



Certification Page Regular and Emergency Rules

Revised September 2016

Emergency Rules (After completing all of Sections 1 through 3, proceed to Section 5 below)

Regular Rules

1. General Information

a. Agency/Board Name Wyoming Department of Audit		
b. Agency/Board Address 122 W 25th St	c. City Cheyenne	d. Zip Code 82002
e. Name of Agency Liaison Charles R. Schmechel		f. Agency Liaison Telephone Number 307-777-6394
g. Agency Liaison Email Address charles.schmechel@wyo.gov		h. Adoption Date January 18, 2018
i. Program Public Funds		

2. Legislative Enactment

For purposes of this Section 2, "new" only applies to regular rules promulgated in response to a Wyoming legislative enactment not previously addressed in whole or in part by prior rulemaking and does not include rules adopted in response to a federal mandate.

a. Are these rules new as per the above description and the definition of "new" in Chapter 1 of the Rules on Rules?

No. Yes. Please provide the Enrolled Act Numbers and Years Enacted: **SEA036-2017 (SF0015)**

3. Rule Type and Information

a. Provide the Chapter Number, Title, and Proposed Action for Each Chapter.

(Please use the Additional Rule Information form for more than 10 chapters and attach it to this certification)

Chapter Number:	Chapter Name:	New	Amended	Repealed
4	Special Districts Financial Reporting General	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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3. State Government Notice of Intended Rulemaking

- a. Date on which the Proposed Rule Packet (consisting of the Notice of Intent as per W.S. 16-3-103(a), Statement of Principal Reasons, strike and underscore format and a clean copy of each chapter of rules were: **November 27, 2017**
- approved as to form by the Registrar of Rules; and
 - provided to the Legislative Service Office and Attorney General:

4. Public Notice of Intended Rulemaking

- a. Notice was mailed 45 days in advance to all persons who made a timely request for advance notice. No. Yes. N/A
- b. A public hearing was held on the proposed rules. No. Yes. Please complete the boxes below.

Date: January 16, 2018	Time: 10:00 - 10:30 a.m.	City: Cheyenne	Location: Rm 1699 Herschler Building West Wing
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- c. If applicable, describe the **emergency** which requires promulgation of these rules without providing notice or an opportunity for a public hearing:

5. Final Filing of Rules

- a. Date on which the Certification Page with original signatures and final rules were sent to the **Attorney General's Office for the Governor's signature:**
- b. Date on which final rules were approved as to form by the **Secretary of State** and sent to the **Legislative Service Office:**
- c. The Statement of Reasons is attached to this certification.

6. Agency/Board Certification

The undersigned certifies that the foregoing information is correct.

Signature of Authorized Individual	
Printed Name of Signatory	Jeffrey C. Vogel
Signatory Title	Director, Department of Audit
Date of Signature	1/18/18

7. Governor's Certification

I have reviewed these rules and determined that they:

1. Are within the scope of the statutory authority delegated to the adopting agency;
2. Appear to be within the scope of the legislative purpose of the statutory authority; and, if emergency rules,
3. Are necessary and that I concur in the finding that they are an emergency.

Therefore, I approve the same.

Governor's Signature	
Date of Signature	

Statement of Principal Reasons

Proposed Rules Changes for the Department of Audit Public Funds Division

The Department of Audit is proposing to amend Chapter 4 of the Public Funds Division rules pursuant to the authority granted in Wyoming Statutes § 9-1-507(a)(iii) & (h) and pursuant to the Wyoming Administrative Procedure Act.

In 2017, the Wyoming State Legislature enacted and amended statutes creating definitions of special districts, statutory requirements for the administration of finances and budget reporting for special districts. The proposed amendments to these rules reflect the requirements of special districts regarding the submission of a final budget, clarifying the information to be provided to the Department to reflect the legislative changes and formatting changes to conform to rule uniformity and Rules on Rules. Specifically the proposed amendments to Chapter 4 are:

- Deletion of department and division from the chapter title to conform to rules formatting.
- Section 1 change to conform to rules formatting.
- Section 2 includes language regarding applicable special districts as set out in 2017 Senate Enrolled Act 36 (SEA036), and Wyoming Statutes §§ 16-12-201; 16-12-202(a).
- Section 4(h) change to controlling statute as set out in SEA036 and Wyoming Statute § 16-12-202(a).
- Section 4(l) clarifying language added.
- Section 4(t) change to controlling statute as set out in SEA036 and Wyoming Statute § 16-12-202(a).
- Section 5(a) clarifying language added and form submission change as set out in SEA036 and Wyoming Statute § 9-1-507(a)(viii).
- Section 5(b) added as set out in SEA036 and Wyoming Statute § 9-1-507(a)(viii).
- Section 5(c) added as set out in SEA036; Wyoming Statutes §§ 16-12-403; and 16-12-408(a).
- Section 6(a) clarifying language added and submission change as set out in SEA036 and Wyoming Statute § 9-1-507(a)(viii).
- Section 6(b) added as set out in SEA036; Wyoming Statutes §§ 9-1-507(a)(viii) and 16-12-408(a).
- Section 6(c) added as set out in SEA036; Wyoming Statutes §§ 16-4-109(b); and 16-12-406(c).
- Section 8(b) clarifying language added.
- Section 10 clarifying language added
- Subheadings removed or incorporated into section titles to conform to rules formatting.

Summary of Comments with Agency Response

1. In Section 5(a), “This seems a little bit outside of the realm of budgeting, is there a statutory requirement associated with this? It seems this is duplicating, and to some degree complicating a paperwork trail when the information is already available through the County and County Clerk websites or offices. The Department of Audit requirements should solely focus on the actual process of budgets. It also may create confusion as meeting locations and times may change during the year. If the Dept. of Audit moves forward with this requirement it should be clearly identified as information needed in the budget form, in addition to a disclaimer that meeting locations may vary and a district representative should be contacted for updated meeting information.”

At the public hearing for these rules, we received similar concerns.

All elections information, place of meetings, location of minutes, and a description of how and where notices of meetings are posted for the public are indeed public information. Further, Wyoming Statute (W.S.) 9-1-507 allows the department to ask for information, and allows the department to determine the form.

This budget form is used by the Department of Audit as well as County Clerks. As county clerks and the Department of Audit have oversight requirements over special districts, the ability to gather information to see if a board is functional is crucial to that role. The information being asked for is relevant to the budget: knowing who is taking responsibility for the budget, when and where the budget was discussed, and ensuring meetings were open to the public are important elements to the budget process. The Department of Audit has encountered situations where special districts have operated without an active board or otherwise had trouble finding contact information. In addition, some county clerks have indicated that not every district is required to report election information or other contact information to them. The placement of this information on the budget form provides the Department of Audit, county clerks, and the public at large a consistent place to view vital and public information on a special district.

2. In section 5(c), “I would recommend the Department consider amending this language, to be consistent with Section 5(a), to state, "Each special district shall submit to the Department, **and county clerk** one budget for the entire entity, regardless of the number of funds used by the entity.”

We agree, and have made the change accordingly.

3. In section 6(c), “This can be interpreted to imply that a District would be required to publish notice and submit proof of publication prior to any discussion on the budget, which may include discussions on financial position, projections for the budget during the fiscal year or preliminary

budget planning for the upcoming fiscal year, all of which may occur at a regularly scheduled business meeting, which I am assuming is not the intentions of 6(c). I would suggest rewording to state, "(c) For **the public hearing(s) on the proposed budget as required by W.S. 16-12-403** and the public meeting(s) where the district **adopts its budget as required by 16-12-408(a)**, the district shall submit to the department proof of publication of the public notices.

We have changed the language accordingly to make the rule reflect the statute found in W.S. 16-12-403(d)

4. Wondering if you could provide some clarification on the draft Chapter 4 Rules and Regulations. Does this mean a Weed and Pest District doesn't need to submit two separate budgets for their Weed and Pest (W.S. 11-5-111) mil levy and their Special Management Program mil levy (W.S. 11-5-303(e)). This change makes it sound like the funding from the two programs will be mingled together in the budget. Subsection C makes it sound like it will be one budget for district, no matter if they are funded under one or both of the programs. If they are combined into one budget, are we not losing some of the budget clarification that the Special District Taskforce was asking for?

For the sake of consistency, DOA is issuing instructions to all districts to report their budget at an entity level basis, and not at the fund level. This instruction should not be construed as to relieve districts from accounting at the fund level. Nor should districts construe this instruction to mean they cannot report separate funds within the budget as separate line items (rather, they should be encouraged to report separate funds as separate line items). Proper reporting in a consistent manner for all districts provides greater clarity and usefulness for those reading district's budgets.

5. I am reviewing the emergency rules regarding special district financial reporting and noticed a mandatory requirement in the rules, while the statute on which that provision is based is permissive.

Chapter 4, Section 5(b) of the rules provides: "If a special district or other specified entity operates in multiple counties, the special district or other specified entity shall post the proposed budget conspicuously on its website or file the proposed budget with each county clerk of the counties in which the special district or other specified entity operates." (emphasis added).

W.S. 9-1-507(a)(viii), on the other hand, provides: "If a special district or other specified entity operates in multiple counties, the special district or other specified entity may post the proposed budget conspicuously on its website or file the proposed budget with each county clerk of the counties in which the special district or other specified entity operates." (emphasis added).

Some courts have held that where a statute provides a permissive requirement, but that same requirement is mandatory in an agency's rules, the requirement exceeds the agency's statutory authority. *See In re Impoundment of Chevrolet Truck*, 60 P.3d 53 (Wash. 2002) (holding that a mandatory vehicle impoundment rule exceeded the agency's statutory authority, where the

statute provided for permissive vehicle impoundment authority). *But see Westchester Gen. Hosp., Inc. v. Dep't of Health, Ed. & Welfare*, 464 F. Supp. 236, 256 (M.D. Fla. 1979) ("Only if the mandatory regulation is not reasonably related to advancing the purposes of the permissive statute, which it is promulgated to implement, will the regulation be invalid.").

We agree, and have adjusted the language to ensure there is no longer a conflict.

~~DEPARTMENT OF AUDIT, PUBLIC FUNDS~~

CHAPTER 4

SPECIAL DISTRICTS FINANCIAL REPORTING GENERAL

Section 1. Authority.

The statutes require the Director to promulgate rules under which special districts shall prepare and file an annual report of their books and also be subject to different levels of oversight, depending upon total revenues or expenditures of the district during the fiscal year. ~~[W.S. Wyoming Statutes 9-1-507 (a)(iii), (vii) & (viii)]~~. These rules are adopted to implement procedures and processes necessary for the Director to fulfill the statutory duties and responsibilities, to determine the financial reports to be filed, to determine when audits and specified procedures shall be required, and to establish the format for additional reporting by special districts.

Section 2. Scope.

These rules apply to all special districts having authority to levy taxes or impose assessments, or receiving funds from special districts, municipalities, or towns. Sections 5 and 6 apply to those special districts listed in W.S. 16-12-202(a) where the principal act governing those entities are silent or unclear on submission of budgets. The specific provisions of a principal act are effective or controlling to the extent they conflict with these rules. Sections 5 and 6 do not apply to special districts created by and subject to administration by the courts. The Department shall provide forms, guidance, and direction for local governments requesting assistance.

Section 3. Purpose.

Accurate and uniform reporting of financial information is necessary to determine the level of supervisory oversight necessary for special districts. The Department is required to provide accurate financial information to the legislature and to other state, federal, and private agencies, regarding the cost of operating and maintaining state and local government, special districts, and specific government programs. The reports and reporting methods required by these rules are to ensure uniformity and accuracy in reporting revenues, expenditures, and financial activities by the reporting entities in order for the Department to fulfill its supervisory and audit responsibilities.

Section 4. Definitions, as used in these rules:

(a) "AICPA" means the American Institute of Certified Public Accountants.

(b) "Annual Report Summary" means the checklist on the ~~d~~Department of ~~a~~Audit, ~~p~~Public ~~f~~Funds website which requires certification by two authorized representatives of the entity. The checklist shall contain a certification statement. The authorized representatives shall verify under oath the information contained in the report is a true, accurate, and complete presentation of the financial activities of the reporting entity.

(c) "Bank reconciliation" means a specified procedure to determine if all cash assets shown on the financial records reconcile and agree to the amounts reported by the financial institutions.

(d) "CPA" means a certified public accountant licensed or authorized to practice in the State of Wyoming.

(e) "Department" means the state ~~d~~Department of ~~a~~Audit.

(f) "Director" means the director of the state ~~d~~Department of ~~a~~Audit.

(g) "Electronic Budget Form" means the form and instructions used to complete reporting as required by W.S. 9-1-507(a)(viii). The electronic budget form can be found on the ~~d~~Department of ~~a~~Audit, ~~p~~Public ~~f~~Funds website.

(h) "Entity" means any entity as listed in W.S. ~~16-12-103~~16-12-202(a).

(i) "Fiscal year" means the period beginning July 1, and ending June 30.

(j) "Government Auditing Standards" means the standards published by the Comptroller General, United States Government Accountability Office, Current Revision.

(k) "Independent auditor" means a certified public accountant who follows the Government Auditing Standards.

(l) "Independent ~~third-party~~" means a person having a basic understanding of the purpose of the reporting entity and the nature of its business, with sufficient knowledge of bookkeeping or accounting to understand the financial transactions of the entity. The independent ~~third-party~~ cannot be a person or an immediate family member of a person who has management authority over the reporting entity or is a signor of the entity's checks. Examples of individuals who fit the definition of an independent party include, but are not limited to clerks of other special districts, hired bookkeepers or accountants who do no other work for the district, and board members who do not have access or signing authority to the district's bank accounts.

(m) "Internal control evaluation", as it relates to the audit and review procedures, means and includes:

(i) A documented analysis of the procedures established by the reporting entity to assure that financial transactions are properly recorded (see guidance on ~~d~~Department of ~~a~~Audit, ~~p~~Public ~~f~~Funds website regarding special districts).

(ii) Tests of the system sufficient to determine whether the system, and compliance with its procedures, provides reasonable assurance that the entity's assets are safeguarded and that liabilities are accounted for; to test that public funds are used in accordance with laws, regulations, and policies; that resources are safeguarded against waste, loss, or misuse; and in internal controls that reliable data are obtained, maintained, and fairly disclosed in reports.

(iii) A written summary of deficiencies in internal control significant in context to the audit objectives discovered and corrective measures, which should be implemented.

(iv) For the internal control self-evaluation of those entities not required to have an independent accountant (CPA) audit or review, the Internal Control Evaluation Worksheet as provided by the Department and updated on an annual basis, may be used in fulfillment of this procedure.

(n) "Officer" or "official" means the chairman of the official board, whether appointed or elected, the treasurer of the special district or other local government entity, or if no position is specified, any member of the Official Board.

(o) "Oversight" means and includes the reports, procedures and processes established by rules and regulations of the Department to ensure that the Director may comply with the statutory requirement to supervise the financial accounting of the special district entities in this state.

(p) "Proof of Cash" means a procedure much like a bank reconciliation, except more extensive and detailed. It is used to verify the "books of the entity" are in agreement with the cash transactions which have been recorded by the bank. The form is available on the ~~Department of~~ Department of ~~Audit, Public Funds~~ website. This procedure shall be performed by an independent ~~third~~ party.

(q) "Revenue" for the purpose of reporting, means and includes all revenues from all outside sources, as well as, all debt proceeds and grants received during the reporting fiscal year. If the entity normally reports on a cash basis, the report shall conform to cash revenues received. If the entity normally reports on an accrual or modified accrual basis, the report shall be consistent with whichever accounting basis is normally used.

(r) "Review level engagement" means a procedure which complies with the AICPA professional standards. Footnotes to financial statements shall disclose all known commitments as of the date of the financial statements that are material to the financial statements, including construction commitments.

(s) "Self audit" means an analysis conducted internally by any official not involved in the daily transactions of the entity or by an independent ~~third~~ party, with the assistance of the entity, and certified by an officer, to verify the correctness of transaction recording and to provide management with reasonable assurance that assets are adequately safeguarded. Guidance is available on the ~~Department of~~ Department of ~~Audit, Public Funds~~ website.

(t) "Special District" means any entity as listed in W.S. ~~16-12-103~~ 16-12-202(a).

(u) "Specified procedures" means a procedure which complies with the AICPA professional standards.

Electronic Budget Reporting

Section 5. Instructions for Reporting Budget Form.

(a) _____ The reporting entity shall comply with the electronic budget form and associated instructions found on the ~~d~~Department of ~~a~~Audit, ~~p~~Public ~~f~~Funds website. The format shall include at least a budget message, budget summary, statements of cash available, revenue forecasts, ~~and~~ expenditure plan, names of board members and end date of their term, location of where the minutes of board meetings are available for public review, a description of how and where notices of meetings are posted for the public, and the location of public meetings. The Director shall provide specific instructions for completion of the online budget reporting form. The reporting entity shall submit electronically the electronic budget form, the date of the budget hearing, and the date of the budget approval to the Department and the ~~board of county commissioners~~clerk of the county where the special district is located.

(b) _____ If a special district or other specified entity operates in multiple counties, the special district or other specified entity has the option to either post the proposed budget conspicuously on its website or file the proposed budget with each county clerk of the counties in which the special district or other specified entity operates.

(c) _____ Each special district shall submit to the Department and respective county clerk(s) one budget for the entire entity, regardless of the number of funds used by the entity.

Section 6. Time For Filing Online Budget Reports.

(a) _____ The proposed budget reports shall be filed ~~online~~electronically with the ~~Director~~Department and to the ~~board of county commissioners~~county clerk of the county where the special district is located by June 1st of each year.

(b) _____ The adopted budget shall be filed electronically with the Department and to the county clerk of the county where the special district is located by July 31st of each year.

(c) _____ For the public meeting(s) where the district board reviews and considers its budget, the district shall submit to the department proof of publication of the public notice.

Annual Census Reporting

Section 7. Use of Annual Census Report Information.

To avoid duplication of effort, the annual census report currently being filed with the federal bureau of the census, or with the Department, by all entities required to report to the Department, shall be utilized by the Department to the extent possible to obtain the required revenue, expenditure, and financial activity information. The Department shall seek approval from the appropriate federal authority for modification of the annual census report form, if necessary, to provide the information required by the Department. However, refusal of the federal authority to modify the census report form shall not alter the obligation of the reporting entity to provide the Department with the required information.

Section 8. Census Report Forms.

(a) The census report form to be used is the Survey of Local Government Finances. Single purpose special districts shall use form F-32, and multi-purpose districts shall complete and return the census form for major special agencies, form F-66-WY4.

(b) ~~A copy~~The current version of the appropriate form may be obtained from the Department and is posted on the ~~e~~Department of a~~Audit, p~~Public f~~Funds_~~website.

(c) If the Director requires additional or supplemental information, the Department shall provide the necessary forms for uniform reporting.

Section 9. Instructions For Reporting.

(a) It is recognized the reported census financial data may not always agree with audited financial statements or with accounting entries made in accordance with Generally Accepted Accounting Principles (GAAP).

(b) The Director shall provide specific instructions for completion of each reporting form to ensure financial data reported to the Department is uniformly identified, grouped, and reported. The reporting entity shall comply with the Director's instructions, even though compliance requires modification of internal accounting programs, procedures, or reports. The Department shall provide information and assistance to the reporting entities.

Section 10. Time For Filing Census Reports.

The required census reports shall be filed with the ~~Director~~Director by September 30 for the prior fiscal year.

~~Special District Financial Control Reporting, Determining~~

~~Risk and Required Levels of Oversight, Due Date for Filing~~

Section 11. Risk Assessment.

The entities, whose financial accounts and records are subject to supervision by the Director, shall be classified according to their relative risk assessment. The higher of the total revenues received, or expenditures made, by the district during the fiscal year under review, subject to the limitations set forth in W.S. 9-1-507(a)(iii)(A-D), shall determine the level of risk assessment. The level of risk assessment shall determine the type of oversight or supervision required of the entity, unless special audit requirements imposed by other state or federal laws, rules, regulations, contracts, or agreements require a different type or level of oversight or supervision. The level of risk assessment for each entity shall be determined each fiscal year.

Section 12. Levels of Risk Assessment.

(a) Using the required reports as a basis for assessment and depending upon the higher of the total revenues received, or expenditures made, by the district during the fiscal year under review

subject to the limitations set forth in W.S. 9-1-507(a)(iii)(A-D), there shall be a total of five levels for special districts. There are three levels with oversight prescribed in the statutes and two additional levels between \$100,000 and \$1,000,000 for special districts, with oversight as defined in these rules. The complete list is as follows:

- (i) Level A - \$1,000,000 and over.
- (ii) Level B - \$500,000 to \$999,999.99.
- (iii) Level C - \$100,000 to \$499,999.99.
- (iv) Level D - \$25,000.01 to \$99,999.99.
- (v) Level E - \$25,000 or less.

(b) Level A is the highest risk assessment level and requires the highest level of supervision and oversight. Level E is the lowest level of risk assessment and requires the lowest level of supervision and oversight.

(c) Federal and state grants shall be included in revenues for the fiscal year in which the grant is received, for purposes of determining the assessed level of risk.

(d) An entity classified at Level A shall have a CPA audit in accordance with Government Auditing Standards.

(e) An entity classified at Level B shall have a review level engagement, or a higher level of audit service, such as an audit, at the special districts option, and the following additional procedures.

(i) The notes shall disclose any failure to comply with state statutes requiring documentation of a depository relationship between the entity and any depository; and

(ii) Other procedures which may be required or approved by the Director and are identified prior to the commencement of the engagement.

(f) An entity classified at Level C shall have a self-audit, a proof of cash, and an annual report summary and shall submit them to the Director.

(g) An entity classified at Level D shall have a proof of cash and an annual report summary and shall submit them to the Director.

(h) An entity classified as Level E shall only be required to provide the census report as described in section 8.

Section 13. Procedures Required Annually.

Each entity is required to perform the level of procedures required for their respective risk level, or a greater level of assurance (at their option) at the close of each fiscal year. Completion of the

procedures performed shall be certified under oath by the officials of the entity. The certification shall be filed with the Department no later than December 31. A copy of the certification form is included on the [Department of aAudit, public funds website](#).

Section 14. Due Dates For Filing Additional Procedures.

All applicable reporting, based on level of risk shall be due to the Department by December 31.

CHAPTER 4

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Section 1. Authority.

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Section 2. Scope.

These rules apply to all special districts having authority to levy taxes or impose assessments, or receiving funds from special districts, municipalities, or towns. Sections 5 and 6 apply to those special districts listed in W.S. 16-12-202(a) where the principal act governing those entities are silent or unclear on submission of budgets. The specific provisions of a principal act are effective or controlling to the extent they conflict with these rules. Sections 5 and 6 do not apply to special districts created by and subject to administration by the courts. The Department shall provide forms, guidance, and direction for local governments requesting assistance.

Section 3. Purpose.

Accurate and uniform reporting of financial information is necessary to determine the level of supervisory oversight necessary for special districts. The Department is required to provide accurate financial information to the legislature and to other state, federal, and private agencies, regarding the cost of operating and maintaining state and local government, special districts, and specific government programs. The reports and reporting methods required by these rules are to ensure uniformity and accuracy in reporting revenues, expenditures, and financial activities by the reporting entities in order for the Department to fulfill its supervisory and audit responsibilities.

Section 4. Definitions, as used in these rules:

- (a) "AICPA" means the American Institute of Certified Public Accountants.
- (b) "Annual Report Summary" means the checklist on the Department of Audit, Public Funds website which requires certification by two authorized representatives of the entity. The

checklist shall contain a certification statement. The authorized representatives shall verify under oath the information contained in the report is a true, accurate, and complete presentation of the financial activities of the reporting entity.

(c) "Bank reconciliation" means a specified procedure to determine if all cash assets shown on the financial records reconcile and agree to the amounts reported by the financial institutions.

(d) "CPA" means a certified public accountant licensed or authorized to practice in the State of Wyoming.

(e) "Department" means the state Department of Audit.

(f) "Director" means the director of the state Department of Audit.

(g) "Electronic Budget Form" means the form and instructions used to complete reporting as required by W.S. 9-1-507(a)(viii). The electronic budget form can be found on the Department of Audit, Public Funds website.

(h) "Entity" means any entity as listed in W.S.16-12-202(a).

(i) "Fiscal year" means the period beginning July 1, and ending June 30.

(j) "Government Auditing Standards" means the standards published by the Comptroller General, United States Government Accountability Office, Current Revision.

(k) "Independent auditor" means a certified public accountant who follows the Government Auditing Standards.

(l) "Independent party" means a person having a basic understanding of the purpose of the reporting entity and the nature of its business, with sufficient knowledge of bookkeeping or accounting to understand the financial transactions of the entity. The independent party cannot be a person or an immediate family member of a person who has management authority over the reporting entity or is a signor of the entity's checks. Examples of individuals who fit the definition of an independent party include, but are not limited to clerks of other special districts, hired bookkeepers or accountants who do no other work for the district, and board members who do not have access or signing authority to the district's bank accounts.

(m) "Internal control evaluation", as it relates to the audit and review procedures, means and includes:

(i) A documented analysis of the procedures established by the reporting entity to assure that financial transactions are properly recorded (see guidance on Department of Audit, Public Funds website regarding special districts).

(ii) Tests of the system sufficient to determine whether the system, and compliance with its procedures, provides reasonable assurance that the entity's assets are safeguarded and that liabilities are accounted for; to test that public funds are used in accordance with laws, regulations, and policies; that resources are safeguarded against waste, loss, or misuse; and in internal controls that reliable data are obtained, maintained, and fairly disclosed in reports.

(iii) A written summary of deficiencies in internal control significant in context to the audit objectives discovered and corrective measures, which should be implemented.

(iv) For the internal control self-evaluation of those entities not required to have an independent accountant (CPA) audit or review, the Internal Control Evaluation Worksheet as provided by the Department and updated on an annual basis, may be used in fulfillment of this procedure.

(n) "Officer" or "official" means the chairman of the official board, whether appointed or elected, the treasurer of the special district or other local government entity, or if no position is specified, any member of the Official Board.

(o) "Oversight" means and includes the reports, procedures and processes established by rules and regulations of the Department to ensure that the Director may comply with the statutory requirement to supervise the financial accounting of the special district entities in this state.

(p) "Proof of Cash" means a procedure much like a bank reconciliation, except more extensive and detailed. It is used to verify the "books of the entity" are in agreement with the cash transactions which have been recorded by the bank. The form is available on the Department of Audit, Public Funds website. This procedure shall be performed by an independent party.

(q) "Revenue" for the purpose of reporting, means and includes all revenues from all outside sources, as well as, all debt proceeds and grants received during the reporting fiscal year. If the entity normally reports on a cash basis, the report shall conform to cash revenues received. If the entity normally reports on an accrual or modified accrual basis, the report shall be consistent with whichever accounting basis is normally used.

(r) "Review level engagement" means a procedure which complies with the AICPA professional standards. Footnotes to financial statements shall disclose all known commitments as of the date of the financial statements that are material to the financial statements, including construction commitments.

(s) "Self audit" means an analysis conducted internally by any official not involved in the daily transactions of the entity or by an independent party, with the assistance of the entity, and certified by an officer, to verify the correctness of transaction recording and to provide

management with reasonable assurance that assets are adequately safeguarded. Guidance is available on the Department of Audit, Public Funds website.

(t) "Special District" means any entity as listed in W.S. 16-12-202(a).

(u) "Specified procedures" means a procedure which complies with the AICPA professional standards.

Section 5. Instructions for Reporting Budget Form.

(a) The reporting entity shall comply with the electronic budget form and associated instructions found on the Department of Audit, Public Funds website. The format shall include at least a budget message, budget summary, statements of cash available, revenue forecasts, expenditure plan, names of board members and end date of their term, location of where the minutes of board meetings are available for public review, a description of how and where notices of meetings are posted for the public, and the location of public meetings. The Director shall provide specific instructions for completion of the online budget reporting form. The reporting entity shall submit electronically the electronic budget form, the date of the budget hearing, and the date of the budget approval to the Department and the county clerk of the county where the special district is located.

(b) If a special district or other specified entity operates in multiple counties, the special district or other specified entity has the option to either post the proposed budget conspicuously on its website or file the proposed budget with each county clerk of the counties in which the special district or other specified entity operates.

(c) Each special district shall submit to the Department and respective county clerk(s) one budget for the entire entity, regardless of the number of funds used by the entity.

Section 6. Time For Filing Online Budget Reports.

(a) The proposed budget reports shall be filed electronically with the Department and to the county clerk of the county where the special district is located by June 1st of each year.

(b) The adopted budget shall be filed electronically with the Department and to the county clerk of the county where the special district is located by July 31st of each year.

(c) For the public meeting(s) where the district reviews and considers its budget, the district shall submit to the department proof of publication of the public notice.

Section 7. Use of Annual Census Report Information.

To avoid duplication of effort, the annual census report currently being filed with the federal bureau of the census, or with the Department, by all entities required to report to the

Department, shall be utilized by the Department to the extent possible to obtain the required revenue, expenditure, and financial activity information. The Department shall seek approval from the appropriate federal authority for modification of the annual census report form, if necessary, to provide the information required by the Department. However, refusal of the federal authority to modify the census report form shall not alter the obligation of the reporting entity to provide the Department with the required information.

Section 8. Census Report Forms.

(a) The census report form to be used is the Survey of Local Government Finances. Single purpose special districts shall use form F-32, and multi-purpose districts shall complete and return the census form for major special agencies, form F-66-WY4.

(b) The current version of the appropriate form may be obtained from the Department and is posted on the Department of Audit, Public Funds website.

(c) If the Director requires additional or supplemental information, the Department shall provide the necessary forms for uniform reporting.

Section 9. Instructions For Reporting.

(a) It is recognized the reported census financial data may not always agree with audited financial statements or with accounting entries made in accordance with Generally Accepted Accounting Principles (GAAP).

(b) The Director shall provide specific instructions for completion of each reporting form to ensure financial data reported to the Department is uniformly identified, grouped, and reported. The reporting entity shall comply with the Director's instructions, even though compliance requires modification of internal accounting programs, procedures, or reports. The Department shall provide information and assistance to the reporting entities.

Section 10. Time For Filing Census Reports.

The required census reports shall be filed with the Department by September 30 for the prior fiscal year.

Section 11. Risk Assessment.

The entities, whose financial accounts and records are subject to supervision by the Director, shall be classified according to their relative risk assessment. The higher of the total revenues received, or expenditures made, by the district during the fiscal year under review, subject to the limitations set forth in W.S. 9-1-507(a)(iii)(A-D), shall determine the level of risk assessment. The level of risk assessment shall determine the type of oversight or supervision required of the entity, unless special audit requirements imposed by other state or federal laws,

rules, regulations, contracts, or agreements require a different type or level of oversight or supervision. The level of risk assessment for each entity shall be determined each fiscal year.

Section 12. Levels of Risk Assessment.

(a) Using the required reports as a basis for assessment and depending upon the higher of the total revenues received, or expenditures made, by the district during the fiscal year under review subject to the limitations set forth in W.S. 9-1-507(a)(iii)(A-D), there shall be a total of five levels for special districts. There are three levels with oversight prescribed in the statutes and two additional levels between \$100,000 and \$1,000,000 for special districts, with oversight as defined in these rules. The complete list is as follows:

- (i) Level A - \$1,000,000 and over.
- (ii) Level B - \$500,000 to \$999,999.99.
- (iii) Level C - \$100,000 to \$499,999.99.
- (iv) Level D - \$25,000.01 to \$99,999.99.
- (v) Level E - \$25,000 or less.

(b) Level A is the highest risk assessment level and requires the highest level of supervision and oversight. Level E is the lowest level of risk assessment and requires the lowest level of supervision and oversight.

(c) Federal and state grants shall be included in revenues for the fiscal year in which the grant is received, for purposes of determining the assessed level of risk.

(d) An entity classified at Level A shall have a CPA audit in accordance with Government Auditing Standards.

(e) An entity classified at Level B shall have a review level engagement, or a higher level of audit service, such as an audit, at the special districts option, and the following additional procedures.

(i) The notes shall disclose any failure to comply with state statutes requiring documentation of a depository relationship between the entity and any depository; and

(ii) Other procedures which may be required or approved by the Director and are identified prior to the commencement of the engagement.

(f) An entity classified at Level C shall have a self-audit, a proof of cash, and an annual report summary and shall submit them to the Director.

(g) An entity classified at Level D shall have a proof of cash and an annual report summary and shall submit them to the Director.

(h) An entity classified as Level E shall only be required to provide the census report as described in section 8.

Section 13. Procedures Required Annually.

Each entity is required to perform the level of procedures required for their respective risk level, or a greater level of assurance (at their option) at the close of each fiscal year. Completion of the procedures performed shall be certified under oath by the officials of the entity. The certification shall be filed with the Department no later than December 31. A copy of the certification form is included on the Department of Audit, Public Funds website.

Section 14. Due Dates For Filing Additional Procedures.

All applicable reporting based on level of risk shall be due to the Department by December 31.