audit may be subject to follow-up activities to ensure that risks have been appropriately mitigated.

All follow-up activities will be reported to the Fiscal and Legal Affairs Committee of the Board of Trustees until satisfactorily completed.

We would like to thank Peter Prigge, Molly Hansen, and Colter Linford, for their helpful participation in this audit, as well as their willingness to spend time with Internal Audit explaining the many tasks and processes performed by the UW Athletics Compliance Office.

Sincerely,

Whit Madère, MBA, MEd, CPA, CFE, CCEP
Director of Internal Audit

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EXECUTIVE SUMMARY

The Internal Audit Department completed an audit of the University of Wyoming (UW) Athletics Compliance Office as part of the Fiscal Year 2026 audit plan. The purpose of this engagement was to evaluate the adequacy and effectiveness of internal controls and processes surrounding NCAA recruiting activities, student-athlete eligibility determinations, monitoring processes, documentation retention, and institutional compliance oversight.

The audit included a review of:

- Applicable NCAA Division I bylaws
- Institutional policies and procedures
- Third-party centralized record keeping systems
- Recruiting contact records and other documentation
- Eligibility certifications
- Monitoring activities
- Other compliance processes administered by Athletics and Academics compliance personnel

Overall, the University has established several key compliance controls intended to support adherence to NCAA regulations and institutional requirements. The office demonstrated that it is very communicative with coaches and players and maintains compliance records in the multitude of required areas under the NCAA Division I bylaws.

Internal Audit noted a lack of timely and consistent management resolution of automatically flagged recruiting violations in the centralized system that should be improved.

There are also opportunities to strengthen consistency and completeness of documentation uploading/input into the centralized third-party system for student-athlete accounts in order to easily review student-athlete eligibility and compliance adherence.

Specific audit findings and recommendations are described in the **Observations, Findings and Recommendations** section of this report. Specific recommendations have been discussed with the members of the UW Athletics Compliance Office.

BACKGROUND

The University of Wyoming participates in NCAA Division I intercollegiate athletics and is responsible for maintaining compliance with NCAA Division I bylaws governing recruiting, amateurism, eligibility, financial aid, and continuing student-athlete participation.

The Athletics Compliance Office is responsible for administering and monitoring compliance activities more specifically related to:

- Recruiting activities and communications
- Official and unofficial visits
- Eligibility certifications
- Amateurism verifications
- Transfer eligibility
- Playing and practicing season requirements
- Financial aid limitations and monitoring
- Rules education for coaches and staff
- Monitoring and self-reporting of potential violations

Compliance requirements are created and governed primarily through Articles 10 through 16 of the NCAA Division I Manual, institutional policies, conference requirements and policies, and federal regulations where applicable.

Because NCAA violations may result in reputational harm, financial penalties, scholarship reductions, postseason restrictions, and/or institutional sanctions, strong internal controls and ongoing compliance monitoring are critical.

AUDIT SCOPE, PROCEDURES, AND OUTCOMES

The following steps represent the extent of work needed to achieve the audit objectives and are summarized below.

Scope

The audit scope included recruiting and eligibility compliance activities occurring during the 2025-2026 academic year, including:

- Recruiting communications and evaluations
- Official and unofficial visits
- Transfer portal monitoring and transfer eligibility determinations
- Initial and continuing eligibility certifications
- Amateurism and academic eligibility reviews
- Countable athletically related activity monitoring
- Financial aid and scholarship monitoring
- Rules education and training documentation
- Violation monitoring and self-reporting processes

The audit included interviews with Athletics leadership and Compliance personnel. Sampling methodologies were utilized to test recruiting files, eligibility records, and monitoring documentation.

Procedures

Audit procedures included:

- Inquiries and interviews with Athletics and Compliance personnel to obtain an understanding of:
    - NCAA Bylaws and institutional policies
    - Transfer eligibility determinations
    - Monitoring controls and supervisory reviews
    - Rules, education, and training materials
    - Retention and completeness of compliance records
    - Self-reporting and issue escalation procedures
- Examination of documents including:
    - Recruiting documentation for sampled student-athletes
    - Official visit approvals and supporting receipts
    - Eligibility certifications and supporting academic documentation
    - Reperformance of procedures to verify results.

AUDIT SCOPE, PROCEDURES, AND OUTCOMES

Outcomes

The results of our audit are characterized in three different categories.

A. **Reportable conditions**. This is the highest level of reporting, and may include violations of policies, procedures, laws, rules, or regulations. Reportable conditions are included in this report and have been discussed with management prior to publication. For each reportable condition, management has provided a response referred to as a Management Action Plan (MAP). All MAPs will be monitored to ensure that the risks identified are adequately mitigated. As required by our professional standards, Internal Audit will monitor and communicate the status of open MAPs to the Fiscal and Legal Affairs Committee of the University of Wyoming Board or Trustees.

B. **Written management recommendations**. These include observations by auditors based on proven best or good business practices, industry norms or standards or other auditor experiences, but do not represent a violation of policies, procedures or other laws, rules or regulations. Management recommendations are provided to leaders or staff members for consideration to improve processes, gain efficiency, or avoid potential unintended consequences. Management is strongly encouraged to thoughtfully consider these recommendations, although no written management action plan is required, and auditors will generally not track implementation of planned changes. While these recommendations do not rise to the level of reportable condition, if the condition persists without corrective action, they could rise to the level of a reportable condition in future years.

C. **Orally communicated observations** or considerations are the lowest level of information shared with leadership or management and may not be included in writing in this report. Oral observations and recommendations are shared with management throughout the audit process and/or at the audit closing conference. Oral observations may include opportunities for improved efficiency, comments regarding employees' performance or training needs, or other general suggestions for improvement.

The table below provides a summary of the outcomes discussed in this report:

Audit Area	Type of Observation	Summary of Finding
Self-Reported Recruiting issues flagged by Centralized System Remain Unresolved	26-8.1 – Reportable Condition requiring Management Action Plan and follow-up.	Unresolved recruiting violations flagged in centralized system.
Incomplete Recruiting and Eligibility Documentation Uploaded to Designated Centralized System	26-8.2 – Written management recommendation. No management action plan or follow-up required	Some student-athlete compliance and eligibility information was not complete or had errors and were not timely uploaded to the centralized system.

The **Observations, Recommendations and Responses** section of this report includes detailed discussions of the reportable conditions along with their respective Management Action Plans.

OBSERVATIONS. RECCOMENDATIONS, AND RESPONSE

Observation #26-8.1: Potential Violations Auto-Flagged by Centralized System Remain Unresolved

Background

The Athletics Compliance Office uses a centralized compliance monitoring system to identify and track potential recruiting violations. The system generates automated alerts when recruiting activities appear to violate NCAA requirements. These alerts are intended to be reviewed, investigated, documented, and resolved by compliance personnel to ensure potential violations are appropriately addressed and that an audit trail exists.

Criteria

NCAA compliance programs should maintain effective monitoring controls to identify, investigate, document, and resolve potential recruiting violations in a timely manner. Additionally, good internal controls should ensure exceptions identified through monitoring systems are reviewed and resolved with supporting documentation maintained to demonstrate compliance oversight.

Condition

During testing of recruiting compliance monitoring activities, Internal Audit identified 3,936 automated recruiting alerts that remain open or unresolved within the centralized compliance system as of the writing of this report. These flagged potential violations date back to 2015, but most occurred from 2021 forward. There were 39 flagged concerns that were manually reviewed and overridden, but none were resolved in fiscal year 2026 to date. Discussions and item sampling with Athletics Compliance personnel determined that the flagged items sampled were not actual recruiting violations and were the result of system limitations, configuration issues, or other circumstances that generated false-positive alerts. Mostly, these violations were flagged for early student-athlete contact when coaches invite recruits to camps or other permissible events. While compliance personnel were able to explain the reasons each sampled alert did not constitute a violation, evidence of formal review, resolution, or closure was not consistently documented within the system.

Consequences

Failure to review and resolve automated recruiting alerts in a timely manner may:

- Create the appearance that potential recruiting violations are not being adequately monitored.
- Increase the risk that legitimate violations could be overlooked among unresolved alerts.
- Reduce the effectiveness and reliability of compliance monitoring activities.
- Limit the University's ability to demonstrate appropriate oversight to regulators, NCAA representatives, or external auditors.

OBSERVATIONS. RECCOMENDATIONS, AND RESPONSE

Cause

The management of compliance monitoring does not require a documented review and closure of all system-generated recruiting alerts, particularly those determined to be false positives. As a result, alerts may remain open despite having been informally reviewed by compliance personnel.

Corrective Action

The Athletics Compliance Office should establish and monitor procedures requiring all system-generated recruiting violation alerts to be reviewed, documented, and formally resolved within the centralized compliance system. Procedures should include:

- Timely review of all automated alerts (perhaps monthly).
- Documentation of the investigation performed.
- Recording the rationale for determining whether an alert represents a violation or a false positive.
- Formal closure of resolved alerts.

Management Response:

While Teamworks Compliance Software has been incredibly helpful across the country for all compliance offices, there are still systemic issues that have not yet been resolved to assist in this process. As mentioned above, the issues above (flagged since 2015) result from some other type of permissible communication. For example, if a Volleyball Coaching Staff member sends an email relating to "Camps and Clinics," the system will flag it as an impermissible recruiting communication prior to the first permissible date of communication (NCAA Bylaw 13.4.1). There is an exception to that rule that permits coaches to communicate with any-aged prospective student-athlete (PSA) relating to NCAA Camps and Clinics prior to the first permissible date of communication (NCAA Bylaw 13.4.1.8). As a result, that could result in over 300 to 400 "individual violations." That is for one sport. When our UW sports entertain thousands of campers during the summer months, it is difficult to reconcile each individual "potential violation." Our Compliance Staff reviews the communications from our staff (we can see exactly what is being sent to these prospective student-athletes) and can make an internal note that the communication was permissible without managing all 400 "flagged communications." If an actual issue existed with potential flagged violations – our office would follow our appropriate Compliance Policies and Procedures for investigating and reporting rules violations.

Given the information presented above, our staff will review all unresolved "recruiting flags" and potential violations in the system and will review all potential impermissible communications flagged in the system. Any future recruiting issues will be reviewed on a monthly basis moving forward and integrated into our "Internal Operations" calendar where we track all annual tasks.

Responsible Individual(s):

Peter Prigge (Senior Associate AD – Compliance and Olympic Sports)
Molly Hansen (Director of Compliance)

Target Completion Date(s):

October 1, 2026

Observation #26-8.2: Incomplete Recruiting and Eligibility Documentation Uploaded to Designated Centralized System

Background

The University of Wyoming Athletics Department utilizes ARMS/Teamworks (one site that is often referred to by either name by Athletics personnel) as its primary compliance management system to document recruiting activities, maintain eligibility records, support NCAA compliance monitoring, and provide evidence of adherence to NCAA Division I recruiting and eligibility requirements. Effective documentation within this system supports institutional monitoring responsibilities under NCAA Bylaw 8 (Institutional Control) and NCAA Bylaw 12.8 (Certification of Eligibility).

As part of the FY2026 Internal Audit review of NCAA Recruiting and Eligibility Compliance, Internal Audit selected a sample of 59 student-athletes across all University of Wyoming Division I sports teams and tested each for compliance with 17 NCAA recruiting and eligibility compliance requirements which included recruiting contacts, official visits, eligibility certification, academic eligibility, progress toward degree, transfer eligibility, and the supporting documentation for these requirements.

Criteria

NCAA Division I institutions are responsible for effectively maintaining sufficient monitoring activities and documentation to demonstrate compliance with recruiting and eligibility requirements. Consistent and centralized record retention supports institutional control, facilitates monitoring activities, and enables timely responses to NCAA and internal review requests.

Condition

Internal Audit did not identify any recruiting or eligibility violations within the sample reviewed. All student-athletes selected for testing were properly certified for competition. Recruiting activities reviewed were conducted within applicable NCAA requirements, and supporting records demonstrated compliance with NCAA legislation.

OBSERVATIONS. RECCOMENDATIONS, AND RESPONSE

During testing, Internal Audit noted gaps in recruiting and eligibility documentation that had been uploaded and maintained within ARMS/Teamworks. In most instances, Athletics Compliance personnel provided requested documentation from alternative sources, including email correspondence, shared network drives, paper files, and other internal records not associated with the centralized system. Although the documentation was available and sufficient to support compliance, records were not consistently maintained within the University's designated compliance systems, which did lead to audit delays and inefficiencies in obtaining documentation from other sources.

Consequences

When recruiting and eligibility documentation is not consistently maintained within designated compliance systems:

- Required records may be more difficult to locate during NCAA, external, or internal reviews.
- Monitoring activities may be less effective due to incomplete system records.
- Staff turnover may result in a loss of institutional knowledge regarding the location of supporting documentation.

Additional time and effort may be required to demonstrate compliance with NCAA requirements despite underlying compliance with applicable rules.

Cause

Documentation retention practices vary among coaches, athletics staff, and compliance personnel, resulting in some supporting records being maintained outside of ARMS/Teamworks. While documentation was retained and available upon request, records were not consistently centralized within the designated compliance system.

Corrective Action(s)

Internal Audit recommends that Athletics Compliance continue efforts to centralize recruiting and eligibility documentation within ARMS and Teamworks by reinforcing existing documentation procedures and encouraging coaches, athletics staff, and compliance personnel to consistently upload and maintain required supporting records within the designated compliance system. Centralized record input/retention will strengthen monitoring capabilities, improve audit readiness, and enhance the University's ability to efficiently demonstrate compliance with NCAA requirements.

Because supporting documentation was ultimately available for all samples tested, and no recruiting or eligibility violations were identified, Internal Audit considers this observation an opportunity for process improvement rather than a compliance deficiency. No formal management action plan or follow-up is required.

OBSERVATIONS. RECCOMENDATIONS, AND RESPONSE

Management Response (Optional)

The Compliance Office appreciates the feedback relating to record keeping via the Compliance Software system, and while good in practice, the timing of uploading all documents and information on top of the current processes in place is incredibly time-consuming for a limited-resource staff. Many institutions have two or three more full-time compliance staff members that may specifically be limited to uploading documentation and maintaining compliance recruiting software. We are confident in all of the policies and procedures in place relating to eligibility tracking and academic/athletics certification. Additionally, some of the best practices that come from the review are not required (bylaw 13/bylaw 15 recruiting status) and will never result in an institution violation. We have numerous checks and balances in place from the NCAA eligibility center, our internal tracking certification charts, grade reports in conjunction with the registrar. To reiterate, we are confident in the policies and procedures in place to monitor continuing and incoming student-athletes and utilizing our software efficiently for our staff!

The Athletics Department went through a NCAA “Academic Progress Rate” audit during the 2023-24 academic year (relating to the five previous years) and received an exceptional review of our documentation and processes. The NCAA found two clerical errors over a 5-year period, surveying more than 200 student-athlete records. Our office will continue to integrate our processes into Teamworks Compliance Software as they continue to expand in all facets of our department. For example, our financial aid agreements may shift away from Docusign (current) to Teamworks Scholarships (new process as of July 1). We will review with their team on July 15, 2026, on our staff call.

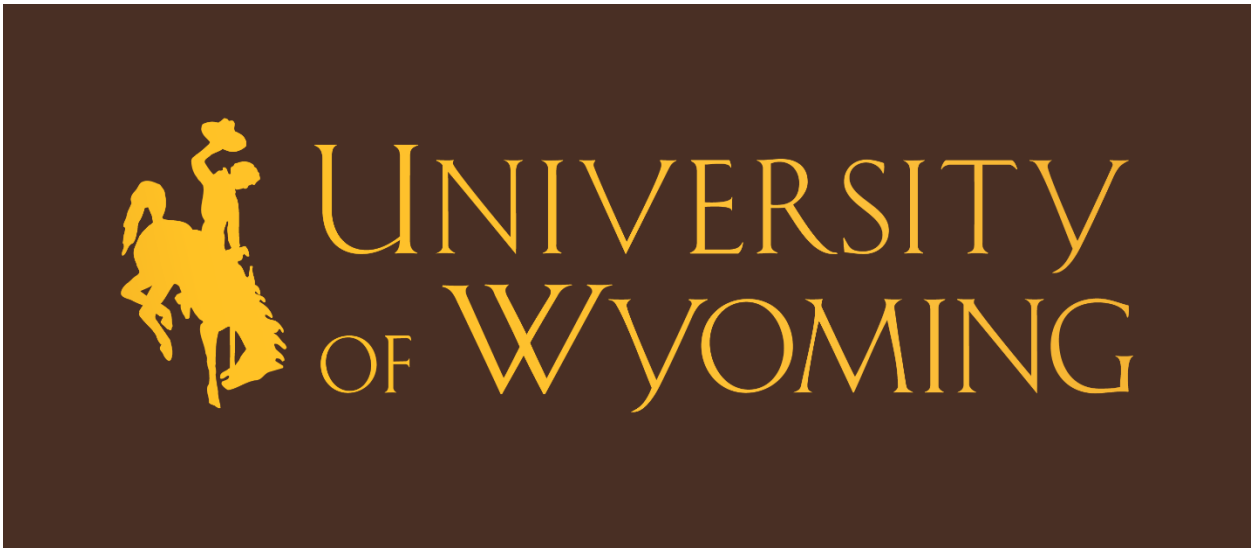
Conclusion

Except as noted above, based on our audit, The University of Wyoming athletics compliance team performs activities in accordance with NCAA and University laws, rules, regulations, policies, and procedures.

We would like to express our gratitude to Peter Prigge, Molly Hansen, Colter Linford and the other compliance staff for their cooperation, support, and patience with us throughout the audit process. They were gracious with their time and provided constructive collaboration with the audit team when needed.

Distribution list

Shane Reeves, President of the University of Wyoming
Tom Burman, Athletic Director, Intercollegiate Athletics
Peter Prigge, Senior Associate AD, Compliance & Olympic Sports
Molly Hansen, Director, Athletic Compliance
Colter Linford, Assistant AD, Academics & Eligibility
Fiscal and Legal Affairs Committee of the University of Wyoming Board of Trustees



Office of Internal Audit

Carbon County 4-H

June 30, 2026

Auditors:

Whit Madère, MBA, MEd, CPA, CFE, CCEP

John Odhiambo, CPA

Kevin Chancellor, PMP

UNIVERSITY OF WYOMING

June 30, 2026

University of Wyoming Board of Trustees:

Internal Audit has completed an audit of the Carbon County 4-H program. This audit was part of the FY 2025-2026 approved annual internal audit work plan.

The objectives of this audit were to assess the adequacy and effectiveness of internal controls surrounding key processes that include Accounts Receivable, Financial Analysis and Management Reporting, Purchasing and Accounts Payable processes, Cash and Bank Processes, and Inventory Management. The audit further sought to identify measures to mitigate control deficiencies identified in the assessment of these processes through proposed audit recommendations and management action plans.

Audit methodologies included inquiries, observation of current processes, scanning departmental records, examination of historical documents, recalculation of certain outcomes, and various analytical procedures.

Any concerns and weaknesses identified have been discussed with current leadership, and any management action plans arising from the audit may be subject to follow-up activities to ensure that risks have been appropriately mitigated.

All follow-up activities will be reported to the Fiscal and Legal Affairs Committee of the Board of Trustees until satisfactorily completed.

We would like to thank Emily Lynn Haver, 4-H Youth Development, Extension Educator Assistant, as well as the other dedicated staff members for their assistance throughout the course of this audit.

Sincerely,

Whit Madère, MBA, MEd, CPA, CFE, CCEP
Director of Internal Audit

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EXECUTIVE SUMMARY

The Office of Internal Audit completed an audit of the Carbon County 4-H program, as part of the Fiscal Year 2026 audit plan.

The auditors performed fieldwork and testing in the areas of:

- Cash and Bank Reconciliation Processes,
- Accounts Receivable,
- Inventory Management,
- Purchasing and Accounts Payable Processes,
- Financial Analysis and Management Reporting,
- Operation of Debit Cards and Check Payments,
- Conflicts of Interest,
- Payments to Staff, Volunteers and Participants
- Volunteers Background Checks

Based on the results of our audit, Carbon County 4-H performs most internal activities within the prescribed policies, procedures and recommended practices of the University of Wyoming and Wyoming 4-H Policies; however, it should improve the control environment related to several items including:

- Segregation of Duties and Independent Review of Expenditures
- Strengthen Procedures and Controls over Bank Reconciliations
- Lack of Budget-to-Actual Monitoring of Expenditures
- Improve Inventory Management Techniques

Specific audit findings and recommendations are described in the **Observations, Findings, and Recommendations** section of this report. Specific recommendations have been discussed with the members of the leadership team and leadership of the College of Agriculture and UW Extension. In some cases, corrective actions have already been implemented or are underway.

BACKGROUND

The 4-H program was originally founded in Ohio in 1902, by A.B. Graham, school superintendent. By 1913, the University of Wyoming Department of Agriculture had 125 enrolled members, with the initial objective of influencing the farm and home practices of the children's parents. Over the years, the club expanded, both in enrollment and program/project focus.

By the 1930's, more than 3,000 of Wyoming's youth were involved in 4-H, learning skills through individual projects and developing leadership and civic responsibility through community improvement projects.

In 1953, 4-H was reorganized to include a broader audience. Projects were offered in rural electricity, tractor maintenance, entomology, and home economics. Projects were no longer required to show an economic return. 4-H clubs were sometimes used to extend research. In the 1960's, U.S. congress appropriated funds for programs in low-income and urban areas, which helped to grow the nationwide enrollment to over 50,000 by the late 1960's.

In the 1970's and 80's, expansion was focused on opportunities for women, the disabled, and ethnic minorities.

Today and into the future, 4-H is attempting to serve a more diverse audience. Personnel are continually examining and redesigning programs and projects to meet the needs of an ever-changing society.

The 4-H logo is a green 4 leaf clover, with an H in each of the 4 leaves of the clover. The "H's" represent: **Head** (problem solving), **Heart** (Emotional development), **Hands** (Skills development), and **Health** (Physical development); they symbolize the aim and desired results of effective learning for everyone.

Mission

"The University of Wyoming Extension provides lifelong learning opportunities for the people of Wyoming and empowers them to make choices that enhance their quality of life ."

Vision

"The University of Wyoming Extension will be recognized and respected for providing lifelong learning opportunities for the people of Wyoming. With the land-grant university as our foundation, UWE will be the leader in outreach education throughout the state. UWE will actively involve Wyoming people, institutions, and communities as we provide learning for better living. We will be responsive to the needs, concerns, and aspirations of diverse audiences."

Information sourced from Carbon County 4H website: https://wyoextension.org/carboncounty/

AUDIT SCOPE, PROCEDURES AND OUTCOMES

The following steps represent the extent of work needed to achieve the audit objectives and are summarized below.

Scope

Period covered: The scope of this audit focused on transactions, records and activities from July 2024 through December 2025. In some instances, older transactions were reviewed to discern trends and norms.

Topical areas covered:

- Cash and Bank Processes
- Accounts receivable
- Inventory Management
- Purchasing and Accounts Payable processes
- Financial Analysis and Management Reporting
- Operation of 4-H Office Account, Leaders Account, and Foundation Account.
- Payments to staff, volunteers and participants including events payments and reimbursements

Procedures

Audit procedures were conducted based on generally accepted auditing standards and practices. Procedures used during this audit included:

- Inquiries of management, staff and faculty members
- Scanning of transactions from general ledger and sub-ledgers
- Observations of assets and activities
- Recalculations of selected results to validate accurate outcomes
- Examination of source documents and records
- Analytical procedures such as comparative analysis and trend analysis

Outcomes

The results of our audit are characterized in three different categories:

A. **Reportable conditions**. This is the highest level of reporting, and may include violations of policies, procedures, laws, rules or regulations. Reportable conditions are included in this report and have been discussed with management prior to publication. For each reportable condition, management has provided a response referred to as a Management Action Plan (MAP). All MAPs will be monitored to ensure that the risks identified are adequately mitigated. As required by our professional standards, Internal Audit will monitor and communicate the status of open MAPs to the Fiscal and Legal Affairs Committee of the University of Wyoming Board or Trustees.

B. **Written management recommendations**. These include observations by auditors based on proven best or good business practices, industry norms, standards, or other auditor experiences, but do not represent a violation of prescribed policies, procedures, or other

laws, rules or regulations. Management recommendations are provided to leaders or staff members for consideration to improve processes, gain efficiency, or avoid potential unintended consequences. Management is strongly encouraged to consider these recommendations, although auditors will generally not track implementation of planned changes, and no written management action plan is required. While these recommendations do not rise to the level of a reportable condition, if the condition persists without corrective action, they could rise to that level in future years.

C. **Orally communicated observations** or considerations are the lowest level of information shared with leadership or management and may not be included in writing in this report. Oral observations and recommendations are shared with management throughout the audit process and/or during the closing audit conference. Oral observations may include opportunities for improved efficiency, comments regarding employees' performance or training needs, or other general suggestions for improvement

The table below provides a summary of outcomes discussed in this report:

Audit Area	Type of Observation	Summary of Finding
Segregation of Duties and Independent Review of Expenditures	Reportable Condition requiring follow up – **Observation #1**	The Extension Educator Assistant individually plans the Program events and disburses related expenditures.
Strengthen Procedures and Controls over Bank Reconciliations	Reportable Condition requiring follow up – **Observation #2**	Extension Educator Assistant individually reconciles cash and bank by initialing bank statements.
Lack of Budget-to-Actual Monitoring of Expenditures	Reportable Condition requiring follow up – **Observation #3**	The extension office does not prepare budget-to-actual statements.
Improve Inventory Management Techniques	Reportable Condition requiring follow up – **Observation #4**	Inconsistency in inventory recording, and verification.

The **Observations, Recommendations and Responses** section of this report includes detailed discussions of the reportable conditions along with their respective Management Action Plans.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

Observation #1: Segregation of Duties and Independent Review of Expenditures

Background

University of Wyoming (UW) Extension – Carbon County 4-H Program has the 4-H Youth Development Extension Educator Assistant is the only staff in charge of managing its activities and planning events. The accounts operated by the program for its various activities are mainly grouped into Office Account, Leaders Council Account and 4-H Foundation Account.

The Leaders Council Account has four (4) signers, comprising the 4-H Youth Development Extension Educator Assistant, Leaders Council President and two Leaders Council Members.

The Office Account has three (3) signers comprising 4-H Youth Development Extension Educator Assistant, Small Acreage State Specialist UW Extension, and the Administrative Assistant for UW Extension Carbon County.

The Carbon County 4-H Foundation account also has three (3) signers comprising 4-H Youth Development, Extension Educator Assistant, Carbon County 4-H Foundation Chairman and Carbon County 4-H member.

The 4-H Office Account uses both a debit card and check book, while the other two accounts have no debit or credit cards and use only a check book.

Criteria (control framework or policy that establishes the standard)

The UW SAP 7-9.13 on Receipt and Handling of University Funds, revised on July 24, 2025, requires under its Section III (B) part (a), that duties of processing funds should be separated among individuals, and that no individual should be responsible for two or more of these activities.

The basic concept when considering segregation of duties is that there should be at least two sets of eyes on any transaction, such that it prevents unilateral actions within an organization's workflow. The main tasks involved in assessing segregation of duties are:

- Custody – or, who has access to the cash or asset,
- Authorization – which is the approval of the transaction,
- Record keeping – which includes posting the transactions, and
- Primary control – which is most often the after-the-fact reconciliation of accounts, although other primary control are possible.

In other words, no individual should have access to bank accounts, authorize their own transactions, post the transaction details into the accounting records, and then reconcile their own transactions as part of the monthly account reconciliation process. If any one individual is responsible for any two of these activities, risk is increased, and other mitigating controls should be considered and implemented.

Condition (the current state based on testing)

There is no evidence that the debit card transactions made by the 4-H Youth Development Extension Educator Assistant, are independently reviewed and validated for appropriateness by a different individual. This is because there is no evidence that the other signer (such as a second signer) reviews the supporting detail for each check payment before providing the second signature on checks.

There are no approval threshold limits for expenditures incurred by the Carbon County 4-H Extension office; rather, all payments are approved at the Extension Office level by the Extension Educator Assistant and the additional check signers.

Consequences (the impact to the unit or the University)

In the absence of independent review of supporting expenditures prior to approving check payments, by the other check signers, who are independent of incurring expenditures, incurred by the 4-H Youth Development Extension Educator Assistant errors, duplicate payments, or misuse of public or program funds may not be identified in a timely manner, exposing the office to financial loss, reputational damage, and noncompliance with university or county financial policies.

The UW 4-H Extension Management does not have oversight of significant financial transactions occurring at the 4-H County Extension offices, so there is a risk that inappropriate transactions may not be detected and addressed in a timely manner.

Cause (likely reasons for the deficiency)

The Wyoming 4-H Extension program lacks formally documented internal control policies and procedures requiring independent review of expenditures by check signers who are separate from the 4-H Youth Development Extension Educator Assistant that originated the transaction(s).

Corrective Action (action plans that address the condition, recommendations)

UW Extension Management should implement the following corrective measures:

a) Require documented review of original receipts, business purposes, and account coding before providing the second signature on checks. The review for appropriateness of transactions should be evidenced by initialing the receipts, invoices, or other supporting documents supporting the appropriateness of the expenditures for products, services or other items being paid for.

b) Consider whether establishing threshold approval limits for large expenditures is warranted. Ideally, this should clearly state the spending authority limits for the County Extension staff and might require additional authorization from the UW extension office for higher spending beyond a certain threshold.

Management Response: Management will:

1) Establish internal control policy for segregation of duties such that there should be at least two sets of eyes on any transaction including access to bank accounts, authorize their own transactions, post the transaction details into the accounting records, and then reconcile their own transactions as part of the monthly account reconciliation process and requiring documentation of reviews and segregation of duties.

   This is an existing guiding principle in the Wyoming 4-H Policies Handbook in the *Financial Policies and Guidelines* sections 6(c), 7(c), 8(b), and 8.3(a).

2) We will ask each county to consider a threshold limit for approvals for large expenditures appropriate to local planning groups, oversight, and budget amounts.

Responsible Parties: All County Staff, Program Leader, Associate Director, Director

Target Completion Date: July 1st, 2027

Observation #2: Strengthen Procedures and Controls over Bank Reconciliations

Background

The Carbon County 4-H Extension Office uses three bank accounts for its various activities and uses an Excel spreadsheet to record daily financial transactions and summarize revenues and expenditure for a given period. The bank accounts maintained are the Office Account, Leaders Council Account and Carbon County 4-H Foundation Account.

Criteria (control framework or policy that establishes the standard)

4-H financial policies require under section 8.3(b), that Bank accounts be reconciled monthly.

Condition (the current state based on testing)

The extension office provides evidence of bank statement reconciliations by initialing monthly bank statements; however, they do not maintain documentation of the process, such as a reconciliation worksheet as evidence of reconciliation. The current reconciliation process does not include a formal reconciliation worksheet and does not document outstanding reconciling items. Further, the individual who performs the reconciliation, the 4-H Youth Development Extension Educator Assistant, also records and reconciles transactions. There is no documented supervisory or independent review of the reconciliation process.

Consequences (the impact to the unit or the University)

The current process increases the risk of undetected errors, unauthorized adjustments, or misappropriation of funds. Because ledger entries may be adjusted to match bank balances without independent review, discrepancies could go undetected. This may result in inaccurate financial reporting, loss of public trust, and potential audit findings from county or state oversight bodies.

Cause (likely reasons for the deficiency)

Wyoming 4-H financial policies do not include a formally documented bank reconciliation procedure requiring standardized reconciliation documentation or steps to be followed, and there is no mandate to maintain reconciliation worksheets for future reference.

Lack of training of the County 4-H extension staff on basic accounting procedures such as accounts reconciliation is may also be a contributing factor.

Corrective Action (action plans that address the condition, recommendations)

UW Extension management should implement a formal monthly bank reconciliation template along with procedures for reconciling the book balance to bank balance. Training should also be provided to the Extension staff regarding the proper procedures to conduct the bank account reconciliations, including the followings steps:

- Document all reconciling items, including outstanding checks and deposits in transit.
- Retain evidence of the reconciliation process.
- Require supporting documentation and supervisory approval for all adjusting entries.
- Ensure reconciliations are signed and dated by the preparer and independently reviewed and approved by a different person. This may involve having the reconciliation conducted by the 4-H Youth Development Extension Educator Assistant, with review and approval by the Agriculture and Natural Resources Extension Educator Assistant or a separate officer.

Management Response: Management will implement a standardized and electronic monthly bank reconciliation procedure for reconciling book balances and bank balances along with segregation of duties with two staff working independently. Plans are to utilize QuickBooks.

This is an existing guiding principle in the Wyoming 4-H Policies Handbook in the *Financial Policies and Guidelines* section 8.3(a-b).

Responsible Parties: All County Staff, Program Leader, Associate Director, Director

Target Completion Date: July 1st, 2027

Observation #3: Lack of Budget-to-Actual Monitoring of Expenditures

Background

At the beginning of each fiscal year, the Carbon County 4-H Program prepares budget statements that outline the sources of revenue and anticipated expenditures for its various activities. The budget components are centered on 4-H Leaders Council activities, and Office activities.

Criteria (control framework or policy that establishes the standard)

The University of Wyoming (UW) Knowledge Base on Budget to Actual by period and by fiscal year describes the process for producing budget to actual reports. It further indicates, under its information section, that these reports are to be used for planning purposes, and for comparison of budget amounts against actual balances.

Condition (the current state based on testing)

The Carbon County 4-H Extension does not perform a comparative budget-to-actual analysis of its spendings as compared to its annual budget. Internal Audit noted that from July 2024 through December 2025, the office incurred a cumulative spending deficit totaling $22,711.38. The deficit was not identified through formal monitoring procedures due to the absence of budget-to-actual reporting and analysis.

Consequences (the impact to the unit or the University)

Because of the absence of budget-to-actual analysis, there are increased risks such as:

- There is an increased risk of undetected deficits, overspending, and depletion of program funds. The $22,711.38 deficit is one example of the financial potential impact of inadequate oversight and monitoring.
- Continued lack of monitoring may result in financial instability, inability to fund future program activities, reputational damage, and potential noncompliance with university or county fiscal management expectations.

Cause (likely reasons for the deficiency)

- The Wyoming 4-H program lacks formal policies and procedures requiring periodic financial performance monitoring and analysis. Additionally, there is no established requirement for management review of budget-to-actual reports.
- Lack of training in basic accounting practices such as budget analysis appears to be lacking, as the staff indicated limited knowledge on how to incorporate various components of project revenues, from previous periods, into subsequent period budgets when they get to be spent.

Corrective Action (action plans that address the condition, recommendations)

- The UW Extension management should implement periodic budget-to-actual financial reporting that compares approved budget amounts to actual revenues and expenditures in the 4-H programs. Variances should be analyzed, documented, and reviewed by appropriate oversight personnel. Significant variances should require documented management response and corrective action.
- Training should be organized by the UW Extension Management to all the 4-H county extension staff on the basic accounting processes that involve budget preparation, monitoring actual expenditure on budget estimates and investigating budget variances.

Management Response: Management will **r**ecommend that counties develop an annual budget statement that captures planned revenues and planned expenditures for the upcoming fiscal year. This is an existing guiding principle in the Wyoming 4-H Policies Handbook in the *Financial Policies and* Guidelines section 3(a-c).

Responsible Parties: All County Staff, Program Leader, Associate Director, Director

Target Completion Date: July 1st, 2027

Observation #4: Improve Inventory Management Techniques

Background

The University of Wyoming Extension 4-H program maintains various programmatic assets at the county level, including equipment, supplies, and educational materials used for youth programming, events, and outreach activities. These assets may include items such as target shooting supplied, including firearms, archery equipment, livestock show supplies, camping equipment, audiovisual devices, and other program resources purchased with university or grant funds.

During discussions with personnel associated with the Carbon County 4-H program, it was noted that inventory listings exist for certain program assets; however, documentation practices and level of detail vary. Inventory records are not consistently maintained in a standardized format within the different program areas of the Carbon County 4-H program, and the level of descriptive detail, item tracking, and verification practices differ depending on the person that manages the inventory, which sometimes includes volunteers.
The audit team also noted that formalized annual inventory verification procedures are not consistently required or documented for county-level 4-H assets.

Criteria (control framework or policy that establishes the standard)

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework emphasizes the importance of maintaining accurate records and performing control activities to safeguard assets. Specifically:

- COSO Principle 10 – Control Activities: Organizations should select and develop control activities that contribute to the mitigation of risks to the achievement of objectives. This includes establishing procedures to safeguard physical assets and maintain accurate records.
- COSO Principle 11 – Technology and Information Controls: Accurate and reliable information systems and records are necessary to support effective internal control and accountability.

Additionally, The Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) highlights the need for proper asset safeguarding and accountability mechanisms.

- IIA Standard 2110.A2 states that internal audit activity must evaluate the effectiveness and efficiency of operations and the safeguarding of assets.
- IIA Standard 2130 – Control requires organizations to maintain appropriate controls to ensure assets are protected and information is reliable.

The University of Wyoming also stresses the importance of sound inventory controls. University Capital Equipment and Depreciation of Capital Assets, standard Administrative Policy and Procedure UW SAP 7-9.6, revised in August 2, 2022, requires under its Section III (B.) that

physical inventory count be undertaken periodically. Additionally, Section III (5)(b) of the SAP, that handles Tagging and Physical Inventory Tracking, states that serial numbers are among the characteristics to be included in the inventory tracking.

Wyoming 4-H Financial Policies and Guidelines Section 9.b. states that "*a detailed list of all club/group purchased or donated property and equipment must be maintained as part of the Inventory Report, located in the Annual Treasurer's Report, with the following information:*

i. Asset description
ii. Cost (estimated cost if donated)
iii. Date acquired
iv. Where property or equipment is located or housed."

Consistent and detailed inventory tracking, along with periodic physical verification, is a widely recognized control practice used to safeguard organizational assets and ensure accurate reporting.

Condition (the current state based on testing)

The Inventory documentation maintained by the Carbon County 4-H program was observed to contain limited descriptive detail and inconsistent formatting. Inventory sheets do not consistently include standardized fields such as required by Wyoming 4-H Financial Policies and Guidelines Section 9.b.

Additionally, there is currently no formal requirement for annual physical inventory counts to verify the existence, condition, and location of program assets.

Consequences (the impact to the unit or the University)

Lack of periodic physical inventory counts, and robust inventory management practices increase the risk of loss, theft or misappropriation of assets, inability to track and verify inventory accurately, and reduced accountability over Extension property.

Over time, inconsistent inventory documentation may also create challenges for program leadership when evaluating asset utilization, budgeting for replacements, or responding to audit inquiries.

Because some the inventory items include firearms and archery equipment, in the absence of strict control over these items, it may be possible for volunteers or minors in the program to misappropriate these items. This may lead to increased reputational risk as well as the risk of harm to individuals' health.

Cause (likely reasons for the deficiency)

The condition appears to result from the absence of a standardized inventory template and formal inventory control procedures for county-level 4-H programs.

The lack of formalized inventory management procedures, inadequate transition processes between staff, absence of standardized recordkeeping practices, and insufficient oversight of inventory control activities may all be contributing factors.

Additionally, annual physical inventory counts have not been formally required as part of county 4-H administrative procedures, specifically Wyoming 4-H Financial Policies and Guidelines Section 9.b.

Corrective Action (action plans that address the condition, recommendations)

University of Wyoming Extension Management should implement a comprehensive inventory control system that includes serialization or tagging of all inventory items, standardization of inventory records, and documentation of periodic physical inventory counts.

As part of the inventory control system, management should develop and implement a standardized inventory management template for county 4-H programs. The template should include identifying factors such as outlined in Wyoming 4-H Financial Policies and Guidelines Section 9.b.

The inventory control system should also include a statewide requirement for annual physical inventory counts of county 4-H program assets. 4-H employees and volunteer should be required to document the completion of annual inventory verification, including:

- Date of count
- Individual performing the verification
- Identification of missing, damaged, or surplus assets.
-

Management should also consider maintaining inventory records in a centralized digital format (e.g., shared template, database.) to promote consistency.

Because shooting sports and events place firearms or other dangerous equipment in the hands of minors, volunteers and members of the public, Management should work vigorously to implement the inventory control system as expeditiously as possible.

Management Response: We will implement a shared spreadsheet database updated by County Educators with the following: Asset Description, Serial # (if available), Value Estimate, Date Acquired, Current Location, Lost Asset (details and notification of appropriate parties). Assets to be inventoried would include firearms, ammunition (by box or case), archery equipment, and any other items valued over $100. Inventories are to be updated annually at a minimum. This is an existing guiding principle in the Wyoming 4-H Policies Handbook in the *Financial Policies and Guidelines* section 9.

Responsible Parties: All County Staff, Program Leader, Associate Director, Director

Target Completion Date: July 1st, 2027

CONCLUSION

The Office of Internal Audit would like to express sincere appreciation to the staff, volunteers, and leadership of the University of Wyoming Extension Carbon County 4-H Program for their cooperation and assistance throughout the course of this audit.

We recognize the commitment and dedication demonstrated by the 4-H team in supporting youth development, program integrity, and responsible financial stewardship. Their timely responses, transparency, and willingness to provide detailed information were instrumental in facilitating an efficient and productive audit process.

We appreciate the engagement of the County 4-H Educators, and support personnel whose support ensured access to key documentation, operational insights, and historical context that helped to inform our conclusions.

The continued efforts of the UW Extension leadership team and personnel in promoting accountability, educational outreach, and alignment with University policies are vital to the long-term success of the 4-H program in Carbon County and other programs throughout Wyoming.

We look forward to continuing collaboration as part of the University's commitment to excellence, compliance, and service to the community.

This audit report will be presented at the Fiscal and Legal Affairs Committee (FLAC) of the Board of Trustees meeting, in September 2026, and any follow-up action plans will be monitored to ensure completion, with all incremental progress and results periodically reported to the FLAC.

Distribution List
Edward Seidel, President of the University of Wyoming
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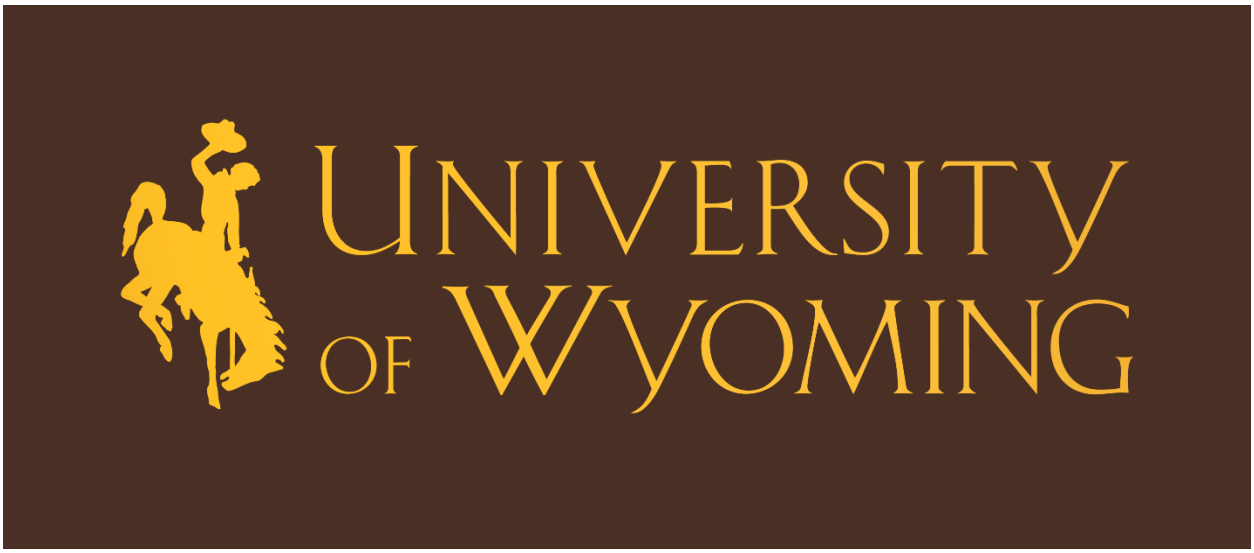
Emily Lynn Haver, Carbon County UW Extension Educator, Assistant.
Fiscal and Legal Affairs Committee of the University of Wyoming Board of Trustees



Office of Internal Audit

Crook County 4-H

June 30, 2026

Auditors:

Whit Madère, MBA, MEd, CPA, CFE, CCEP

John Odhiambo, CPA

Kevin Chancellor, PMP

UNIVERSITY OF WYOMING

June 30, 2026

University of Wyoming Board of Trustees:

Internal Audit has completed an audit of the Crook County 4-H program. This audit was part of the FY 2025-2026 approved annual internal audit work plan.

The objectives of this audit were to assess the adequacy and effectiveness of internal controls surrounding key processes that include Accounts Receivable, Financial Analysis and Management Reporting, Purchasing and Accounts Payable processes, Cash and Bank Processes, Inventory Management, Reimbursements and Credit card usage and compliance. The audit further sought to identify measures to mitigate control deficiencies identified in the assessment of these processes through proposed audit recommendations and management action plans.

Audit methodologies included inquiries, observation of current processes, scanning departmental records, examination of historical documents, recalculation of certain outcomes, and various analytical procedures.

Any concerns and weaknesses identified have been discussed with current leadership, and any management action plans arising from the audit may be subject to follow-up activities to ensure that risks have been appropriately mitigated.

All follow-up activities will be reported to the Fiscal and Legal Affairs Committee of the Board of Trustees until satisfactorily completed.

We would like to thank Erica Reasoner, 4-H Youth Development, Extension Educator Assistant, as well as the other dedicated staff members for their assistance throughout the course of this audit.

Sincerely,

Whit Madère, MBA, MEd, CPA, CFE, CCEP
Director of Internal Audit

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EXECUTIVE SUMMARY

The Office of Internal Audit completed an audit of the Crook County 4-H program, as part of the Fiscal Year 2026 audit plan.

The auditors performed fieldwork and testing in the areas of:

- Cash and Bank Reconciliation Processes,
- Accounts Receivable,
- Inventory Management,
- Purchasing and Accounts Payable processes,
- Credit Card Usage and Compliance,
- Financial Analysis and Management Reporting
- Operation of Bank Accounts
- Conflicts of Interest
- Payments to Staff, Volunteers and Participants
- Volunteer Background Checks

Based on the results of our audit, Crook County 4-H performs most internal activities within the prescribed policies, procedures and recommended practices of the University of Wyoming and Wyoming State 4-H Policies; however, it should improve the control environment related to several items including:

- Segregation of Duties and Independent Review of Expenditures
- Strengthen Procedures and Controls over Bank Reconciliations
- Accounting Record-keeping Processes
- Improve Inventory Management Techniques
- Lack of Budget Preparation
- Conflicts of Interest

Specific audit findings and recommendations are described in the **Observations, Findings, and Recommendations** section of this report. Specific recommendations have been discussed with the members of the Crook County 4-H leadership team and leadership of the College of Agriculture and UW Extension. In some cases, corrective action has already been implemented or is underway.

BACKGROUND

The 4-H program was originally founded in Ohio in 1902, by A.B. Graham, school superintendent. By 1913, the University of Wyoming Department of Agriculture had 125 enrolled members, with the initial objective of influencing the farm and home practices of the children's parents. Over the years, the club expanded, both in enrollment and program/project focus.

By the 1930's, more than 3,000 of Wyoming's youth were involved in 4-H, learning skills through individual projects and developing leadership and civic responsibility through community improvement projects.

In 1953, 4-H was reorganized to include a broader audience. Projects were offered in rural electricity, tractor maintenance, entomology, and home economics. Projects were no longer required to show an economic return. 4-H clubs were sometimes used to extend research.

In the 1960's, U.S. congress appropriated funds for programs in low-income and urban areas, which helped to grow the nationwide enrollment to over 50,000 by the late 1960's.
In the 1970's and 80's, expansion was focused on opportunities for women, the disabled, and ethnic minorities.

Today and into the future, 4-H is attempting to serve a more diverse audience. Personnel are continually examining and redesigning programs and projects to meet the needs of an ever-changing society.

The 4-H logo is a green 4 leaf clover, with an H in each of the 4 leaves of the clover. The "H's" represent: **Head** (problem solving), **Heart** (Emotional development), **Hands** (Skills development), and **Health** (Physical development); they symbolize the aim and desired results of effective learning for everyone.

Mission

"4-H Empowers youth to reach their full potential, working and learning in partnership with caring adults."

Vision

"A world in which youth and adults learn, grow and work together as catalysts for positive change."

4-H Core Concepts

4-H is an informal educational program facilitated by adult volunteer leaders and encompasses many different activities and project areas. Education is delivered with an emphasis on achieving each of the essential elements of youth development –belonging, mastery, independence, and generosity. The organization of the 4-H program creates opportunities to achieve this goal.
Information sourced from Laramie County 4H website:https://www.wyoming4h.org/laramiecounty4h/

AUDIT SCOPE, PROCEDURES AND OUTCOMES

The following steps represent the extent of work needed to achieve the audit objectives and are summarized below.

Scope

Period covered: The scope of this audit focused on transactions, records and activities from July 2024 through December 2025. In some instances, older transactions were reviewed to discern trends and norms.

Topical areas covered:

- Cash and Bank Processes
- Accounts receivable
- Inventory Management
- Purchasing and Accounts Payable processes
- P-Card usage and compliance
- Financial Analysis and Management Reporting
- Operation of 4-H Council, and Youth Activities Accounts.
- Conflicts of Interest
- Payments to staff, volunteers and participants including events payments and reimbursements

Procedures

Audit procedures were conducted based on generally accepted auditing standards and practices. Procedures used during this audit included:

- Inquiries of management, staff and faculty members
- Scanning of transactions from general ledger and sub-ledgers
- Observations of assets and activities
- Recalculations of selected results to validate accurate outcomes
- Examination of source documents and records
- Analytical procedures such as comparative analysis and trend analysis

Outcomes

The results of our audit are characterized in three different categories:

A. **Reportable conditions**. This is the highest level of reporting, and may include violations of policies, procedures, laws, rules or regulations. Reportable conditions are included in this report and have been discussed with management prior to publication. For each reportable condition, management has provided a response referred to as a Management Action Plan (MAP). All MAPs will be monitored to ensure that the risks identified are adequately mitigated. As required by our professional standards, Internal Audit will monitor and communicate the status of open MAPs to the Fiscal and Legal Affairs Committee of the University of Wyoming Board or Trustees.

B. **Written management recommendations**. These include observations by auditors based on proven best or good business practices, industry norms, standards, or other auditor experiences, but do not represent a violation of prescribed policies, procedures, or other laws, rules or regulations. Management recommendations are provided to leaders or staff members for consideration in order to improve processes, gain efficiencies, or avoid potential unintended consequences. Management is strongly encouraged to consider these recommendations, although auditors will generally not track implementation of planned changes, and no written management action plan is required. While these recommendations do not rise to the level of a reportable condition, if the condition persists without corrective action, they could rise to that level in future years.

C. **Orally communicated observations** or considerations are the lowest level of information shared with leadership or management and may not be included in writing in this report. Oral observations and recommendations are shared with management throughout the audit process and/or during the closing audit conference. Oral observations may include opportunities for improved efficiency, comments regarding employees' performance or training needs, or other general suggestions for improvement

The table below provides a summary of outcomes discussed in this report:

Audit Area	Type of Observation	Summary of Finding
Segregation of Duties and Independent Review of Expenditures	Reportable Condition requiring follow up – **Observation #1**	The 4-H Youth Development Extension Educator Assistant plans the Program events and related expenditures.
Strengthen Procedures and Controls over Bank Reconciliations	Reportable Condition requiring follow up – **Observation #2**	The 4-H Youth Development Extension Educator Assistant reconciles accounts by initialing bank statements.
Accounting Record-keeping Processes	Reportable Condition requiring follow up – **Observation #3**	No summary financial statements are prepared.
Improve Inventory Management Techniques	Reportable Condition requiring follow up – **Observation #4**	Inventory items are not serialized for 67% of inventory, and inventory records are not consistent.
Lack of Budget Preparation	Reportable Condition requiring follow up – **Observation #5**	The extension office does not prepare budgets for activities.
Conflicts of Interest	Reportable Condition requiring follow up – **Observation #6**	Former 4-H Youth Development Extension Educator Assistant donated 4-H funds to a personally affiliated entity.

The **Observations, Recommendations and Responses** section of this report includes detailed discussions of the reportable conditions along with their respective Management Action Plans.

OBSERVATIONS, RECOMMENDATIONS, AND RESPONSES

Observation #1: Segregation of Duties and Independent Review of Expenditures

Background

The Crook County 4-H Youth Development, Extension Educator Assistant plans events and purchases supplies, including office supplies, using the credit card provided by the County. Subsequently, receipts for the purchases are provided to the office secretary to process check payments from the appropriate accounts. Checks payments from these accounts are signed by both the 4-H Youth Development, Extension Educator Assistant and the Agriculture and Natural Resources, Extension Educator Associate.

Criteria (control framework or policy that establishes the standard)

The UW SAP 7-9.13 on Receipt and Handling of University Funds, revised on July 24,2025, requires under its Section III (B) part (a), that duties of processing funds should be separated among individuals, and that no individual should be responsible for two or more of these activities.

The basic concept when considering segregation of duties is that there should be at least two sets of eyes on any transaction, such that it prevents unilateral actions within an organization's workflow. The main tasks involved in assessing segregation of duties are:

- Custody – or, who has access to the cash or asset,
- Authorization – which is the approval of the transaction,
- Record keeping – which includes posting the transactions, and
- Primary control – which is most often the after-the-fact reconciliation of accounts, although other primary controls are possible.

In other words, no individual should have access to bank accounts, authorize their own transactions, post the transaction details into the accounting records, and then reconcile their own transactions as part of the monthly account reconciliation process. If any one individual is responsible for any two of these activities, risk is increased, and other mitigating controls should be considered and implemented.

Condition (the current state based on testing)

There is no evidence that the Agricultural and Natural Resources, Extension Educator Associate reviews transactions for their appropriateness before signing the checks. There are no approval threshold limits for expenditures incurred by the Crook County 4-H Extension office; rather, all payments are approved at the County Extension Office level by the 4-H Youth Development Extension Educator Assistant, and the Agriculture and Natural Resources Extension Educator Associate, who have the same level of authority for disbursement transactions.

Consequences (the impact to the unit or the University)

In the absence of independent review of supporting expenditures prior to approving check payments by the second check signer who is independent of incurring expenditures, errors, duplicate payments, or misuse of public or program funds may not be identified in a timely

manner, thereby exposing the office to risk of financial loss, reputational damage, and noncompliance with university or county financial policies.
The UW 4-H Extension Management does not have oversight of significant financial transactions occurring at the 4-H County Extension offices, so there is a risk that inappropriate transactions may not be detected and addressed in a timely manner.

Cause (likely reasons for the deficiency)

The Wyoming 4-H extension program lacks formally documented internal control policies and procedures requiring independent review of expenditures by check signers who are separate from the 4-H Youth Development, Extension Educator Assistant who originated the transaction(s).

Corrective Action (action plans that address the condition, recommendations)

UW Extension Management should implement the following corrective measures:

1. Require documented review of original receipts, business purposes, and account coding before providing the second signature on checks. The review for appropriateness of transactions should be evidenced by initialing the receipts, invoices, or other supporting documents supporting the appropriateness of the expenditures for products, services or other items being paid for.
2. Consider whether establishing threshold approval limits for large expenditures is warranted. Ideally, this should clearly state the spending authority limits for the County Extension staff and might require additional authorization from the UW extension office for higher spending beyond a certain threshold.

Management Response: Management will:

1) Establish internal control policy for segregation of duties such that there should be at least two sets of eyes on any transaction including access to bank accounts, authorize their own transactions, post the transaction details into the accounting records, and then reconcile their own transactions as part of the monthly account reconciliation process and requiring documentation of reviews and segregation of duties. This is an existing guiding principle in the Wyoming 4-H Policies Handbook in the *Financial Policies and Guidelines* sections 6(c), 7(c), 8(b), and 8.3(a).
2) We will ask each county to consider a threshold limit for approvals for large expenditures appropriate to local planning groups, oversight, and budget amounts.

Responsible Parties: All County Staff, Program Leader, Associate Director, Director

Target Completion Date: July 1st, 2027

Observation #2: Strengthen Procedures and Controls over Bank Reconciliations

Background

The Crook County 4-H Extension Office uses two bank accounts for its various activities and uses a manual ledger book to record daily financial transactions. The bank accounts maintained are the 4-H Youth Activities account, and the 4-H Advisory Council account.

Criteria (control framework or policy that establishes the standard)

4-H financial policies require under section 8.3(b), that bank accounts be reconciled monthly.

Condition (the current state based on testing)

The extension office performs bank reconciliation by initialing monthly bank statements, for cleared checks and adding unrecorded deposits or checks directly into the ledger upon review of the bank statement. The same individual who originates transactions performs the bank account reconciliations, and there is no documented supervisory review of the reconciliation process.

While the current reconciliation process does not require a formal reconciliation worksheet to document outstanding reconciling items, the development of a standardized worksheet may be helpful and improve the reconciliation process for 4-H County offices.

Consequences (the impact to the unit or the University)

The current process increases the risk of undetected errors, unauthorized adjustments, or misappropriation of funds. Because ledger entries may be adjusted to match bank balances without independent review, discrepancies could go undetected. This may result in inaccurate financial reporting, loss of public trust, and potential audit findings from county or state oversight bodies.

Cause (likely reasons for the deficiency)

The office does not have a formally documented bank reconciliation procedure requiring standardized reconciliation documentation, segregation of duties, and independent supervisory review.

Lack of training of the County 4-H extension staff on accounting procedures such as account reconciliation may also be a contributing factor.

Corrective Action (action plans that address the condition, recommendations)

UW Extension management should consider implementing a standardized monthly bank reconciliation template along with procedures for reconciling book balances to bank balances. Training should also be provided to the Extension staff regarding the proper procedures to conduct the bank reconciliations, including:

- Document all reconciling items, including outstanding checks and deposits in transit.
- Retain evidence of the reconciliation process.

- Require supporting documentation and supervisory approval for all adjusting entries.
- Ensure reconciliations are signed and dated by the preparer and independently reviewed and approved by a different person. This may involve having the reconciliation conducted by the 4-H Youth Development, Extension Educator Assistant, with a review and approval by the Agriculture and Natural Resources Extension Educator Associate or a separate officer.

Management Response: Management will implement a standardized and electronic monthly bank reconciliation procedure for reconciling book balances and bank balances along with segregation of duties with 2 staff working independently. Plans are to utilize QuickBooks.

This is an existing guiding principle in the Wyoming 4-H Policies Handbook in the *Financial Policies and Guidelines* section 8.3(a-b).

Responsible Parties: All County Staff, Program Leader, Associate Director, Director

Target Completion Date: July 1st, 2027

Observation #3: Lack of Financial Reporting and Financial Statement Preparation

Background

The Crook County 4-H Program maintains only manual hand-written ledgers for bookkeeping and accounting.

Criteria (control framework or policy that establishes the standard)

The 4-H financial policies under its Section 3(b) require that annual County 4-H program financial statements be prepared by the UW 4-H Educator in conjunction with other officials in the program. It further requires in Section 3(c) that the reporting documents be shared with the State 4-H office.

Section 2(c) of the same policy requires that "*those handling 4-H funds must adhere to annual reviews, timely submission of reporting documents, and clear accounting and record keeping methods*."

Condition (the current state based on testing)

The Extension office does not prepare reporting documents as a means to show its financial performance in a given period. Management relies on reviewing transaction-level ledger entries and bank balances rather than financial reports summarizing activities. The current manual process is inefficient and increases the likelihood of errors.

Consequences (the impact to the unit or the University)

The absence of summary financial statements increases the risk of:

- Incomplete financial oversight, undetected spending trends or budget overruns. This is the case especially when there are no planned expenditure (budgeted) line items to be compared to the actual expenditures and the related sources of revenues from which funds should be drawn. See also Observation #5 below.
- Difficulty identifying unusual or unauthorized transactions and reduced transparency to stakeholders where no financial reporting is done.
- Increased vulnerability to errors or misappropriation going unnoticed, and inability to provide clear financial accountability for public and youth program funds.

Additionally, reliance on manual, handwritten ledgers may be less efficient than using computer-aided tools and severely limits the ability to query data when needed.

Cause (likely reasons for the deficiency)

The office lacks a formal financial reporting requirement or standardized reporting templates and does not provide training or guidance on governmental/nonprofit financial reporting practices, including oversight of periodic financial statement reporting. The small size of the staff may have contributed to reliance on informal tracking rather than structured financial reporting.

Corrective Action (action plans that address the condition, recommendations)

The UW Extension Management should assist the County office in the implementation of monthly summary financial statements, including a statement of revenues and expenditures, cash activity summary, and comparison of actual to budget (if applicable). A standardized reporting template should be established and periodic review by extension leadership and county finance personnel should be required.

Documented evidence of review and approval of these financial statements should be maintained. The ongoing process of transitioning from a manual ledger system to QuickBooks accounting software should be accelerated, if practical, to enhance reporting capability and reduce risks associated with manual record-keeping.

Management Response: Management will implement the preparation of monthly summary financial statements, including a statement of revenues and expenditures, cash activity summary, and comparison of actual to budget. Plans are to use QuickBooks. This is an existing guiding principle in the Wyoming 4-H Policies Handbook in the *Financial Policies and Guidelines* as described across multiple sections with the new move to electronic platforms.

Responsible Parties: All County Staff, Program Leader, Associate Director, Director

Target Completion Date: July 1st, 2027

Observation #4: Improve Inventory Management Techniques

Background

Crook County 4-H Program maintains an inventory for shooting sports, and Robotics competitions. The 4-H Youth Development, Extension Educator Assistant tasked with managing the County Extension Office inventory indicated that these inventory units are maintained at the Crook County Fair Grounds.

Criteria (control framework or policy that establishes the standard)

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework emphasizes the importance of maintaining accurate records and performing control activities to safeguard assets. Specifically:

- COSO Principle 10 – Control Activities: Organizations should select and develop control activities that contribute to the mitigation of risks to the achievement of objectives. This includes establishing procedures to safeguard physical assets and maintain accurate records.
- COSO Principle 11 – Technology and Information Controls: Accurate and reliable information systems and records are necessary to support effective internal control and accountability.

Additionally, The Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) highlights the need for proper asset safeguarding and accountability mechanisms.

- IIA Standard 2110.A2 states that internal audit activity must evaluate the effectiveness and efficiency of operations and the safeguarding of assets.
- IIA Standard 2130 – Control requires organizations to maintain appropriate controls to ensure assets are protected and information is reliable.

The University of Wyoming also stresses the importance of sound inventory controls. University Capital Equipment and Depreciation of Capital Assets, standard Administrative Policy and Procedure UW SAP 7-9.6, revised on August 2, 2022, requires under its Section III (B.) that physical inventory count be undertaken periodically. Additionally, Section III (5)(b) of the SAP, that handles tagging and physical inventory tracking, states that serial numbers are among the characteristics to be included in the inventory tracking.

Wyoming 4-H Financial Policies and Guidelines Section 9.b. states that "*a detailed list of all club/group purchased or donated property and equipment must be maintained as part of the Inventory Report, located in the Annual Treasurer's Report, with the following information:*

i. Asset description
ii. Cost (estimated cost if donated)
iii. Date acquired

iv. Where property or equipment is located or housed."

Consistent and detailed inventory tracking, along with periodic physical verification, is a widely recognized control practice used to safeguard organizational assets and ensure accurate reporting.

Condition (the current state based on testing)

Internal Audit noted that 67% of items in the inventory listing are not serialized, limiting the ability to identify and track unique assets. Additionally, inconsistencies were identified between inventory records maintained by the previous 4-H Youth Development, Extension Educator Assistant and those maintained by the current one. There was also no evidence provided to demonstrate that periodic, regularly scheduled physical inventory counts are conducted.

Consequences (the impact to the unit or the University)

Lack of periodic physical inventory counts, and robust inventory management practices increase the risk of loss, theft or misappropriation of assets, inability to track and verify inventory accurately, and reduced accountability over Extension property.

Because some of the inventory items include firearms and archery equipment, in the absence of strict control over these items, it may be possible for volunteers or minors in the program to misappropriate these items. This may lead to increased reputational risk as well as the risk of harm to individuals' health.

Cause (likely reasons for the deficiency)

The condition appears to result from the absence of a standardized inventory template and formal inventory control procedures for county-level 4-H programs.

The lack of formalized inventory management procedures, inadequate transition processes between staff, absence of standardized recordkeeping practices, and insufficient oversight of inventory control activities may all be contributing factors.

Additionally, annual physical inventory counts have not been formally required as part of county 4-H administrative procedures, specifically Wyoming 4-H Financial Policies and Guidelines Section 9.b.

Corrective Action (action plans that address the condition, recommendations)

University of Wyoming Extension Management should implement a comprehensive inventory control system that includes serialization or tagging of all inventory items, standardization of inventory records, and documentation of periodic physical inventory counts.
As part of the inventory control system, management should develop and implement a standardized inventory management template for county 4-H programs. The template should include identifying factors such as outlined in Wyoming 4-H Financial Policies and Guidelines Section 9.b.

The inventory control system should also include a statewide requirement for annual physical inventory counts of county 4-H program assets. 4-H employees and volunteers should be required to document the completion of annual inventory verification, including:

- Date of count
- Individual performing the verification
- Identification of missing, damaged, or surplus assets.

Management should also consider maintaining inventory records in a centralized digital format (e.g., shared template, database.) to promote consistency. Because shooting sports and events include placing firearms or dangerous equipment in the presence of minors, volunteers and members of the public, Management should work vigorously to implement the inventory control system as expeditiously as possible.

Management Response: Management will implement a shared spreadsheet database updated by County Educators with the following: Asset Description, Serial # (if available), Value Estimate, Date Acquired, Current Location, Lost Asset (details and notification of appropriate parties). Assets to be inventoried would include firearms, ammunition (by box or case), archery equipment, and any other items valued over $100. Inventories are to be updated annually at a minimum. This is an existing guiding principle in the Wyoming 4-H Policies Handbook in the *Financial Policies and Guidelines* section 9.

Responsible Parties: All County Staff, Program Leader, Associate Director, Director

Target Completion Date: July 1st, 2027

Observation #5: Lack of Budget Statement Preparation

Background

The Crook County 4-H Program relies on making financial decisions based on the activities it carries out during its operations, and the revenues and expenditures as they are received and expended. As a result, financial decisions are very much focused on the *present financial condition*. The disadvantage to this approach is that some decisions might be made without consideration of the longer-term goals for the Program. Creating a budget prior to the commencement of the Program's operations for the year could result in more informed financial decision making, including the evaluation of *actual* revenue expenditures as compared to *expected* or budgeted results.

Criteria (control framework or policy that establishes the standard)

The University of Wyoming (UW) Regulation 7-1, revised on 9/14/2018 requires preparation and approval of budgets for units, before the start of a fiscal year. This is meant to guide operations for the upcoming fiscal year. It states further on Section III(B) that until final approval of the operating budget, no expenditure shall be made for the upcoming fiscal year.

Condition (the current state based on testing)

The Extension Office has not prepared an annual budget statement that captures planned revenues and planned expenditures for the upcoming fiscal year.

Consequences (the impact to the unit or the University)

The absence of budget statements increases the risk of:

- Undetected deficits, overspending, and unintended depletion of program funds. This is further compounded when a budget-to-actual monitoring process is not in place.
- Continued lack of monitoring may result in financial instability, inability to fund future program activities, reputational damage, and potential noncompliance with University or County fiscal management expectations.

Cause (likely reasons for the deficiency)

The office lacks formal procedures requiring periodic financial performance monitoring and variation analysis reporting. Additionally, there is no established requirement for management review of budget-to-actual reports.

Corrective Action (action plans that address the condition, recommendations)

- The UW Extension management should implement annual budget preparation across all Wyoming 4-H programs. Periodic quarterly budget-to-actual financial reporting, that compares approved budget amounts to actual revenues and expenditures. Variances should be analyzed, documented, and reviewed by appropriate oversight personnel. Significant variances could require documented management response and corrective action.

- Documented evidence of review and approval should be maintained. The ongoing process of transitioning from a manual ledger system to QuickBooks accounting software should be accelerated, if possible, to enhance reporting capability and reduce risks associated with manual record-keeping.

Management Response: Management will recommend that all counties develop annual budget statements that captures planned revenues and planned expenditures for the upcoming fiscal year. This is an existing guiding principle in the Wyoming 4-H Policies Handbook in the *Financial Policies and Guidelines* section 3(a-c).

Responsible Parties: All County Staff, Program Leader, Associate Director, Director

Target Completion Date: July 1st, 2027

CONCLUSION

The Office of Internal Audit would like to express sincere appreciation to the staff, volunteers, and leadership of the University of Wyoming Extension Crook County 4-H Program for their cooperation and assistance throughout the course of this audit.

We recognize the commitment and dedication demonstrated by the 4-H team in supporting youth development, program integrity, and responsible financial stewardship. Their timely responses, transparency, and willingness to provide detailed information were instrumental in facilitating an efficient and productive audit process.

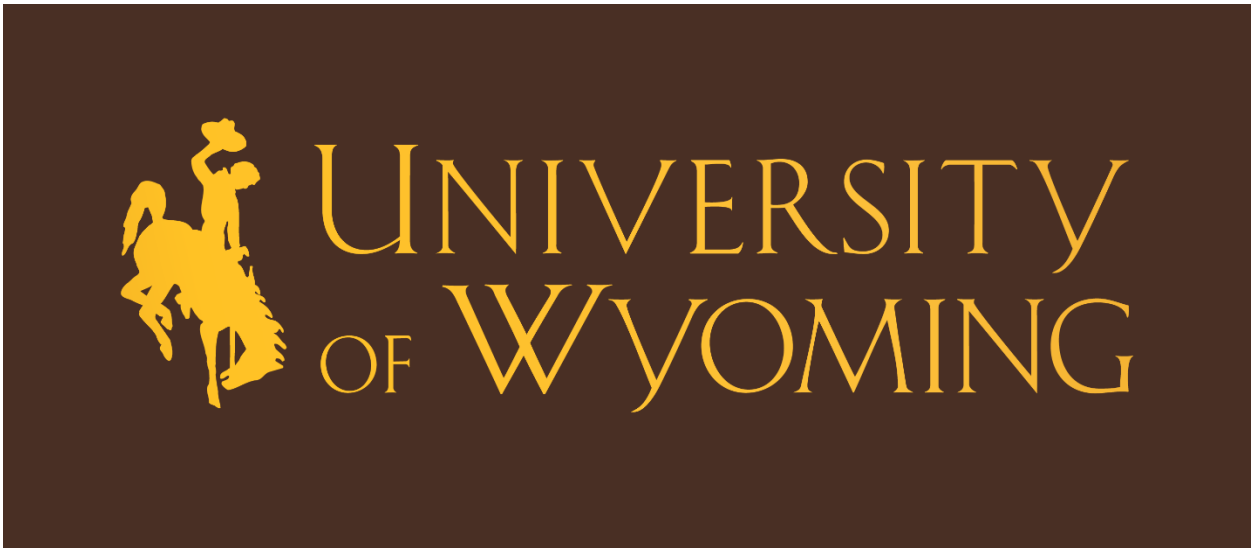
We appreciate the engagement of the County 4-H Educators, and support personnel whose support ensured access to key documentation, operational insights, and historical context that helped to inform our conclusions.

The continued efforts of the UW Extension leadership team and personnel in promoting accountability, educational outreach, and alignment with University policies are vital to the long-term success of the 4-H program in Crook County and other programs throughout Wyoming.

We look forward to continuing collaboration as part of the University's commitment to excellence, compliance, and service to the community.

This audit report will be presented at the Fiscal and Legal Affairs Committee (FLAC) of the Board of Trustees meeting, in September 2026, and any follow-up action plans will be monitored to ensure completion, with all incremental progress and results periodically reported to the FLAC.

Distribution List
Edward Seidel, President of the University of Wyoming
Anne Alexander, Interim Provost
Kelly Crane, Dean, College of Agriculture, Life Sciences, and Natural Resources
Amanda Marney, Director, University of Wyoming Extension
Matthew Helie, Associate Director, University of Wyoming Extension
Erica Reasoner, Crook County 4-H Youth Development, Extension Educator Assistant.
Fiscal and Legal Affairs Committee of the University of Wyoming Board of Trustees



Office of Internal Audit

Internal Audit of Human Resources Talent Acquisition

September 1, 2026

Auditors:
Whit Madère, MBA, MEd, CPA, CFE, CCEP
John Odhiambo, CPA
Kevin Chancellor, PMP

UNIVERSITY OF WYOMING

September 01, 2026

University of Wyoming Board of Trustees:

Internal Audit has completed an audit of the University of Wyoming Human Resources (HR) Hiring Process within Talent Acquisition. This audit was part of the Fiscal Year 2026 approved internal audit plan.

The objectives of this audit were to assess the adequacy and effectiveness of internal controls and related key processes that include background reviews, WyoCloud (Oracle Recruiting Cloud) workflow, open competitive recruitment process, direct hire approvals, and compliance with laws and institutional policies including hiring process guides related to benefited and non-benefited hires. The audit further sought to identify measures to mitigate control deficiencies identified in the assessment of these processes through proposed audit recommendations and management action plans.

Audit methodologies included inquiries, observation of current processes, scanning departmental records, examination of historical documents, and customer (hiring managers) surveys. The surveys were intended to gain views on, and assess level of satisfaction with hiring process, and timeliness in recruitment.

Any concerns or weaknesses identified have been discussed with current leadership, and any management action plans arising from the audit may be subject to follow-up activities to ensure that risks have been appropriately mitigated.

All follow-up activities will be reported to the Fiscal and Legal Affairs Committee of the Board of Trustees until satisfactorily completed.

We would like to thank Bob Link, Assoc VP, Human Resources, Deborah Marutzky, Manager Talent Acquisition, Human Resources, and the other dedicated staff members of the UW Talent Acquisition Unit for their hospitality and assistance throughout the course of this audit.

Sincerely,

Whit Madère, MBA, MEd, CPA, CFE, CCEP
Director of Internal Audit

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The Office of Internal Audit completed an audit of the University of Wyoming (UW) Talent Acquisition Recruiting Services as part of the Fiscal Year 2026 (academic year 2025-2026) audit plan. The audit was conducted to assess the adequacy and effectiveness of internal controls over background reviews, WyoCloud (Oracle Recruiting Cloud) workflow, direct hire approvals, and compliance with laws and institutional policies including hiring process guides related to benefited and non-benefited hires. The audit evaluated whether hiring activities are accurately conducted, approved, and processed in compliance with UW policies and applicable procedures.

The auditors performed fieldwork and testing in the areas of:

- Background reviews
- WyoCloud (Oracle Recruiting Cloud) ORC workflow
- Direct hire justifications
- Open competitive recruitment process
- Compliance review

Based on the results of the audit, UW Talent Acquisition performs internal activities in accordance with UW policies. Talent Acquisition could improve the control environment or improve clarity related to the following items:

- Background reviews for certain classes of hires, particularly Graduate Teaching Assistants.
- Oral recommendations regarding clarification of non-benefited hires who currently do not require justifications for direct hire.

Specific audit findings and recommendations are described in the **Observations, Findings and Recommendations** section of this report. Specific recommendations have been discussed with the members of the leadership of Talent Acquisition.

BACKGROUND

The University of Wyoming utilizes WyoCloud as its primary human capital management system. Talent Acquisition, in collaboration with hiring managers, is responsible for ensuring candidates hiring is accurate, timely, and compliant with UW and regulatory requirements.

Human Resources (HR) Talent Acquisition team play a critical role in coordinating the hiring and selection procedures with the hiring managers until official job offers are extended to successful candidates. Hiring Managers, in collaboration with HR Employment & Staffing Partners, advance candidates using the WyoCloud Hiring system and coordinate background checks required by the candidates' respective positions. Hiring Managers and search committees are responsible for conducting interviews, evaluating candidates, and documenting selection and hiring activities in search matrices.

For benefited hires, the screening and interview documentation must be received by HR Talent Acquisition before candidates advance to subsequent stages in the recruitment process.

For non-benefited hires, the hiring managers have the discretion of using search interview matrices, and HR recruiters do not provide direct oversight of this process, and the hiring departments have the responsibility to maintain records such as matrices when used. For non-benefited hires, the hiring department is responsible for conducting and documenting the search process in accordance with applicable hiring and record-retention requirements. HR's Talent Acquisition team provides process guidance and support but do not routinely review, approve, or maintain search documentation for non-benefited positions. Departments may use an interview matrix or other candidate evaluation method to document their selection process and are responsible for retaining such records when used.

This audit was included in the Fiscal Year 2026 Annual Internal Audit Plan based on the perceived risk by some hiring managers that the recruiting process was overly complex, cumbersome and time-consuming, and potentially non-compliant with employment laws and institutional policies.

Scope

The audit covered hiring for the period July 1, 2025, through April 30, 2026, and included both benefited and non-benefited employees.

Topical areas covered:

- Background reviews
- WyoCloud (Oracle Recruiting Cloud)
- Direct hire justifications
- Open competitive recruitment process
- Compliance review

Procedures

Audit procedures were conducted based on generally accepted auditing standards and practices. Procedures used during this audit included:

- Interviews with Manager, Talent Acquisition to gain an understanding of current processes,
- Inspections of confidential background reviews performed on new hires,
- Examination of Human Resource departmental records and historical documents,
- Evaluation of internal controls for accuracy, authorization, segregation of duties and timeliness,
- Recalculation of some results such as percentage of background checks performed of the overall required, and
- Customer surveys of hiring managers within the scope period.

Outcomes

The results of our audit are characterized in three different categories.

A. **Reportable conditions**. This is the highest level of reporting, and may include violations of policies, procedures, laws, rules, or regulations. Reportable conditions are included in this report and have been discussed with management prior to publication. For each reportable condition, management has provided a response referred to as a Management Action Plan (MAP). All MAPs will be monitored to ensure that the risks identified are adequately mitigated. As required by our professional standards, Internal Audit will monitor and communicate the status of open MAPs to the Fiscal and Legal Affairs Committee of the University of Wyoming Board or Trustees.

B. **Written management recommendations**. These include observations by auditors based on proven best or good business practices, industry norms or standards or other auditor experiences, but do not represent a violation of proscribed policies or procedures or other laws, rules or regulations. Management recommendations are provided to leaders or staff members for consideration to improve processes, gain efficiency, or avoid potential unintended consequences. Management is strongly encouraged to thoughtfully consider these recommendations, although no written management action plan is required, and

auditors will generally not track implementation of planned changes. While these recommendations do not rise to the level of reportable condition, if the condition persists without corrective action, they could rise to the level of a reportable condition in future years.

C. **Orally communicated observations** or considerations are the lowest level of information shared with leadership or management and may not be included in writing in this report. Oral observations and recommendations are shared with management throughout the audit process and/or at the audit closing conference. Oral observations may include opportunities for improved efficiency, comments regarding employees' performance or training needs, or other general suggestions for improvement.

The table below provides a summary of the outcomes discussed in this report:

Audit Area	Type of Observation	Summary of Finding
Background checks	26-2.1 – Reportable Condition requiring management action plan and follow up.	Alignment of background reviews with current policy.
Direct hire justifications for non-benefited hires	Orally Communicated Observation – No management action plan or follow-up required.	Clarification that non-benefited hires currently do not require justifications for direct hire.

The **Observations, Recommendations and Responses** section of this report includes detailed discussions of the reportable conditions along with their respective Management Action Plans.

Observation #26-2.1: Background Check Practices

Background

The University of Wyoming (UW) requires background checks for applicable employment candidates as part of the hiring process. Background checks include verification of credentials, criminal history and employment history checks. These procedures are intended to support informed hiring decisions, mitigate institutional risk, and ensure compliance with University of Wyoming policy requirements. During the audit of the HR hiring and selection processes, Internal Audit evaluated whether background checks were consistently completed and documented prior to employment decisions.

Criteria

The UW Background Review Policy (revised March 25, 2022) requires, on Page 14, completion of background checks that include verification of credentials, criminal history, employment history, and other information related to the employment hiring process prior to employment decisions for applicable positions. The policy states that the review applies to all benefited positions. It further states that for non-benefited hires, background checks will be required for those hired into positions in which any of the following work is involved:

- Handling financial, student, or personnel data or information,
- Handling confidential or sensitive data or information,
- Handling cash, checks, and/or credit card transactions,
- Providing services to anyone under age 18,
- Possessing keys/codes or other means of entry access to living or workspaces, or
- Working with hazardous materials.

Condition

Internal Audit identified instances in which the required background checks were not conducted prior to hiring decisions. Specifically, verification of credentials, criminal history checks, employment history verification, and other required background review procedures were either incomplete or absent from the hiring documentation reviewed. Our observations are summarized:

- Within our scope period, the University hired 3,459 new employes, of which 450 (13.01%) were benefited employees, and 3,009 (86.99%) were non-benefited.
- Out of a random sample of 70 hires, 28 hires (40%) required a background check per Internal Audit's interpretation of the policy. Of the 28, seven (25%) did ***not*** have a background check in accordance with the policy. The seven hires without the required background checks represent 100% of the Graduate Teaching Assistants in the sample.
- Per discussions with HR, the practice has been to not require background checks for these hires.

Consequences

Failure to conduct required background checks increases the risk that individuals may be hired without appropriate verification of qualifications, employment history, or criminal background. This may expose the University to:

- Workplace safety concerns occasioned by individuals of questionable character such as prior violence convictions, when no criminal background check is conducted; and
- Reputational damage in instances when the University gets exposure for inappropriate use of student records by individuals it employed but whose character or qualifications were not vetted.

Cause

The condition appears to have resulted from the historical practice of not routinely requiring background checks for Graduate Assistant positions. Graduate Assistants are students who undergo an established application and admission process through the University and, following admission, an additional application and review process involving the hiring department and Graduate Education to obtain a Graduate Assistant appointment. Based on the nature of this appointment process, background checks were not historically required for these positions.

Under the current process, HR reviews all submitted requisitions and job descriptions to determine whether a background check is required for the position. Hiring departments also provide input regarding whether they believe a background check is necessary, and this information is reviewed in tandem with HR. Ultimately, HR makes the determination, based on the available information regarding the position and its duties, as to whether a background check is required and initiates the background check process when required.

The historical practice regarding Graduate Assistant positions was therefore not the result of a department independently determining that a background check was unnecessary but rather reflected the University's prior approach to evaluating the applicability of background checks to these appointments.

Corrective Action

HR Management should strengthen recruiting and onboarding controls to ensure required background reviews are conducted and documented in accordance with the current policy. Specifically, management should:

- Consider more regimented controls for all non-benefited hires including those who are recruited by University departments. The decision to conduct the background reviews should be based on job duties, as specified in the background review policy, and not on student status as is the current HR practice.
- Provide additional training to hiring managers and HR Talent Acquisition personnel regarding background review policy requirements and the importance of compliance with the policy.
- One option would be to establish procedures to monitor HR Talent Acquisition and Hiring Managers with open job requisitions, to periodically review compliance with

background review requirements. This should include generating recruitment reports for a given period and HR management should follow up with individuals who are consistently out of compliance with hiring practices.

Management Response: Current "Criminal Arrest and Conviction Policy" will be reviewed and updated to align with current best practices and recommendations by UW Leadership. In addition to reviewing, updating, and aligning the current policy, HR will establish a comprehensive pre-employment screening framework that identifies positions/categories subject to background checks, circumstances in which checks may be waived, and the respective responsibilities of HR and hiring departments.

Responsible Individual(s): Deborah Marutzky and Bob Link

Target Completion Date(s): 12/31/2026

Additional Audit Observations – Survey Responses

Note that customer surveys are typically used to gauge customer satisfaction and perceptions and are not typically a part of most audits. The surveys were intended to gain views on, and assess level of satisfaction with, hiring processes, and timeliness in recruitment. A total of 65 surveys were sent, with 37 responses received (56% response rate). The survey results were generally positive, but did include respondents' concerns regarding the following topics:

- Need for completion of background checks before employee start dates.
- Too many approval chains that do not align with funding.
- Need for clearer document that outline hiring steps at a glance.
- Less hiring matrix work.
- Need for more clarity on hiring range, and what each quartile represents.
- Filter for job applicants to only reflect those who meet minimum qualifications, and not those on the "do NOT hire list."
- Consolidation of background checks and I-9 requirements into one email for job candidates, to reduce the steps needed to be accomplished.
- Process of review and approval of job offers by HR needs to be hastened.

Survey results, including the preceding list of topics, were shared with Talent Acquisition management for their edification and to inform them of other potential areas of improvement, at their discretion.

Note that none of the items identified in the survey were considered control weaknesses or process violations; rather, they represented the *perceptions* of the respondents, which might be useful to Talent Acquisition personnel in collaborating with hiring departments and improving overall process efficiency.

Conclusion

Except as noted above, based on our audit, UW Talent Acquisition performs internal activities in accordance with UW policies and procedures.

We would like to express our gratitude to Deborah Marutzky, Manager, Talent Acquisition, and her staff for their cooperation, support, and patience with us throughout the audit process. They were very gracious with their time and provided constructive collaboration with the audit team.

Distribution list

Shane Reeves, President of the University of Wyoming
Kraig Sheetz, Executive Vice President
Alex Kean, Vice President, Budget and Finance
Bob Link, Associate Vice President, Human Resources
Deborah Marutzky, Manager, Talent Acquisition, Human Resources.
Fiscal and Legal Affairs Committee of the University of Wyoming Board of Trustees

FISCAL AND LEGAL AFFAIRS COMMITTEE
COMMITTEE MEETING MATERIALS

AGENDA ITEM TITLE: Status of Internal Audit Plan

☒ OPEN SESSION
☐ CLOSED SESSION

PREVIOUSLY DISCUSSED BY COMMITTEE:
☒ Yes
☐ No
FOR FULL BOARD CONSIDERATION:
☐ Yes *[Note: If yes, materials will also be included in the full UW Board of Trustee report.]*
☒ No
☐ *Attachments/materials are provided in advance of the meeting.*

EXECUTIVE SUMMARY: The Internal Audit Plan was approved by the Fiscal and Legal Affairs Committee (FLAC) of the Board of Trustees in May 2026. The status of the Audit Plan is attached below, and priorities for the remainder of the fiscal year are highlighted.

PRIOR RELATED COMMITTEE DISCUSSIONS/ACTIONS: None

WHY THIS ITEM IS BEFORE THE COMMITTEE: Regular reporting to the Committee regarding the status of progress made on completion of the Internal Audit Plan.

ACTION REQUIRED AT THIS COMMITTEE MEETING: No.

PROPOSED MOTION: N/A

Background:
The Fiscal Year 2027 Internal Audit Plan was approved by the Full Board of Trustees in May 2026. The latest version of the plan will be presented in order to highlight the priorities for the remainder of the fiscal year, and to explain the transition to the plan for the next fiscal year.

In most years, audits or projects are in progress when the new fiscal year begins and the new Audit Plan becomes effective. Several “carry forward” projects from Fiscal 2026 carried into Fiscal 2027.

2026-2027 Internal Audit Plan – Update as of September 2026

FY 2027 AUDIT PLAN	PROPOSED January 2026		Planned Hours	(%)	Status
GROSS HOURS	Total Hours Available (3 FTE)		6,240		
Holiday	Hours UW is closed		(360)	6%	
Annual Leave	Vacation		(528)	8%	
Annual Leave	Sick leave		(324)	5%	
NET HOURS	AVAILABLE PROJECT HOURS		5,028	81%	
Required Initiatives			2,249	44.7%	
Training	Hours assigned for UW required training and continuining education credits for certifications.	Required for Certifications	380	8%	
Quality Assessment	Quality Improvement Plan, prepare for independent verification of self-assessment of internal audit function	Per IIA Standards	80	2%	
Administration	Staff meetings, FLAC, policy review, research/development, web-site update, strategic planning, recruiting, etc.		1,089	22%	
Advising	Consultative and special projects, (i.e., collaboration with Procurement, Foundation, Risk, etc.)		200	4%	
Follow-Ups	Follow-Up monitoring, verifications & reporting	As Required	180	4%	
Investigations	Fraud, Waste, and Abuse (FWA) Investigations	As Needed	320	6%	
	Annual/Rotating Projects	Recurring	700	13.9%	
	Athletics/NCAA Topics	Ongoing Rotation	180	4%	
	Agricultural Extension Programs (One per year)	Ongoing Rotation	200	4%	
	Risk Assessment (Required)	Annual	200	4%	
	Results and Reporting (Required)	Annual	80	2%	
	Cashiers & Vault Count (rotating surprise counts)	Random	40	1%	
	Carried Forward From Prior Year	Carryforwards	600	11.9%	
	College of Health Sciences Administration		250		In progress
	Special facilities, Animal Molecular Science, Vivarium		150		In progress
	EHS - assess implementation of 3rd party recommendations. Confer with management and SMEs regarding Internal Audit support.	On multiple years' Risk Assessment	200	4%	
	ADA - New regs delayed until 2027. Consider audit in 2028.	Recommended	-	0%	
	Change in Leadership Audits	Leadership Changes	220	4.4%	
	Changes in Leadership (24 hrs/each + "Bucket" of hours)	Leadership Change	220	4%	
	TBD (College of Agriculture)	Leadership Change	-	0%	
	TBD (VP/CIO Enterprise Technology)	Leadership Change	-	0%	
	TBD (Provost)	Leadership Change	-	0%	
	TBD (VP Student Affairs)	Leadership Change	-	0%	
	TBD (College of Engineering)	Leadership Change	-	0%	
	Risk-Based Audits/Projects	Risk Assessment	1,520	30.2%	
	PRWORA Research Compliance	Compliance	200	4%	
	HR - Leave policies /Usage	PY Risk Assessment	150	3%	
	Labor Laws (Plus payroll, Legal compliance, FLSA classification)	Risk Assessment (LH)	180	4%	
	Remote locations and Remote workers (including out of state)	Risk Assessment (HL)	180	4%	
1st	Procurement (spending patterns, trends, outliers, red flags)	In progress	300	6%	In progress
2nd	P-Cards Continuous Monitoring	In progress	150	3%	In progress
	Contracts Management	Risk Assessment (HL)	180	4%	
	Clery Act Reporting	Risk Assessment (HL)	180	4%	
	Total Hours Assigned		5,289	105.2%	
	Total Remaining Hours		(261)	-5%	
	Total Available for Projects		5,028		

Summary:

- Items in green highlights are underway.
- Planned hours for the year (**5,028**) leave an additional 261 hours (about one additional audit) for allocation to projects.

FISCAL AND LEGAL AFFAIRS COMMITTEE
COMMITTEE MEETING MATERIALS

AGENDA ITEM TITLE: Status of Follow-up Activity

☒ OPEN SESSION
☐ CLOSED SESSION

PREVIOUSLY DISCUSSED BY COMMITTEE:
- ☐ Yes
- ☒ No

FOR FULL BOARD CONSIDERATION:
- ☐ Yes *[Note: If yes, materials will also be included in the full UW Board of Trustee report.]*
- ☒ No

☒ *Attachments/materials are provided in advance of the meeting.*

EXECUTIVE SUMMARY: According to the Institute of Internal Auditors Global Internal Audit Standards, internal auditors must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the residual risks associated with maintaining the status quo and not taking further corrective action.

PRIOR RELATED COMMITTEE DISCUSSIONS/ACTIONS: None

WHY THIS ITEM IS BEFORE THE COMMITTEE: Regular report to the Committee regarding status of Internal Audit activities.

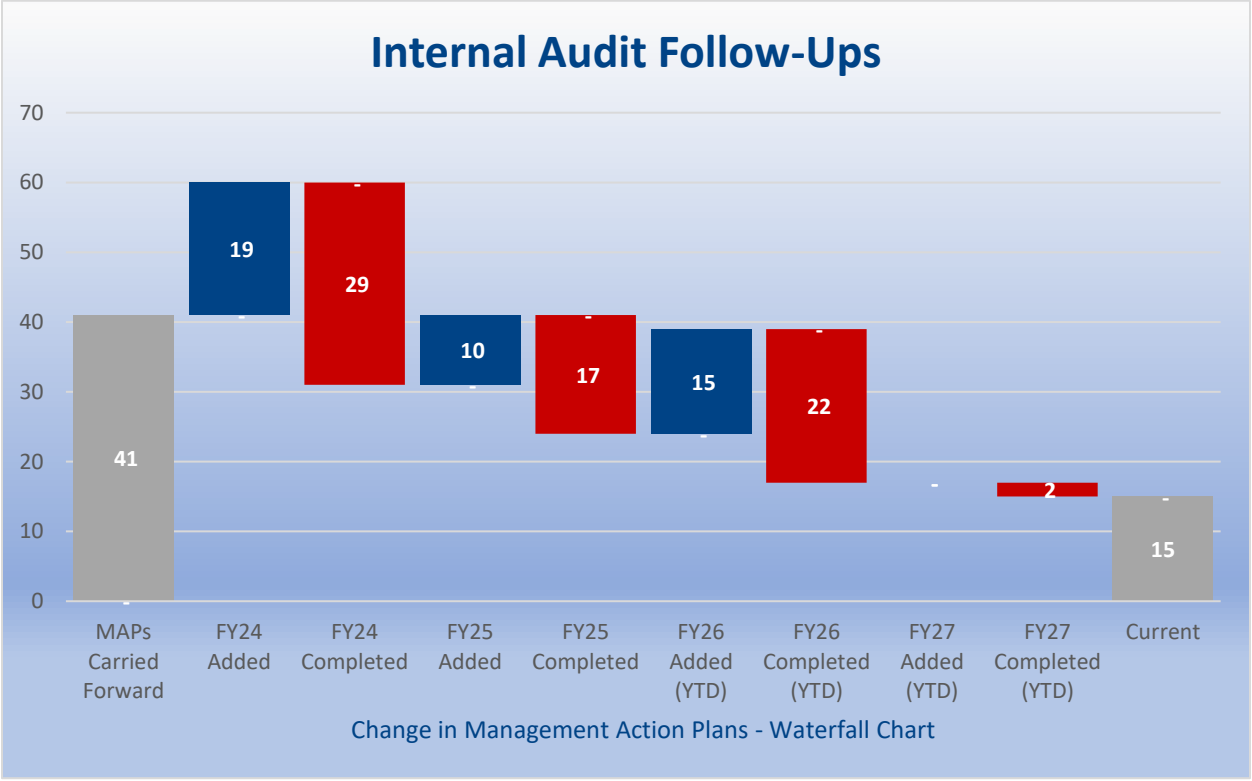
ACTION REQUIRED AT THIS COMMITTEE MEETING: None

PROPOSED MOTION: None

Background:

The Institute of Internal Auditors' Standards states that the chief audit executive must establish and maintain a system to monitor the disposition of results previously communicated to management and must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking the recommended action(s).

The Internal Audit team presents all management action plans for which a follow-up may be required, even if the planned implementation date is well into the future.
Since tracking the status of all Management Action Plans (MAPs), including all known action plans monitored by predecessor auditors, 41 MAPs were carried forward from predecessors, 44 MAPs have been added to the tracker, and 70 MAPs have been completed, leaving 15 open.



Of the 15 MAPs that remain open:

- 2 have been completed since the last meeting.
- Of the 15, 1 is past the due date, but Internal Audit has received material for review that should satisfy the action plan once reviewed. We will not consider this action plan past due at this time.
- The oldest open MAPs date back to audit reports issued in Fiscal Year 2023.

The table below summarizes all management action plans outstanding.

Index	Audit Period	Issued	Entity Name	Remaining	Nature of Management Action Plan	Completion Status and Due Date	Past Due?
21-3	2020-2021	9/14/2022	Academic Affairs (COM)	1	1b. Policies and procedures documentation	Expected 2028	No
22-3	2021-2022	9/8/2022	Student Health Services	1	2a. Quality controls for accreditation	9/30/2027	No
23-2	2022-2023	7/18/2023	College of Health Sciences (COM)	1	2. Documented operational, financial, and personnel guidelines have not been fully developed to ensure effective and efficient progress toward shared strategic objectives between the college and EHCW.	TBD	No
25-1	2024-2025	9/8/2025	College of Law	1	1b. Build and maintain documentation for awards given and any changes made to scholarships	6/1/2026	No
25-2	2024-2025	9/8/2025	Laramie County 4-H - UW Agriculture Extension	4	2. Implement formal review and approval process for monthly reconciliations	1/1/2027	No
					3. Identify and require county implementation of new accounting software for recordkeeping. Provide training for implemented software.	1/1/2027	No
					4. Create and implement a policy establishing rules regarding the purchase/sale of livestock	1/1/2027	No
					5. Creation of policy dictating rules for scholarship awarding to 4-H participants via a scholarship committee or similar.	1/1/2027	No
25-3	2024-2025	9/8/2025	UW Libraires	2	1a. Create written plan outlining inventory taking processes for the Libraires.	10/1/2026	No
					1b. Internal Audit team will return to Libraires to review new RFID system being placed into service Fall 2025.	10/1/2026	No
26-1	2025-2026	10/23/2025	College of Education	0	1a. Create and implement Supplemental payment tracker for all faculty receiving supplemental payments. Compare assigned summer supplemental payments for additional summer responsibilities to job offer letter to ensure payments are accurate and due to employee as described on job offer letter.	Completed	No
26-3	2025-2026	3/4/2026	Internal Billing	2	1. Financial Affairs will be working with UW Administration to go through the process of revising SAP 7-9.13 to give the correct intent of Student Financial Services handling delinquencies.	12/31/2026	No
					2. Establish and formalize a comprehensive policy and procedure framework for the service centers, including formalized activity reporting requirements, monthly reconciling controls, and defined accounting support structure.	11/30/2026	No
I.I. - #1	2025-2026	3/4/2026	UW Operations	3	1. Cultivate/improve the working relationship between Operations and Procurement team members.	2/28/2026	No
					2. Ensure everyone involved in the process has “adequate training” (which probably first needs to be defined)	2/28/2026	No
					3. Consider whether the process for smaller projects can/should be enhanced (considering cost/benefit of any proposed changes)	2/28/2026	No

M.A.P. Discussion and Progress Updates:

21-3 Academic Affairs Change in Leadership (Provost)

- Audit Report Date: September 14, 2022
- Original Follow-Up Due Date: February 22, 2023
- The report contained one observation with two parts; one remains open as follows:
  - **Observation #1b:** 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.

Status as of September 2026 –

- Only one item remains open, and most sections within it have been completed. The one open area includes the areas highlighted in red below:
  - **Observation #1b:** Review and revisions have been underway considering:
    - Course overloads
    - Release time
    - Completion date, 2028.

The topics of Release Time and Course Overloads have been combined and included in General Counsel's project to update all SAP/DAP documents and target completion date is 2028. The intent is to also include the topic of course overloads with release time.

22-3 Student Health Services - Organization training and quality controls for accreditation

- Audit Report Date: August 30, 2022
- Original Follow-Up Due Date: June 8, 2023
- The report contained two observations; one remains open as follows:
  - **Observation #2a: Accreditation:** Accreditation lapsed in 2021.

Status as of September 2026 –

- **Observation #2a:**
  - Student Health Services has established an Accreditation Committee designed to review AAAHC standards and UW policies and procedures to prepare for the re-accreditation process every 3 years. The committee ensures that Student Health Services provide excellent, quality health care every day throughout the accreditation cycle, by monitoring quality, risk management, and addressing opportunities for improvement. The meetings are held bi-weekly on Thursday at 9:00 a.m.
  - The expectation of Student Health Services is 1-2 years for accreditation approval. Target completion date for 2a is 9/30/2027.

23-2 College of Health Sciences (COM)

- Audit Report Date: July 18, 2023
- Original Follow-Up Due Date: April 18, 2024
- One observation remains open and is summarized as follows:
  - **Observation #2:** Documented operational, financial, and personnel guidelines have not been fully developed to ensure effective and efficient progress toward shared strategic objectives between the college and Educational Health Center of Wyoming.

Status as of September 2026 –

- **Observation #2:** - The College of Health Sciences has hired Jefferson Wells to conduct a comprehensive audit of Educational Health Center of Wyoming operations. The report is complete and has been provided to The College of Health Sciences. The Dean has shared the report with Internal Audit, it has been discussed that the external audit should help to improve the relationship between the college and EHCW.
- Due date for this Observation had been changed to TBD to allow for a more realistic due date to be scheduled for this action plan.

25-1 College of Law

- Audit Report Date: September 8, 2025
- Original Follow-Up Due Dates: 1a. - 10/15/2025, 1b. - 6/1/2026, 2. - 1/1/2026
- The audit report contained two observations comprising of three total components One component remains open as follows.
  - **Observation #1b:** Maintain documentation, including all award criteria used in determining award amounts, any changes to awards for any reason, and copies of all correspondence with awardees.

Status as of September 2026 – The final MAP for the College of Law is overdue but in the review phase. The College of Law has submitted all policies and procedures, as well as documentation of awarded scholarships and metrics used for the 26-27 academic year. Internal Audit still needs to review these to sign off on completion of the MAP. Internal Audit anticipates updating status to "complete" during the November 2026 FLAC meeting.

25-2 Laramie County 4-H – UW Agriculture Extension

- Audit Report Date: September 8, 2025
- Original Follow-Up Due Dates: 1. - 12/1/2025, 2. - 12/1/2025, 3. - 1/1/2026, 4. – 12/1/2025, 5. – 12/1/2025
- The audit report contained five observations, four remain open as follows.
  - **Observation #2 -** Implement formal review and approval process for monthly reconciliations and incorporate the process into the Wyoming 4-H policy framework.
  - **Observation #3** - Identify and require county implementation of new accounting software for recordkeeping. Provide training for implemented software.
  - **Observation #4** - develop and implement a formal policy regarding the purchase and/or sale of livestock for all county offices in Wyoming.

- **Observation #5** - Develop and implement a formal policy for awarding 4-H travel scholarships. Policy should include clear application procedures, defined evaluation criteria, standardized award ranges, documentation requirements

Status as of September 2026 –

- There has been turnover of management within the Agricultural Extension office. All plans have been extended to January to allow for new leadership to implement changes.
- **Observations 4 & 5** have been completed and approved by Internal Audit but not yet included in the policy manual or on the website.

25-3 University of Wyoming Libraires

- Audit Report Date: July 31, 2025
- Original Follow-Up Due Dates: 1a. - 1/1/2026, 1b. - 1/1/2026
- The audit report contained one observation with two parts, both remain open at this time
  - **Observation #1a** - Create a policy and a written plan for when and how inventory observations will be conducted. A full inventory should be taken after RFID is in place, and a plan for continuously cycle counting inventory in future periods should be outlined.
  - **Observation #1b –** Contact Internal Audit to schedule a walkthrough/observation of UW Libraires RFID devices in use when fully implemented

Status as of September 2026 – The full implementation and training of staff on the RFID system has been completed. Internal Audit will tour the facility for observation of RFID devices in use for checkout of books, as well as review the policies and procedures for inventory observations going forward for UW libraries. There will be an oral update during the FLAC meeting regarding the completion of this MAP.

26-1 College of Education

- Audit Report Date: October 23, 2025
- Original Follow-Up Due Dates: 1a. - 6/1/2026, 1b. - 6/1/2026
- The audit report contained one observation which remains open as follows:
  - **Observation #1a -** Create and implement supplemental payment tracker for all faculty receiving supplemental payments. Compare assigned summer supplemental payments for additional summer responsibilities to job offer letters to ensure payments are accurate and owed to employee as described on job offer letter.

Status as of September 2026 – A sufficient payment tracker has been provided and should be an efficient tool for monitoring and issuing supplemental payments withing the College of Education. This Management Action Plan is now **complete** and will no longer be tracked.

26-3 Internal Billing

- Audit Report Date: March 4, 2026
- Original Follow-Up Due Dates: 1a. – 12/31/2026, 2. – 4/30/2026, 3. – 3/31/2026

- The audit report contained one observation which remains open as follows:
  - **Observation #1 -** Financial Affairs will be working with UW Administration to go through the process of revising SAP 7-9.13 to give the correct intent of Student Financial Services handling delinquencies.
  - **Observation #2 -** Establish and formalize a comprehensive policy and procedure framework for the service centers, including formalized activity reporting requirements, monthly reconciling controls, and defined accounting support structure.

Status as of September 2026 – No MAPs are overdue or outstanding currently.

Internal Investigation #1

- Audit Report Date: February 10, 2026
- Original Follow-Up Due Dates: TBD
- The investigation report contained three observations which remains open as follows:
  - **Observation #1 -** Cultivate/improve the working relationship between Operations and Procurement team members.
  - **Observation #2 -** Ensure everyone involved in the process has “adequate training” (which probably first needs to be defined)
  - **Observation #3 -** Consider whether the process for smaller projects can/should be enhanced (considering cost/benefit of any proposed changes)

Status as of September 2026 – None of the observations involved in the investigation have a MAP due date that is overdue or outstanding currently.

FISCAL & LEGAL AFFAIR COMMITTEE
COMMITTEE MEETING MATERIALS

AGENDA ITEM TITLE:

☒ OPEN SESSION
☐ CLOSED SESSION

PREVIOUSLY DISCUSSED BY COMMITTEE:
- ☒ Yes
- ☐ No

FOR FULL BOARD CONSIDERATION:
- ☐ Yes *[Note: If yes, materials will also be included in the full UW Board of Trustee report.]*
- ☒ No

☒ *Attachments/materials are provided in advance of the meeting.*

EXECUTIVE SUMMARY: The University successfully completed the 2026–2027 insurance renewal under difficult market conditions, particularly for casualty/liability coverage, and despite increasing exposures, including addition of new facilities and equipment. Through active management of the renewal process and continued engagement with the insurance marketplace, the University maintained comprehensive coverage while recognizing an overall premium decrease exceeding 5%. These results reflect strong collaboration between campus units, proactive risk mitigation efforts, elimination of excess coverage, shifts in coverage types, and effective negotiations. Looking forward, the University must continue to meet growing underwriting demands for detailed data and increased engagement with carriers throughout the policy period. UW will also bid for new broker partner(s) in FY27. A summary of the renewal and future considerations is attached for the Committee's information and the University's Risk Manager will present the information and be available for Committee questions during the meeting.

PRIOR RELATED COMMITTEE DISCUSSIONS/ACTIONS: None

WHY THIS ITEM IS BEFORE THE COMMITTEE: Informational

ACTION REQUIRED AT THIS COMMITTEE MEETING: None

PROPOSED MOTION: No

UNIVERSITY OF WYOMING

Office of Risk Management
Dept. 4300 • 1000 E. University Ave., Laramie, WY 82071
(307) 766-6787 • email: risk@uwyo.edu

MEMORANDUM

TO: University of Wyoming Board of Trustees Fiscal & Legal Affairs Committee
FROM: Laura Betzold, Chief Risk Officer & Senior Associate General Counsel
DATE: September 3, 2026
RE: 2026-27 Insurance Renewal Summary

Overview of Renewal

The University has successfully completed the 2026-2027 insurance renewal cycle, with only one minor policy remaining to renew in October. The University maintained comprehensive coverage while achieving a favorable overall result in a market that remains challenging for higher education, particularly for liability coverage. Most policies are effective July 1, 2026, aligning with the University's fiscal year.

The renewal occurred amid increased underwriting scrutiny of higher education and continued pressure on casualty and liability insurance, driven by increasing claim severity, social inflation, litigation costs, and higher-value liability losses. Through proactive engagement with the insurance marketplace, continued risk management efforts, adoption of insurance modifications previously evaluated with University leadership and FLAC, and strategic negotiations with brokers and underwriters, the University achieved an **overall premium decrease of over 5%.** This result significantly outperformed projections that were included in the budget of an approximate 9% increase. Those projections were based on market analysis provided by the University's brokers derived from their market intelligence and specifically on market analyses of institutions of higher education with similar risk profiles.

Insurance Market Environment

The 2026-2027 insurance renewal took place in a mixed insurance market. While overall commercial property conditions have continued to soften, casualty and liability markets remain under significant pressure. Higher education is particularly affected by these trends because of the frequency and severity of liability claims and the complexity of institutional exposures.

- **Liability:** The casualty market remains the most challenging portion of the University's insurance program. Higher education insurers continue to experience increasing claim severity

and costs associated with social inflation, including a more challenging litigation environment, third-party litigation financing, plaintiff-friendly rulings, and higher jury awards and settlements. United Educators reports that, from 2020 to 2025, there were 43% more educators' legal liability claims exceeding $1 million, the cost of general liability claims increased 120%, and there were 56% more general liability excess claims exceeding $2 million. (See United Educators "The Rising Cost of Claims: By the Numbers" attached.) United Educators' underwriting approach generally does not provide premium relief based solely on an institution's individual risk profile relative to its peers.

- **Property:** Property insurance conditions have improved compared with recent renewal cycles. Increased underwriting capacity and competition have resulted in rate decreases for many commercial property risks. However, available data from the higher education industry somewhat tempers these positive trends.

- **Cyber Liability:** Cyber insurance capacity and pricing remain comparatively favorable, although underwriting continues to focus closely on cybersecurity controls and emerging exposures. Higher education remains an important cyber risk because of sensitive research data, large volumes of personal information, and decentralized technology environments. Current market reporting indicates that higher education cyber premiums have experienced only modest increases, with available capacity helping to keep pricing relatively stable. At the same time, insurers continue to scrutinize phishing controls, incident response planning, and other cybersecurity practices. The insurance market is continuing to evaluate new exposures associated with artificial intelligence and increasingly autonomous technology. Insurers are adjusting policy language and considering how traditional cyber definitions apply to AI-related incidents, reflecting the difficulty of pricing emerging risks where historical loss data is limited.

- **International:** International insurance continues to be affected by geopolitical instability, conflicts, and heightened concerns regarding kidnapping, wrongful detention, political violence, and other risks associated with international travel and operations. These exposures remain particularly relevant to the University because of study abroad, research travel, and other international activities resulting in increasing demands by underwriters for more exposure data.

Renewal Results Summary

The University's 2026–2027 renewal was successful both financially and operationally. Although casualty and liability costs continue to increase, favorable property market conditions, targeted program changes, and negotiated enhancements helped limit the overall program cost. The following table summarizes the renewal results for individual lines of coverage over $50,000 in annual premium or with significant changes:

2026-2027 Key Renewal Results (Policies > $50,000 Annual Premium or Significant Changes)				
Line of Coverage	**Prior Premium**	**Renewed Premium**	**Change (%)**	**Key Changes/Comments**
Property	$3.2M	$2.88M	-10%	Eliminated property terrorism wrap; increased exposures (residence halls and aquatics center).
Liability	$548K	$595K	+9%	Improved pre-claim credit coverage; includes risk management program premium reduction without which the premium increase would be over 15%.
Athletic/Cheer Injury	$476K	$501K	+5%	No material coverage changes.
Cyber	$296K	$221K	-25%	Eliminated some excess coverage; social engineering added/enhanced in crime policy.
Crime	$24K	$27K	+13%	Increase reflects added social engineering coverage; obtained rate and coverage lock for 3 years
Aviation	$105K	$105K	0%	No coverage or premium change despite increased worldwide exposures and related industry pressure.
Foreign & Travel Accident	$36K	$48K	+35%	26/27 is 12 months cover 25/26 was only 10 months to align policy with July 1 renewal; premium increased 35% based on the annual premium comparison; adjusted for prior 10-month term, the year-over-year increase is 12%; increase reflects increased UW exposures (international activity) and geopolitical risks; eliminated country restrictions.
Resident Professional Medical Liability	$63K	$64K	+2%	No change in coverage, increase reflects carrier minimum premium adjustment.
UAS (Drone)	$32K	$54K	+69%	Secured change from scheduled to blanket policy; premium increase reflects increasing inventory.
All Other Policies Combined	$57K	$56K	-1%	Includes Camp and 4-H Accident, Cargo, Special Crime, Health Science Student Professional Liability, Law Clinic Liability, Out-of-State Workers' Compensation, Public Official Bond. Out-of-State Work Comp exposures are increasing. Negotiated to retain cargo conveyance limits of $1M with no premium increase despite prior year reduced exposure.

Several of the changes implemented during the renewal were based on options previously evaluated with University leadership and FLAC and determined to be appropriate for reduction or elimination without

creating disproportionate institutional risk. Those key program decisions and enhancements include the following:

- Elected to eliminate the top excess cyber layer. The decision recognizes that the uppermost layer provides protection against low-frequency, high-severity losses and that the premium associated with that layer could be redirected to other areas of the program. The University continues to maintain substantial primary and excess cyber protection.

- Eliminated the property terrorism wrap. This coverage provided broader protection for certain terrorism-related property and business interruption losses, including some events that may not meet the federal definition of a certified act of terrorism. The decision shifts this relatively low-frequency exposure to the University while producing premium savings.

- The savings from excess cyber and property terrorism were accompanied by targeted enhancements elsewhere in the program. Most significantly, social engineering coverage lost in the cyber coverage change was added and enhanced by endorsement to the crime policy, strengthening protection against a growing source of financial loss risk. The special crime policy was also materially enhanced, including removal of geographic exclusions and substantial increases to previously sublimited coverage areas.

- Achieved an 11.65% rate decrease on the property program, resulting in a 10% premium decrease after accounting for increased insured values (including new residence and athletic facilities).

- Successfully negotiated to retain the $1 million ocean cargo conveyance limit, despite a carrier request to reduce the limit to $500,000 based on prior year exposures.

- Transitioned unmanned aircraft (drone) coverage from scheduled to blanket coverage with a few exceptions that must be scheduled due to dollar value or risk profile of the drone or payload. These changes provide greater flexibility and preserve protection while supporting efficient use of premium dollars. The premium increase is driven by a significant increase in the number and value of drones which is expected to increase during the current policy period and for the foreseeable future. Restrictions on the ability to import and use drones from specific countries/manufacturers are influencing the value of the covered drones.

Looking Ahead

Although market conditions have improved in some areas, the University has made most of the obvious adjustments to its program to capture premium savings and will need continued attention to insurance costs and coverage adequacy. In particular, casualty and liability pressures are expected to remain a significant consideration for higher education institutions and options for traditional insurance for these risks are limited.

Key areas of focus include:

- **Data and Exposure Reporting:** Carriers are increasingly requiring detailed exposure data with short response timelines, placing additional demands on many departments and particularly Athletics, Human Resources, Operations, IT, and Risk Management. Areas of focus for data improvements include business income loss by location, IT activity and security, and international activity. Efforts on data governance and AI led by IT, remote non-Wyoming workforce led by Human Resources, and improved international activity and travel tracking currently being piloted by Global Engagement and the College of Health Sciences with leadership from Procurement should position the University to be responsive to demands.

- **Campus Risk Management and Carrier Engagement:** Carriers are placing increased emphasis on institutional risk management and operational practices. Continued increases in claim severity and litigation costs make loss prevention and early identification of significant exposures increasingly important. Higher education insurers are also increasing their use of risk management resources and assessments to address emerging institutional risks.

- **Broker Services:** The University maintains relationships with two brokers, one for property coverage (including boiler/machinery, fine arts and valuable papers, and business interruption), and another for all other policies. Both contracts expire in Spring 2027. An RFP for broker services will be released to secure strategic partner(s) capable of navigating the ongoing challenges of the insurance marketplace and the University's risk transfer and financing needs.

- **Alternative Risk Financing:** As a longer-term strategy, the University may continue to evaluate alternative risk financing mechanisms, including collaborative efforts (such as the fine arts program currently facilitated by WICHE) or captive arrangements, for selected risks. A captive could provide greater control over insurance costs and claims volatility but would require substantial loss data, actuarial analysis, capitalization, governance, and operational infrastructure. It should therefore be viewed as a longer-term strategic consideration rather than an immediate cost-saving measure.

Conclusion

The 2026–2027 insurance renewal achieved a favorable balance between cost management, comprehensive protection, and strategic risk retention. Despite continued pressure in the casualty and liability markets, the University achieved an overall premium decrease of over 5%. The University also implemented several changes previously evaluated with leadership and FLAC. The renewal demonstrates the value of actively evaluating the University's risk financing strategy rather than simply renewing existing coverage. Continued attention to loss prevention, exposure data, carrier engagement, and strategic evaluation of retained versus transferred risk will be important to maintaining favorable results in future renewal cycles.

2026 Update

The Rising Cost of Claims: By the Numbers

United Educators (UE), like other insurance companies, has been affected by issues of social inflation and other societal factors that are drastically increasing the cost of claims. Educational institutions are facing rising jury awards across all liability lines.

Costs of UE Member Claims

The **volatility in high-cost claims** is driving up the cost of excess capacity.

Among the top causes of loss for UE member claims: Sexual misconduct; discrimination and wrongful termination; slips, trips, and falls; accidents causing injury to people; and vehicle claims for general liability.

Loss severity is driving up the cost for CGL and more acutely for GLX.

2020-2025

43% more ELL claims valued at > $1 million *(excluding antitrust claims)*

56% more GLX claims valued at > $2 million *(excluding child reviver act claims)*

From 2020 to 2025, CGL cost of claims **increased 120%** (excluding child reviver act claims)

Sexual Misconduct

Excluding employment-related harassment and high-profile claims related to mass serial abusers, UE saw sexual misconduct claims:

Grow **3x faster** than all other claims types over the last 15 years

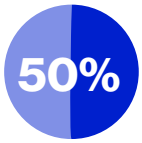
30%

Comprise **30%** of all claims over the past few years

Defense Costs

The charts below identify the portion of claims costs attributable to legal defense from 2020 to 2025.

ELL



CGL

Members partnering with UE on claims resolution and ensuring the appointment of defense counsel that is the right fit can help mitigate the rising cost of legal defense.

UNIVERSITY OF WYOMING

FY 26 Audit Overview and Timeline

University of Wyoming CLA Audit Timeline:

- Main Audit Fieldwork – On campus week of September 21st.
- Single Audit – OMB has not released 2026 Compliance Supplement, cannot issue Single Audit report until released. FY2026 Major Programs – Research and Development Cluster + Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-Up).
- IT Audit – Testing completed in July.
- Wyoming Public Media Agreed Upon Procedures.
- Cowboy Joe Club Agreed Upon Procedures - Fieldwork begins September 21st.
- NCAA Agreed Upon Procedures – Fieldwork begins September 21st.
- Draft Financial Statements – November 9th.
- Review meeting of Draft Financial Statements – Possible dates for this ad-hoc FLAC meeting are proposed below for committee discussion:
    - Wednesday, November 11th, 2026
    - Thursday, November 12th, 2026
    - Friday, November 13th, 2026
- Final Financial Statements – November 18th FLAC Meeting

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September 9, 2026

Board of Trustees
University of Wyoming
Laramie, Wyoming

We are engaged to audit the financial statements of the business-type activities and the discretely presented component unit of the University of Wyoming as of and for the year ended June 30, 2026. Professional standards require that we communicate to you the following information related to our audit. We will contact you to schedule a meeting to discuss this information since a two-way dialogue can provide valuable information for the audit process.

Our responsibility under Auditing Standards Generally Accepted in the United States of America, *Government Auditing Standards,* and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*

Financial statements, internal control, and compliance

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS); the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards require us to be independent of the entity and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. Those standards also require that we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. As part of our audit, we will:

- Identify and assess the risks of material misstatement of the financial statements and material noncompliance, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement or a material noncompliance resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we identify during the audit that are required to be communicated under U.S. GAAS and *Government Auditing Standards*.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the amounts and disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern for a reasonable period of time.

- Form and express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

- Plan and perform the audit to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

- Perform, as part of obtaining reasonable assurance about whether the financial statements as a whole are free from material misstatement, tests of the entity's compliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements. However, the objective of our tests is not to provide an opinion on compliance with such provisions and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

- Provide a report (which does not include an opinion) on internal control over financial reporting and on compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*.

- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over compliance. However, we will communicate to you in writing any significant deficiencies or material weaknesses in internal control over compliance that we identify during the audit that are required to be communicated.

- Plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the applicable compliance requirements occurred. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. Material noncompliance can arise from fraud or error and is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report.

- Perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with the direct and material compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

- Consider internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

- Perform tests of transactions and other applicable procedures described in the "OMB Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of these procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance. While our audit will provide a reasonable basis for our opinion, it will not provide a legal determination on the entity's compliance with those requirements.

- Provide a report on internal control over compliance related to major programs and express an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Uniform Guidance.

- Communicate significant matters related to the financial statement audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

- Communicate circumstances that affect the form and content of the auditors' report.

Our audit of the financial statements does not relieve you or management of your responsibilities.

Supplementary information in relation to the financial statements as a whole

Our responsibility for the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the SEFA in relation to the financial statements as a whole and to report on whether the SEFA is fairly stated, in all material respects, in relation to the financial statements as a whole. We will make certain inquiries of management and evaluate the form, content, and methods of preparing the SEFA to determine whether the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We will compare and reconcile the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we will make certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We will compare the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we will not express an opinion or provide any assurance on the RSI.

Planned scope and timing of the audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit of the financial statements will include obtaining an understanding of the entity and its environment, including the system of internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters may be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

Although our audit planning has not been concluded and modifications may be made, we have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management's Override of Controls

As a result of unexpected events, changes in conditions, or the audit evidence obtained from the results of audit procedures performed, we may need to modify the overall audit strategy and audit plan and, thereby, the resulting planned nature, timing, and extent of further audit procedures, based on the revised consideration of assessed risks.

We expect to begin our audit in May 2026 and issue our report in November 2026.

Audits of group financial statements

The following is an overview of the type of work to be performed on the financial information of components included in the group financial statements, including the basis for our decision to make reference to the audit of a component auditor in our auditors' report on the group financial statements:

- We will rely on the work of other auditors over the University of Wyoming Foundation, a discretely presented component unit.

Other planning matters

Recognizing the importance of two-way communication, we encourage you to provide us with information you consider relevant to the audit. This may include, but is not limited to, the following items:

- Your views about the following matters:
    - The appropriate person(s) in the entity's governance structure with whom we should communicate.
    - The allocation of responsibilities between those charged with governance and management.
    - The entity's objectives and strategies and the related business risks that may result in material misstatements.
    - Matters you believe warrant particular attention during the audit and any areas for which you request additional procedures to be undertaken.
    - Significant communications between the entity and regulators.
    - Other matters you believe are relevant to the audit of the financial statements.
- The attitudes, awareness, and actions of those charged with governance concerning (a) the entity's internal control and its importance in the entity, including how those charged with governance oversee the effectiveness of internal control, and (b) the detection or the possibility of fraud.
- The actions of those charged with governance in response to developments in law, accounting standards, corporate governance practices, and other related matters, and the effects of such developments on, for example, the overall presentation, structure, and content of the financial statements, including the following:
    - The relevance, reliability, comparability, and understandability of the information presented in the financial statements.
    - Whether all required information has been included in the financial statements, and whether such information has been appropriately classified, aggregated or disaggregated, and presented.
- The actions of those charged with governance in response to previous communications with the auditor.
- Your understanding of the risks of fraud and the controls in place to prevent and detect fraud, including your views on the following matters:
    - The “tone at the top” conveyed by management.

- The risk that the entity's financial statements or schedule of expenditures of federal awards might be materially misstated due to fraud.
- Programs and controls that the entity has established to mitigate identified fraud risks or that otherwise help to prevent, deter, and detect fraud.
- How and how often you review the entity's policies on fraud prevention and detection.
- If a fraud hotline is in place, how it is monitored and how you are notified of allegations or concerns.
- How you exercise oversight of management's processes for identifying and responding to the risks of fraud and the programs and controls management has established to mitigate those risks.
- The risks of fraud at the entity, including any specific fraud risks the entity has identified or account balances, classes of transactions, or disclosures for which a risk of fraud may be likely to exist.
- Examples of fraud-related discussions management has had with you.
- Any actual or suspected fraud affecting the entity or its federal award programs that you are aware of, including measures taken to address the fraud.
- Any allegations of fraud or suspected fraud (e.g., received in communications from employees, former employees, grantors, regulators, or others) that you are aware of.
- Any knowledge of possible or actual policy violations or abuses of broad programs and controls occurring during the period being audited or the subsequent period.
- Any accounting policies or procedures applied to smooth earnings, meet debt covenants, minimize taxes, or achieve budget, bonus, or other financial targets that you are aware of; and whether you are aware of any accounting policies that you consider aggressive.

- How you oversee the entity's (1) compliance with laws, regulations, and provisions of contracts and grant agreements, (2) policies relative to the prevention of noncompliance and illegal acts, and (3) use of directives (for example, a code of ethics) and periodic representations obtained from management-level employees about compliance with laws, regulations, and provisions of contracts and grant agreements.
- Whether you are aware of any noncompliance with laws, regulations, contracts, and grant agreements, including measures taken to address the noncompliance.
- If the entity uses a service organization, your knowledge of any fraud, noncompliance, or uncorrected misstatements affecting the entity's financial statements or federal award programs reported by the service organization or otherwise known to you.

* * *

This communication is intended solely for the information and use of the Board of Trustees and management of the University of Wyoming and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

CliftonLarsonAllen LLP

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