

CHAPTER XII  
ACCOUNTING AND AUDIT REQUIREMENTS

Section 1. Accounting Standards .

(a) The program shall have adequate accounting records to record and document all transactions that affect an agency's assets, liabilities, and fund balance. The accounting information system should be designed and maintained to ensure recording and documentation of all transactions or events that affect a program's ability to delivery services.

(b) Adequate measures of internal control shall be incorporated within a program's accounting system to promote reporting of reliable information about operations and to ensure stewardship over assets.

Section 2. Recording and Reporting Standards .

(a) Financial information shall be reported on a basis consistent with prior methods classified in a manner that recognizes inherent similarities, differences, and interrelationships.

(b) The financial and qualitative information that can be used to influence decision making shall be disclosed with the financial statement consisting of:

(i) State of Financial Position (Balance Sheet);

(ii) State of Support Revenue and Expenses (Detailed), in accordance with Chapter 7, Section 2(x)(D) of these rules;

(iii) Statement of Changes of Fund Balance;

(iv) Related Qualitative Disclosures (Footnotes); and

(v) Grant or Contract Compliance Disclosure.

(c) All capitalized assets purchased or donated, all liabilities, fund balances, all revenues, all expenses shall be recorded in conformity with generally accepted accounting principles.

Section 3. Auditing and Reporting Standards . The financial audit shall be governed by generally accepted auditing standards and other authoritative pronouncements of the profession. Additional reporting requirements have been incorporated to assure the auditor's reviews and test the information system to validate services provided and related cost and grant or contract compliance of services provided. These standards define and clarify the requirements for an independent audit that is an explicitly stated requirement in all contracts entered into by the division and the providers.

(a) The following establishes the audit requirements for subgrantees receiving assistance through the State of Wyoming, Department of Health and Social Services, Division of Community Programs. These requirements provide for an annual independent financial and compliance audit of operations. Such audits are to determine whether: (a) the financial operations are conducted properly; (b) the financial statements are presented fairly; (c) the subgrantee has complied with the terms of the contract; (d) the internal procedures have been established to meet the objectives of the programs for which assistance is provided; and (e) the financial reports submitted to the Department of Health and Social Services, Division of Community Programs contain accurate and reliable information presented consistently with the umbrella service for funding rules Chapter 5, Section 3.

(b) Audits shall be made in accordance with the General Accounting Office Standards of Audit of Governmental Organizations, Programs, Activities, and Functions, the Guidelines for Financial and Compliance Audits of Federally Assisted Programs and generally accepted auditing standards established by the American Institute of Certified Accountants.

(c) All contractors receiving public funds from the Division of Community Programs shall maintain detailed board minutes. Minutes shall include a list of all warrants issued and their amount except that any warrants that may identify individual clients shall be consolidated in such a manner that the individual client cannot be identified. Minutes shall be made available for public inspection during the regular business hours upon request. Minutes shall adhere to all applicable laws, rules, and regulations that apply to confidentiality of client records. This shall not deny use of executive sessions for discussion of sensitive personnel or client matters.

(d) All service providers receiving funds from the Division of Community Programs shall annually submit, within 120 days following the close of the service provider's fiscal year, an independent financial and compliance audit with management recommendation letter to the Office of Planning and Administration within the Department of Health and Social Services and to the State Examiners. Audits shall conform to the requirements of W.S. 16-4-102(a)(ix) and 16-4-121 through 16-4-123 and the State Examiner shall review and accept or reject the audit in conformity with W.S. 16-4-123. The scope of the audit shall include a determination of compliance with the terms of service provider contracts and other requirements of W.S. 35-1-620 otherwise requested by the Department of Health and Social Services or the Division of Community Programs. The service providers shall make copies of the audit available to the general public on request. Funds audited under subsection (d) of this Section shall include:

(i) Funds from the division;

(ii) State general funds from the Division of Vocational Rehabilitation, the Division of Public assistance and Social Services, and the Division of Health and Medical Services;

(iii) All federal funds;

(iv) All county funds; and

(v) All funds received from private sources.

(e) The audit requirements fulfill the requirements for the annual financial and expenditure report (Chapter 7, Rule 10C) only when the contract and fiscal year end correspond to the state fiscal year end June 30.

#### Section 4. Determining Compliance .

(a) The decision of the administrator on whether or not a program has complied with the provisions in this Chapter will be based on the State Examiner's acceptance or rejection of the audit and a written assessment by the Budget Office of the Department of Health and Social Services that the program's accounting system is in compliance with the standards established in this Chapter.

(b) If a program is found to be in noncompliance, the administrator shall notify the chairman of the board of the program by certified mail of the deficiencies and outline the necessary corrective action and timeline for corrective action.

(c) In the event that a program fails to bring about compliance in a timely manner, the Division of Community Programs may withhold contract payments in accordance with the division contract with the provider or terminate the contract in accordance with these rules.

(d) The decision of the administrator on issues of compliance with this Chapter is final.