

Work Plan

Name	Work	Actual Effort	Total_Effort	%_Hours_Used	Budgeted Cost	Remaining_Hc	Actual Revenue	Revenue Bala	Actual Cost
OVR20FS	747 h	767.5 h	768 h	102.8	89,375.84	-21 h	92,875.50	3,758.28	92,699.00
GB-01 Engagement Letter	3 h	1.5 h	1.5 h	50	390.00	1.5 h	207.00	(207.00)	198.00
GB - Risk Assessment	132 h	135 h	135 h	102.3	16,953.04	-3 h	18,112.75	828.92	17,618.50
General Planning Procedures	55 h	88.75 h	88.75 h	161.4	7,150.00	-33.75 h	12,247.50	4,657.50	11,537.50
GB-07 Planning Memos	8 h	2.5 h	2.5 h	31.3	1,040.00	5.5 h	345.00	(759.00)	325.00
CX-4.2.2 System Controls	40 h	26.5 h	26.5 h	66.3	4,993.04	13.5 h	3,121.00	(1,466.83)	3,491.00
Component Auditor Analysis	15 h	15 h	15 h	100	1,950.00	0 h	2,070.00	-	1,950.00
Opening Conference	14 h	2.25 h	2.25 h	16.1	1,820.00	11.75 h	329.25	(1,602.75)	315.00
MS - OVR Coordination Meetings	10 h	7.5 h	7.5 h	75	933.50	2.5 h	617.25	(140.39)	717.75
MS - CAFR Kick-off meeting	12 h	13 h	13 h	108.3	1,352.59	-1 h	1,247.50	23.08	1,385.50
MS - CAFR Coordination	88 h	96.25 h	96.25 h	109.4	13,137.14	-8.25 h	13,501.25	571.54	12,850.00
TB - Trial Balance	258 h	262.75 h	262.75 h	101.8	23,365.05	-4.75 h	23,479.75	1,955.22	24,531.00
TB - CAFR Roll-up/Proofing	100 h	108.75 h	108.75 h	108.8	9,466.24	-8.75 h	10,911.00	1,883.40	11,032.75
TB - MD&A	10 h	9 h	9 h	90	870.00	1 h	351.00	(39.00)	783.00
TB - Entity-wide Conversion	30 h	27.25 h	27.25 h	90.8	2,610.00	2.75 h	2,234.50	(225.50)	2,370.75
TB - Cash Flows	20 h	17.75 h	17.75 h	88.8	1,247.62	2.25 h	710.00	(80.48)	710.00
TB - Footnotes and Disclosure Checklist	70 h	75.75 h	75.75 h	108.2	6,825.98	-5.75 h	7,305.25	604.88	7,565.25
TB - Statistical Section	20 h	20.25 h	20.25 h	101.3	1,740.00	-0.25 h	1,660.50	20.50	1,761.75
TB - Clearing RNs	8 h	4 h	4 h	50	605.21	4 h	307.50	(208.58)	307.50
BA - Roll-up of UHEAA Stmt	12 h	8 h	8 h	66.7	1,560.00	4 h	1,104.00	(552.00)	1,040.00
BA - Roll-up of UHEAA Stmt	12 h	8 h	8 h	66.7	1,560.00	4 h	1,104.00	(552.00)	1,040.00
BA - Clearing RNs	0 h	0 h	0 h	?ERROR	-	0 h	-	-	-
GC - Completion	45 h	61.75 h	62.25 h	138.3	5,124.52	-17.25 h	7,474.50	2,188.42	7,280.75
In-charge CAFR Responsibilities/Review of CAFR	0 h	0 h	0 h	?ERROR	-	0 h	-	-	-
OVR GA-FA and OVR AP-2	25 h	24.75 h	24.75 h	99	2,772.22	0.25 h	3,045.75	162.42	2,905.75
Mgt. Rep Letter, Wrap-up Inquiries, Other Misc.	8 h	8.5 h	8.5 h	106.3	887.11	-0.5 h	867.00	(55.67)	847.00
GA-01 Management Letter	2 h	2 h	2.5 h	125	260.00	-0.5 h	276.00	-	260.00
GC - Communication w/ Governance, Wrap-up Procedures	5 h	12 h	12 h	240	650.00	-7 h	1,656.00	966.00	1,560.00
CAFR Audit Debrief	5 h	14.5 h	14.5 h	290	555.18	-9.5 h	1,629.75	1,115.67	1,708.00
GR - In-charge	52 h	66.75 h	66.75 h	128.4	6,760.00	-14.75 h	9,211.50	2,035.50	8,677.50
GR - Workpaper Review	12 h	12 h	12 h	100	1,560.00	0 h	1,656.00	-	1,560.00
GR - In-charge Supervision	40 h	54.75 h	54.75 h	136.9	5,200.00	-14.75 h	7,555.50	2,035.50	7,117.50
Engagement Manager Review	75 h	82 h	82 h	109.3	12,000.00	-7 h	13,368.00	1,141.00	13,120.00
DR - Supervision	25 h	28.75 h	28.75 h	115	4,000.00	-3.75 h	4,686.25	611.25	4,600.00
DR - Planning Review	15 h	13.75 h	13.75 h	91.7	2,400.00	1.25 h	2,241.25	(203.75)	2,200.00
DR - Testwork Review	10 h	21 h	21 h	210	1,600.00	-11 h	3,423.00	1,793.00	3,360.00
DR - Completion Review	25 h	18.5 h	18.5 h	74	4,000.00	6.5 h	3,015.50	(1,059.50)	2,960.00
CR - Concurring Review	30 h	33 h	33 h	110	4,800.00	-3 h	4,554.00	414.00	5,280.00
Technical Writer	30 h	0 h	0 h	0	3,000.00	30 h	-	(4,500.00)	-

State	Track Stat	Budget Status
Requested	Not Active	Not Active
Draft	On Track	On Track
Active	At Risk	At Risk
On Hold	Off Track	Off Track
Cancelled		
Completed		

ALG-CX-2.1: Financial Statement Materiality Worksheet for Planning Purposes

Governmental Unit: Overall Financial and Single Audit

Financial Statement Date: 6/30/2020

Completed by:

Date:

The purpose of this form is to determine and document the materiality amount that will be considered suitable for audit planning purposes. ALG-CX-2.2 is used to determine and document component materiality for use in group audits. ALG-CX-2.3 is used to determine major programs' materiality for an audit of federal award programs.

In an audit of the basic financial statements, SLG, paragraph 4.74 states that separate materiality determinations should be made on each of the "opinion units", if applicable:

- Governmental activities
- Business-type activities
- Each major governmental fund
- Each major enterprise fund
- Aggregate discretely presented component units
- Aggregate remaining fund information

The two aggregate opinion units (discretely presented component units and remaining fund information) can be combined into one single opinion unit when either of the two aggregate opinion units are quantitatively and qualitatively immaterial to the primary government. Otherwise, a separate materiality determination needs to be made for each of the opinion units listed. Auditors should be familiar with the discussion on materiality in section 306.

Use amounts from the financial statements to be audited or the trial balance from which those financial statements will be prepared. If not available, use annualized amounts from the most recent interim financial statements. When using estimated amounts, take into account the effects of known or expected changes, including significant transactions or adjustments that are expected at the end of the period.

When current amounts are unavailable, significant audit adjustments are expected, or significant changes in the entity's circumstances indicate that current amounts are not representative of an opinion unit's financial results of operations or financial position (fund balance, net position), use historical averages based on the past two or three years (attach the calculation on a separate page) or the government's annual budget.

Choose a benchmark that you think is most appropriate for the opinion unit. Section 306 provides a list of factors to consider in selecting a benchmark. The following tables may be used as guidelines.

If the Benchmark [total assets or total revenue] is:		Planning Materiality is:
Over	But Not Over	
\$0	\$100 thousand	Multiply excess over \$0 by 5%
\$100 thousand	\$1 million	Multiply excess over \$100,000 by 4% and add \$5,000
\$1 million	\$5 million	Multiply excess over \$1 million by 3% and add \$41,000
\$5 million	\$10 million	Multiply excess over \$5 million by 2.5% and add \$161,000
\$10 million	\$50 million	Multiply excess over \$10 million by 2% and add \$286,000
\$50 million +		Multiply excess over \$50 million by 1% and add \$1,086,000

For example, if the benchmark amount is \$3.5 million, then the planning materiality amount from the table would be as follows:
 $((\$3,500,000 - \$1,000,000) \times .03) + \$41,000 = \$116,000$.

Decisions and Calculations

- 1. Basis for Materiality Amounts.** Considering the needs and expectations of financial statement users, describe the rationale for the selection of the benchmark and percentages in steps 2-4.

The preliminary amounts used in these calculations were taken from the PY audited CAFR. We used revenues as the base for governmental activities and all governmental funds except for the permanent trust lands. We used assets as the base for business-type activities, all proprietary funds, all fiduciary funds, all component units, and the permanent trust lands governmental fund.

- 2. Planning Materiality and Performance Materiality/Tolerable Misstatement.** Calculate planning materiality and performance materiality/tolerable misstatement in the calculation grid located at the end of this worksheet for each opinion unit.
 - a. Certain Large Items.** Qualitative factors, such as large-dollar balances or activity, may distort quantitative materiality calculations for an opinion unit, and the auditor may choose to calculate separate planning materiality for these large items and the remaining amount.
 - ☐ If this is the case, calculate planning materiality based on an adjusted benchmark (benchmark less large items). Then calculate a separate planning materiality for the large items in Step 3.
 - ☐ If this is not the case, adjusting the benchmark and calculating a separate planning materiality (in Step 3) is not necessary.

Large dollar adjustment items to total assets for an opinion unit may include: interfund receivables, agency fund assets, investments, or capital assets. Large dollar adjustment items to total revenue for an opinion unit may include: interfund transfers, debt proceeds, special items, or extraordinary items.

- b. Performance Materiality/Tolerable Misstatement.** Tolerable misstatement is the application of performance materiality to a particular audit sampling procedure and may be the same as performance materiality (see section 700). Tolerable misstatement is used in computing sample sizes (see ALG-CX-8.2) and in making other scope decisions (see ALG-CX-8.1). To calculate tolerable misstatement for each opinion unit, multiply planning materiality by a factor between 50% and 75%.

The amount to be used for performance materiality/tolerable misstatement in across-fund (or across-opinion unit) testing (e.g., testing capital expenditures as a population consisting of such expenditures for the general fund, major special revenue fund, and major capital projects fund) should be the *smallest* performance materiality/tolerable misstatement amount for an opinion unit in the group. In the calculation grid at the end of this worksheet, describe any across-fund tests and compute both performance materiality/tolerable misstatement and individually significant amounts.

- c. More Detailed Level.** Audits may also be performed at a more detailed level than the opinion units used for the basic financial statements, such as at the fund type or fund level. If so, replace the opinion unit column caption with the relevant title of the fund type or fund.

- 3. Planning Materiality for Certain Large Items.** Determine and document appropriate planning materiality for large dollar items excluded from the calculation of planning materiality for an opinion unit. This step is not necessary if large items were not excluded from the benchmark in Step 2.

<u>Opinion Unit</u>	<u>Financial Statement Item</u>	<u>Planning Materiality</u>	x	<u>Factor</u>	=	<u>Tolerable Misstatement/ Performance Materiality</u>
NCN				0.75		\$0
				0.75		\$0

- 4. Lower Level of Planning Materiality for Particular Items.** Identify any financial statement items for which a lower level of materiality should be used, identify the appropriate opinion unit, and apply professional judgment to determine an appropriate planning materiality and performance materiality/tolerable misstatement amount for those items. See Section 306.

Financial

Planning

Tolerable Misstatement/

<u>Opinion Unit</u>	<u>Statement Item</u>	<u>Materiality</u>	x	<u>Factor</u>	=	<u>Performance Materiality</u>
NCN				0.75		\$0
				0.75		\$0

5. **Clearly Trivial Misstatements.** Consider and document the amount of misstatements that will be passed at the workpaper level. (Clearly trivial misstatements are discussed in Section 306.)

See the PJE Accumulation / Clearly Trivial Misstatements line on the following page.

6. **Changes in Planning Materiality Amounts.** Document any changes in planning materiality or performance materiality/tolerable misstatement levels that occur during the audit and how they were determined.

See **CX-2.1A** for changes from these materiality levels based on current year CAFR (drafts 2 and 3)

OSA Adjusted Materiality Ranges for CAFR Calculation (see #6 on 1/)

Materiality Range Used on Fund Calculation Tab

Max Amount of Range	Base Amount	% Rate	Incremental Base Amount	Cumulative Base Amount
-	-	5.000%	-	-
100,001	1,000	4.000%	1,000	1,000
1,000,001	11,000	3.000%	10,000	11,000
5,000,001	36,000	2.500%	25,000	36,000
10,000,001	86,000	2.000%	50,000	86,000
50,000,001	211,000	1.750%	125,000	211,000
100,000,001	461,000	1.500%	250,000	461,000
500,000,001	1,336,000	1.325%	875,000	1,336,000
1,000,000,001	2,086,000	1.250%	750,000	2,086,000
5,000,000,001	8,336,000	1.125%	6,250,000	8,336,000
10,000,000,001	20,836,000	1.000%	12,500,000	20,836,000

Initial Component Materiality Calculations:

Some of the CAFR opinion units contain significant components that are separately audited either by us or by another component auditor that we will reference (see **CX-3.5**). These opinion units include Business-type Activities, Aggregate Discretely-presented Component Units, Trust Lands, Student Assistance Programs, Pension & Other Employee Benefit Trust Funds, and Private Purpose Trust Funds. The materiality levels for these separately-audited components are calculated by those auditors and are based solely on their individual component's financial information. As such, the component materiality will be much less than the group materiality.

We judgmentally reduced group materiality by different percentages for these different opinion units (see the summary materiality memo and individual fund calculations on the following pages). These reductions are based upon the our consideration of acceptable audit risk for the respective opinon untis.

Memorandum

To: Directors & In-Charges
From: Hollie & Ryan
Date: 15-Jul-20
Subject: Fiscal Year 2020 Preliminary Materiality Limits

See below for the initial planning materiality levels for our FY20 audit based on the 2019 CAFR. Updates will follow with new FY20 CAFR drafts.

		Adjustment			Info Only
		Planning Materiality	Performance Materiality	Clearly Trivial (PJE)	1/3 Performance Materiality
Government-wide Statements:					
Governmental Activities		\$157,000,000	\$117,000,000	\$23,400,000	\$39,000,000 A
Business-type Activities		\$65,500,000	\$49,000,000	\$9,800,000	\$16,333,000 A
Discrete Component Units (DAAA, DBAA, DCAA, DDAA, DEAA)		\$191,000,000	\$143,000,000	\$28,600,000	\$47,666,000
Fund Statements:					
Governmental Funds:					
AAAA	General Fund	\$77,000,000	\$57,000,000	\$11,400,000	\$19,000,000
ABBA	Education Fund	\$66,000,000	\$49,500,000	\$9,900,000	\$16,500,000
ACAA	Transportation Fund	\$15,000,000	\$11,000,000	\$2,200,000	\$3,666,000
ADAA	Transportation Investment Fund	\$10,000,000	\$7,500,000	\$1,500,000	\$2,500,000
AEAA	Trust Lands	\$18,500,000	\$13,800,000	\$2,700,000	\$4,600,000
AFAA	Nonmajor Governmental funds	\$149,150,000	\$111,150,000	\$22,230,000	\$37,050,000 C
Proprietary Funds:					
BAAA	Student Assistance Programs	\$22,000,000	\$16,500,000	\$3,300,000	\$5,500,000
BBAA	Unemployment Compensation Fund	\$10,000,000	\$7,500,000	\$1,500,000	\$2,500,000 B
BCAA	Water Loan Programs	\$10,000,000	\$7,500,000	\$1,500,000	\$2,500,000 B
BEAA	Community Impact	\$10,000,000	\$7,500,000	\$1,500,000	\$2,500,000 B
BDAA, BFAA	ISF and Nonmajor Proprietary Funds	\$62,225,000	\$46,550,000	\$9,310,000	\$15,516,000 C
Fiduciary and Other Funds:					
CAAA, CBAA, CCAA, CDAA, CEAA, CFAA, CGAA	Fiduciary Funds/Aggregate Fund Info	\$170,000,000	\$127,500,000	\$25,500,000	\$42,500,000

Notes:

- A** These group materiality levels are used primarily in final CAFR OVR rollup, consolidations, and conversions of CAFR fund types to the government-wide statement presentations. Most CAFR audit areas should use the materiality levels shown below.
- B** Per auditor judgment, we used the lesser of the Unemployment Compensation Fund, Water Loan Programs, and Community Impact Fund materiality for all three opinion units, which is considered reasonable.
- C** Per auditor judgment, we reduced the Nonmajor Governmental Fund and ISF & Nonmajor Proprietary Fund materiality levels to 95% of the Governmental Activities and Business-Type Activities materiality levels, respectively, because these are components of these Government-wide opinion units.

General Note:

Governmental activities and Government Fund areas whose materialities are based on total revenues have been reduced by 5% for the preliminary materiality thresholds to account for potential impacts on these areas due to the disruptions caused by the COVID-19 pandemic.

Calculation by Opinion Unit, Fund Type, or Fund
(Use additional pages if necessary)

Government-Wide Statements

Name of opinion unit	Government-Wide Governmental activities	Government-Wide Business-type activities	Aggregate discretely- presented component units	
Benchmark (such as total assets, total revenue, or other appropriate base)	Revenues	Assets & Deferred Outflows	Assets & Deferred Outflows	
Benchmark amount	13,710,788,550	5,087,261,000	17,109,382,000	
Less: Certain large items				
Adjusted benchmark	13,710,788,550	5,087,261,000	17,109,382,000	-
Percentage from table for adjusted benchmark (OSA Adjusted)	1.000%	1.125%	1.000%	0.000%
Percent x adjusted benchmark	137,107,886	57,231,686	171,093,820	-
Plus: Base amount (OSA Adjusted)	20,836,000	8,336,000	20,836,000	-
Planning materiality	157,000,000	65,500,000	191,000,000	-
Performance Materiality / Tolerable Misstatement:				
Planning materiality x factor (75%)	117,000,000	49,000,000	143,000,000	-
Clearly Trivial (20% of Performance Materiality)	23,400,000	9,800,000	28,600,000	-
[check] Planning materiality / Adjusted Benchmark	1.145%	1.288%	1.116%	0.000%

Calculation of Benchmark Amounts used for Government-Wide Statements above:

CAFR Government-Wide Statements Amounts (in 000's)	Governmental Activities	Business-type Activities	Aggregate discretely- presented component units	
Charges for Services	1,284,088			
Operating Grants and Contributions	4,162,578			
Capital Grants and Contributions	155,265			
General Revenues, Contributions, Transfers	8,974,214			
Transfers - Internal Activities	(143,736)			
Total Revenues in 000s	14,432,409			
Base Amount Used Above	14,432,409,000			
Total Assets		5,075,214	16,825,609	

Total Deferred Outflows of Resources		12,047	283,773	
Total Assets & Deferred Outflows in 000s		5,087,261	17,109,382	
Base Amount Used Above		5,087,261,000	17,109,382,000	

Governmental Fund Statements

Name of opinion unit	General Fund	Education Fund	Transportation Fund	Transportation Investment Fund
Benchmark (such as total assets, total revenue, or other appropriate base)	Revenues	Revenues	Revenues	Revenues
Benchmark amount	6,184,107,650	5,166,672,850	1,077,295,250	707,653,100
Less: Certain large items				
Adjusted benchmark	6,184,107,650	5,166,672,850	1,077,295,250	707,653,100
Percentage from table for adjusted benchmark (OSA Adjusted)	1.125%	1.125%	1.250%	1.325%
Percent x adjusted benchmark	69,571,211	58,125,070	13,466,191	9,376,404
Plus: Base amount (OSA Adjusted)	8,336,000	8,336,000	2,086,000	1,336,000
Planning materiality	77,000,000	66,000,000	15,000,000	10,000,000
Performance Materiality / Tolerable Misstatement:				
Planning materiality x factor (75%)	57,000,000	49,500,000	11,000,000	7,500,000
Clearly Trivial (20% of Performance Materiality)	11,400,000	9,900,000	2,200,000	1,500,000
[check] Planning materiality / Adjusted Benchmark	1.245%	1.277%	1.392%	1.413%

Governmental Fund Statements

Name of opinion unit	Group Trust Lands	Component Trust Lands		
Benchmark (such as total assets, total revenue, or other appropriate base)	Assets	% of Group Trust Lands Fund		
Benchmark amount	2,796,099,000	50% *		
Less: Certain large items				
Adjusted benchmark	2,796,099,000		-	-
Percentage from table for adjusted benchmark (OSA Adjusted)	1.250%		Component materiality calculations for the aggregate Nonmajor Governmental Funds and Nonmajor	

Percent x adjusted benchmark	34,951,238		Nonmajor Governmental Funds and Nonmajor Proprietary Funds are calculated directly on the Office Memo tab. Due to the lower materiality levels calculated for the related other major funds and because the Nonmajor Governmental and Nonmajor Proprietary Funds line items represent less than 10% of the Gov and Bus Type group opinion units, we feel setting materiality for these components at 95% is deemed reasonable.	
Plus: Base amount (OSA Adjusted)	2,086,000			
Planning materiality	37,000,000	18,500,000		
Performance Materiality / Tolerable Misstatement:				
Planning materiality x factor (75%)	27,000,000	13,800,000		
Clearly Trivial (20% of Performance Materiality)	5,400,000	2,700,000		
[check] Planning materiality / Adjusted Benchmark	1.323%		0.000%	0.000%

* Materiality for the component portion of the Trust Lands opinion unit is set at 50% due to auditor consideration of acceptable audit risk (AR=IRxCRxDR)

Proprietary Fund Statements

Name of opinion unit	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Community Impact Loan Fund
Benchmark (such as total assets, total revenue, or other appropriate base)	Assets & Deferred Outflows	Assets & Deferred Outflows	Assets & Deferred Outflows	Assets & Deferred Outflows
Benchmark amount	1,665,727,000	1,203,525,000	1,093,553,000	703,908,000
Less: Certain large items				
Adjusted benchmark	1,665,727,000	1,203,525,000	1,093,553,000	703,908,000
Percentage from table for adjusted benchmark (OSA Adjusted)	1.250%	1.250%	1.250%	1.325%
Percent x adjusted benchmark	20,821,588	15,044,063	13,669,413	9,326,781
Plus: Base amount (OSA Adjusted)	2,086,000	2,086,000	2,086,000	1,336,000
Planning materiality	22,000,000	17,000,000	15,000,000	10,000,000
Performance Materiality / Tolerable Misstatement:				
Planning materiality x factor (75%)	16,500,000	12,700,000	11,200,000	7,500,000
Clearly Trivial (20% of Performance Materiality)	3,300,000	2,540,000	2,240,000	1,500,000
[check] Planning materiality / Adjusted Benchmark	1.321%	1.413%	1.372%	1.421%

Fiduciary Fund Statements

Name of opinion unit	Group Fiduciary Funds / Aggregate Remaining	Component Fiduciary Funds / Aggregate Remaining		
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Benchmark (such as total assets, total revenue, or other appropriate base)	Assets	% of Group Pension & Other Employee Benefit Trust		
Benchmark amount	66,217,509,000	25% *		
Less: Certain large items				
Adjusted benchmark	66,217,509,000		-	-
Percentage from table for adjusted benchmark (OSA Adjusted)	1.000%		0.000%	0.000%
Percent x adjusted benchmark	662,175,090		-	-
Plus: Base amount (OSA Adjusted)	20,836,000		-	-
Planning materiality	680,000,000	170,000,000	-	-
Performance Materiality / Tolerable Misstatement:				
Planning materiality x factor (75%)	510,000,000	127,500,000	-	-
Clearly Trivial (20% of Performance Materiality)	102,000,000	25,500,000	-	-
[check] Planning materiality / Adjusted Benchmark	1.027%	0.000%	0.000%	0.000%

* Materiality for the component portion of the Fiduciary opinion unit is set at 25% due to auditor consideration of acceptable audit risk (AR=IRxCRxDR)

Calculation of Benchmark Amounts used for Fiduciary Funds / Aggregate Remaining above:

CAFR Fund Statements Amounts (in 000's)	Fiduciary Funds / Aggregate remaining fund info
Fiduciary Fund Statements - Pension and Other Employee Benefit Trust Funds, Total Assets	39,048,351
Fiduciary Fund Statements - Pension and Other Employee Benefit Trust Funds, Total Deferred Outflows of Resources	-
Fiduciary Fund Statements - Investment Trust Fund, Total Assets	10,221,331
Fiduciary Fund Statements - Investment Trust Fund, Total Deferred Outflows of Resources	-
Fiduciary Fund Statements - Private Purpose Trust Funds, Total Assets	14,662,952
Fiduciary Fund Statements - Private Purpose Trust Funds, Total Deferred Outflows of Resources	578
Fiduciary Fund Statements - Agency Funds, Total Assets	258,607
Fiduciary Fund Statements - Agency Funds, Total Deferred Outflows of Resources	-
Governmental Fund Statements - Nonmajor Governmental Fund, Total Assets	1,296,754
Proprietary Fund Statements - Nonmajor Enterprise Fund, Total Assets	453,799
Proprietary Fund Statements - Nonmajor Enterprise Fund, Total Deferred Outflow of Resources	11,026
Proprietary Fund Statements - Internal Service Funds, Total Assets	227,866
Proprietary Fund Statements - Internal Service Funds, Total Deferred Outflow of Resources	36,245
Total Assets & Deferred Outflows in 000s	66,217,509

Base Amount Used Above

66,217,509,000

ALG-CX-2.1: Financial Statement Materiality Worksheet for Planning Purposes

Governmental Unit:	<input type="text" value="Overall Financial and Single Audit"/>	Financial Statement Date:	<input type="text" value="6/30/2020"/>
Completed by:	<input type="text"/>	Date:	<input type="text"/>

The purpose of this form is to determine and document the materiality amount that will be considered suitable for audit planning purposes. ALG-CX-2.2 is used to determine and document component materiality for use in group audits. ALG-CX-2.3 is used to determine major programs' materiality for an audit of federal award programs.

In an audit of the basic financial statements, SLG, paragraph 4.74 states that separate materiality determinations should be made on each of the "opinion units", if applicable:

- Governmental activities
- Business-type activities
- Each major governmental fund
- Each major enterprise fund
- Aggregate discretely presented component units
- Aggregate remaining fund information

The two aggregate opinion units (discretely presented component units and remaining fund information) can be combined into one single opinion unit when either of the two aggregate opinion units are quantitatively and qualitatively immaterial to the primary government. Otherwise, a separate materiality determination needs to be made for each of the opinion units listed. Auditors should be familiar with the discussion on materiality in section 306.

Use amounts from the financial statements to be audited or the trial balance from which those financial statements will be prepared. If not available, use annualized amounts from the most recent interim financial statements. When using estimated amounts, take into account the effects of known or expected changes, including significant transactions or adjustments that are expected at the end of the period.

When current amounts are unavailable, significant audit adjustments are expected, or significant changes in the entity's circumstances indicate that current amounts are not representative of an opinion unit's financial results of operations or financial position (fund balance, net position), use historical averages based on the past two or three years (attach the calculation on a separate page) or the government's annual budget.

Choose a benchmark that you think is most appropriate for the opinion unit. Section 306 provides a list of factors to consider in selecting a benchmark. The following tables may be used as guidelines.

If the Benchmark [total assets or total revenue] is:		Planning Materiality is:
Over	But Not Over	
\$0	\$100 thousand	Multiply excess over \$0 by 5%
\$100 thousand	\$1 million	Multiply excess over \$100,000 by 4% and add \$5,000
\$1 million	\$5 million	Multiply excess over \$1 million by 3% and add \$41,000
\$5 million	\$10 million	Multiply excess over \$5 million by 2.5% and add \$161,000
\$10 million	\$50 million	Multiply excess over \$10 million by 2% and add \$286,000
\$50 million +		Multiply excess over \$50 million by 1% and add \$1,086,000

For example, if the benchmark amount is \$3.5 million, then the planning materiality amount from the table would be as follows:
 $((\$3,500,000 - \$1,000,000) \times .03) + \$41,000 = \$116,000$.

Decisions and Calculations

1. **Basis for Materiality Amounts.** Considering the needs and expectations of financial statement users, describe the rationale for the selection of the benchmark and percentages in steps 2-4.

The preliminary amounts used in these calculations were taken from CAFR Draft 2 as of 11/6/20 for the current year. We used revenues as the base for governmental activities and all governmental funds except for the permanent trust lands. We used assets as the base for business-type activities, all proprietary funds, all fiduciary funds, all component units, and the permanent trust lands governmental fund.

2. **Planning Materiality and Performance Materiality/Tolerable Misstatement.** Calculate planning materiality and performance materiality/tolerable misstatement in the calculation grid located at the end of this worksheet for each opinion unit.
 - a. *Certain Large Items.* Qualitative factors, such as large-dollar balances or activity, may distort quantitative materiality calculations for an opinion unit, and the auditor may choose to calculate separate planning materiality for these large items and the remaining amount.
 - ☐ If this is the case, calculate planning materiality based on an adjusted benchmark (benchmark less large items). Then calculate a separate planning materiality for the large items in Step 3.
 - ☐ If this is not the case, adjusting the benchmark and calculating a separate planning materiality (in Step 3) is not necessary.

Large dollar adjustment items to total assets for an opinion unit may include: interfund receivables, agency fund assets, investments, or capital assets. Large dollar adjustment items to total revenue for an opinion unit may include: interfund transfers, debt proceeds, special items, or extraordinary items.

- b. *Performance Materiality/Tolerable Misstatement.* Tolerable misstatement is the application of performance materiality to a particular audit sampling procedure and may be the same as performance materiality (see section 700). Tolerable misstatement is used in computing sample sizes (see ALG-CX-8.2) and in making other scope decisions (see ALG-CX-8.1). To calculate tolerable misstatement for each opinion unit, multiply planning materiality by a factor between 50% and 75%.

The amount to be used for performance materiality/tolerable misstatement in across-fund (or across-opinion unit) testing (e.g., testing capital expenditures as a population consisting of such expenditures for the general fund, major special revenue fund, and major capital projects fund) should be the *smallest* performance materiality/tolerable misstatement amount for an opinion unit in the group. In the calculation grid at the end of this worksheet, describe any across-fund tests and compute both performance materiality/tolerable misstatement and individually significant amounts.

- c. *More Detailed Level.* Audits may also be performed at a more detailed level than the opinion units used for the basic financial statements, such as at the fund type or fund level. If so, replace the opinion unit column caption with the relevant title of the fund type or fund.

3. **Planning Materiality for Certain Large Items.** Determine and document appropriate planning materiality for large dollar items excluded from the calculation of planning materiality for an opinion unit. This step is not necessary if large items were not excluded from the benchmark in Step 2.

<u>Opinion Unit</u>	<u>Financial Statement Item</u>	<u>Planning Materiality</u>	x	<u>Factor</u>	=	<u>Tolerable Misstatement/ Performance Materiality</u>
NCN				0.75		\$0
				0.75		\$0

4. **Lower Level of Planning Materiality for Particular Items.** Identify any financial statement items for which a lower level of materiality should be used, identify the appropriate opinion unit, and apply professional judgment to determine an appropriate planning materiality and performance materiality/tolerable misstatement amount for those items. See Section 306.

Financial

Planning

Tolerable Misstatement/

<u>Opinion Unit</u>	<u>Statement Item</u>	<u>Materiality</u>	x	<u>Factor</u>	=	<u>Performance Materiality</u>
NCN				0.75		\$0
				0.75		\$0

5. **Clearly Trivial Misstatements.** Consider and document the amount of misstatements that will be passed at the workpaper level. (Clearly trivial misstatements are discussed in Section 306.)

See the PJE Accumulation / Clearly Trivial Misstatements line on the following page.

6. **Changes in Planning Materiality Amounts.** Document any changes in planning materiality or performance materiality/tolerable misstatement levels that occur during the audit and how they were determined.

Changes to these materiality levels based on CAFR Draft #4 (final draft) for the current year is NCN. There was no significant changes to the basis used to calculate materiality from Draft 2 to Draft 4.

OSA Adjusted Materiality Ranges for CAFR Calculation (see #6 on 1/)

Materiality Range Used on Fund Calculation Tab

Max Amount of Range	Base Amount	% Rate	Incremental Base Amount	Cumulative Base Amount
-	-	5.000%	-	-
100,001	1,000	4.000%	1,000	1,000
1,000,001	11,000	3.000%	10,000	11,000
5,000,001	36,000	2.500%	25,000	36,000
10,000,001	86,000	2.000%	50,000	86,000
50,000,001	211,000	1.750%	125,000	211,000
100,000,001	461,000	1.500%	250,000	461,000
500,000,001	1,336,000	1.325%	875,000	1,336,000
1,000,000,001	2,086,000	1.250%	750,000	2,086,000
5,000,000,001	8,336,000	1.125%	6,250,000	8,336,000
10,000,000,001	20,836,000	1.000%	12,500,000	20,836,000

Initial Component Materiality Calculations:

Some of the CAFR opinion units contain significant components that are separately audited either by us or by another component auditor that we will reference (see **GB-35**). These opinion units include Business-type Activities, Aggregate Discretely-presented Component Units, Trust Lands, Student Assistance Programs, Pension & Other Employee Benefit Trust Funds, and Private Purpose Trust Funds. The materiality levels for these components are based solely on their individual component financial information. As such, the component materiality will be much less than the group materiality.

We judgmentally reduced group materiality by different percentages for these different opinion units (see the summary materiality memo and individual fund calculations on the following pages). These reductions are based upon the our consideration of acceptable audit risk for the respective opinion untis.

Memorandum

To: Directors & In-Charges
From: Hollie and Ryan
Date: 10-Nov-20
Subject: Fiscal Year 2020 CAFR Draft 2 Materiality Limits

See below for the planning materiality levels for our FY20 audit based on CAFR Draft #2 received on 11/4/20. Updates will follow with new CAFR drafts.

		Planning Materiality	Adjustment Performance Materiality	Clearly Trivial (PJE)	Info Only 1/3 Performance Materiality
Government-wide Statements:					
Governmental Activities		\$177,000,000	\$132,750,000	\$26,550,000	\$44,250,000 A
Business-type Activities		\$62,400,000	\$46,800,000	\$9,360,000	\$15,600,000 A
Discrete Component Units (DAAA, DBAA, DCAA, DDAA, DEAA)		\$202,000,000	\$151,000,000	\$30,200,000	\$50,330,000
Fund Statements:					
Governmental Funds:					
AAAA	General Fund	\$90,000,000	\$67,500,000	\$13,500,000	\$22,500,000
ABBA	Education Fund	\$73,000,000	\$54,750,000	\$10,950,000	\$18,250,000
ACAA	Transportation Fund	\$17,000,000	\$12,000,000	\$2,400,000	\$4,000,000
ADAA	Transportation Investment Fund	\$11,000,000	\$8,250,000	\$1,650,000	\$2,750,000
AEAA	Trust Lands	\$17,000,000	\$12,750,000	\$2,550,000	\$4,250,000
AFAA	Nonmajor Governmental funds	\$168,150,000	\$126,112,500	\$25,222,500	\$42,037,000 C
Proprietary Funds:					
BAAA	Student Assistance Programs	\$20,000,000	\$15,000,000	\$3,000,000	\$5,000,000
BBAA	Unemployment Compensation Fund	\$10,000,000	\$7,500,000	\$1,500,000	\$2,500,000 B
BCAA	Water Loan Programs	\$10,000,000	\$7,500,000	\$1,500,000	\$2,500,000 B
BEAA	Community Impact	\$10,000,000	\$7,500,000	\$1,500,000	\$2,500,000 B
BDAA, BFAA	ISF and Nonmajor Proprietary Funds	\$59,280,000	\$44,460,000	\$8,892,000	\$14,820,000 C
Fiduciary and Other Funds:					
CAAA, CBAA, CCAA, CDAA, CEAA, CFAA, CGAA	Fiduciary Funds/Aggregate Fund Info	\$187,500,000	\$140,625,000	\$28,100,000	\$46,875,000

Notes:

- A** These group materiality levels are used primarily in final CAFR OVR rollup, consolidations, and conversions of CAFR fund types to the government-wide statement presentations. Most CAFR audit areas should use the materiality levels shown below.
- B** Per auditor judgment, we used the lesser of the Unemployment Compensation Fund, Water Loan Programs, and Community Impact Fund materiality for all three opinion units, which is considered reasonable.
- C** Per auditor judgment, we reduced the Nonmajor Governmental Fund and ISF & Nonmajor Proprietary Fund materiality levels to 95% of the Governmental Activities and Business-Type Activities materiality levels, respectively, because these are components of these Government-wide opinion units.

Calculation by Opinion Unit, Fund Type, or Fund
(Use additional pages if necessary)

Government-Wide Statements

Name of opinion unit	Government-Wide Governmental activities	Government-Wide Business-type activities	Aggregate discretely- presented component units	
Benchmark (such as total assets, total revenue, or other appropriate base)	Revenues	Assets & Deferred Outflows	Assets & Deferred Outflows	
Benchmark amount	15,618,518,000	4,832,394,000	18,201,350,000	
Less: Certain large items				
Adjusted benchmark	15,618,518,000	4,832,394,000	18,201,350,000	-
Percentage from table for adjusted benchmark (OSA Adjusted)	1.000%	1.250%	1.000%	0.000%
Percent x adjusted benchmark	156,185,180	60,404,925	182,013,500	-
Plus: Base amount (OSA Adjusted)	20,836,000	2,086,000	20,836,000	-
Planning materiality	177,000,000	62,400,000	202,000,000	-
Performance Materiality / Tolerable Misstatement:				
Planning materiality x factor (75%)	132,750,000	46,800,000	151,000,000	-
Clearly Trivial (20% of Performance Materiality)	26,550,000	9,360,000	30,200,000	-
[check] Planning materiality / Adjusted Benchmark	1.133%	1.291%	1.110%	0.000%

Calculation of Benchmark Amounts used for Government-Wide Statements above:

CAFR Government-Wide Statements Amounts (in 000's)	Governmental Activities	Business-type Activities	Aggregate discretely- presented component units	
Charges for Services	1,442,649			
Operating Grants and Contributions	4,600,904			
Capital Grants and Contributions	180,207			
General Revenues, Contributions, Transfers	9,545,891			
Transfers - Internal Activities	(151,133)			
Total Revenues in 000s	15,618,518			
Base Amount Used Above	15,618,518,000			
Total Assets		4,825,386	17,915,818	

Total Deferred Outflows of Resources		7,008	285,532	
Total Assets & Deferred Outflows in 000s		4,832,394	18,201,350	
Base Amount Used Above		4,832,394,000	18,201,350,000	

Governmental Fund Statements

Name of opinion unit	General Fund	Education Fund	Transportation Fund	Transportation Investment Fund
Benchmark (such as total assets, total revenue, or other appropriate base)	Revenues	Revenues	Revenues	Revenues
Benchmark amount	7,326,723,000	5,797,840,000	1,240,083,000	751,974,000
Less: Certain large items				
Adjusted benchmark	7,326,723,000	5,797,840,000	1,240,083,000	751,974,000
Percentage from table for adjusted benchmark (OSA Adjusted)	1.125%	1.125%	1.250%	1.325%
Percent x adjusted benchmark	82,425,634	65,225,700	15,501,038	9,963,656
Plus: Base amount (OSA Adjusted)	8,336,000	8,336,000	2,086,000	1,336,000
Planning materiality	90,000,000	73,000,000	17,000,000	11,000,000
Performance Materiality / Tolerable Misstatement:				
Planning materiality x factor (75%)	67,500,000	54,750,000	12,000,000	8,250,000
Clearly Trivial (20% of Performance Materiality)	13,500,000	10,950,000	2,400,000	1,650,000
[check] Planning materiality / Adjusted Benchmark	1.228%	1.259%	1.371%	1.463%

Governmental Fund Statements

Name of opinion unit	Group Trust Lands	Component Trust Lands		
Benchmark (such as total assets, total revenue, or other appropriate base)	Assets	% of Group Trust Lands Fund		
Benchmark amount	2,632,377,000	50% *		
Less: Certain large items				
Adjusted benchmark	2,632,377,000		-	-
Percentage from table for adjusted benchmark (OSA Adjusted)	1.250%		Component materiality calculations for the aggregate Nonmajor Governmental Funds and Nonmajor	

Percent x adjusted benchmark	32,904,713		Nonmajor Governmental Funds and Nonmajor Proprietary Funds are calculated directly on the Office Memo tab. Due to the lower materiality levels calculated for the related other major funds and because the Nonmajor Governmental and Nonmajor Proprietary Funds line items represent less than 10% of the Gov and Bus Type group opinion units, we feel setting materiality for these components at 95% is deemed reasonable.	
Plus: Base amount (OSA Adjusted)	2,086,000			
Planning materiality	34,000,000	17,000,000		
Performance Materiality / Tolerable Misstatement:				
Planning materiality x factor (75%)	25,500,000	12,750,000		
Clearly Trivial (20% of Performance Materiality)	5,100,000	2,550,000		
[check] Planning materiality / Adjusted Benchmark	1.292%		0.000%	0.000%

* Materiality for the component portion of the Trust Lands opinion unit is set at 50% due to auditor consideration of acceptable audit risk (AR=IRxCRxDR)

Proprietary Fund Statements

Name of opinion unit	Student Assistance Programs	Unemployment Compensation Fund	Water Loan Programs	Community Impact Loan Fund
Benchmark (such as total assets, total revenue, or other appropriate base)	Assets & Deferred Outflows	Assets & Deferred Outflows	Assets & Deferred Outflows	Assets & Deferred Outflows
Benchmark amount	1,488,107,000	1,064,429,000	1,145,319,000	691,704,000
Less: Certain large items				
Adjusted benchmark	1,488,107,000	1,064,429,000	1,145,319,000	691,704,000
Percentage from table for adjusted benchmark (OSA Adjusted)	1.250%	1.250%	1.250%	1.325%
Percent x adjusted benchmark	18,601,338	13,305,363	14,316,488	9,165,078
Plus: Base amount (OSA Adjusted)	2,086,000	2,086,000	2,086,000	1,336,000
Planning materiality	20,000,000	15,000,000	16,000,000	10,000,000
Performance Materiality / Tolerable Misstatement:				
Planning materiality x factor (75%)	15,000,000	11,200,000	12,000,000	7,500,000
Clearly Trivial (20% of Performance Materiality)	3,000,000	2,240,000	2,400,000	1,500,000
[check] Planning materiality / Adjusted Benchmark	1.344%	1.409%	1.397%	1.446%

Fiduciary Fund Statements

Name of opinion unit	Group Fiduciary Funds / Aggregate Remaining	Component Fiduciary Funds / Aggregate Remaining		
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Benchmark (such as total assets, total revenue, or other appropriate base)	Assets	% of Group Pension & Other Employee Benefit Trust		
Benchmark amount	73,360,057,000	25% *		
Less: Certain large items				
Adjusted benchmark	73,360,057,000		-	-
Percentage from table for adjusted benchmark (OSA Adjusted)	1.000%		0.000%	0.000%
Percent x adjusted benchmark	733,600,570		-	-
Plus: Base amount (OSA Adjusted)	20,836,000		-	-
Planning materiality	750,000,000	187,500,000	-	-
Performance Materiality / Tolerable Misstatement:				
Planning materiality x factor (75%)	562,000,000	140,625,000	-	-
Clearly Trivial (20% of Performance Materiality)	112,400,000	28,100,000	-	-
[check] Planning materiality / Adjusted Benchmark	1.022%		0.000%	0.000%

* Materiality for the component unit portion of the Fiduciary opinion unit is set at 25% due to auditor consideration of acceptable audit risk (AR=IRxCRxDR)

Calculation of Benchmark Amounts used for Fiduciary Funds / Aggregate Remaining above:

CAFR Fund Statements Amounts (in 000's)	Fiduciary Funds / Aggregate remaining fund info
Fiduciary Fund Statements - Pension and Other Employee Benefit Trust Funds, Total Assets	43,982,176
Fiduciary Fund Statements - Pension and Other Employee Benefit Trust Funds, Total Deferred Outflows of Resources	-
Fiduciary Fund Statements - Investment Trust Fund, Total Assets	11,015,629
Fiduciary Fund Statements - Investment Trust Fund, Total Deferred Outflows of Resources	-
Fiduciary Fund Statements - Private Purpose Trust Funds, Total Assets	15,907,087
Fiduciary Fund Statements - Private Purpose Trust Funds, Total Deferred Outflows of Resources	483
Fiduciary Fund Statements - Agency Funds, Total Assets	295,928
Fiduciary Fund Statements - Agency Funds, Total Deferred Outflows of Resources	-
Governmental Fund Statements - Nonmajor Governmental Fund, Total Assets	1,402,365
Proprietary Fund Statements - Nonmajor Enterprise Fund, Total Assets	493,199
Proprietary Fund Statements - Nonmajor Enterprise Fund, Total Deferred Outflow of Resources	6,300
Proprietary Fund Statements - Internal Service Funds, Total Assets	240,477
Proprietary Fund Statements - Internal Service Funds, Total Deferred Outflow of Resources	16,413
Total Assets & Deferred Outflows in 000s	73,360,057

Base Amount Used Above

73,360,057,000

Overall Financial and Single Audit

CX-3.3-A Summary Fraud Inquiries from Other Areas

CX-3.3-A
6/30/2020

ISSUES IDENTIFIED FROM FRAUD INQUIRIES (FROM INDIVIDUAL AUDIT AREAS)

[illegible]

ALG-CX-3.3: Fraud Risk Inquiries Form

Governmental Unit:
Completed by: []

Financial Statement Date: //
Date: []

Instructions: The purpose of this form is to document the auditor's inquiries of management and others about fraud risks and compliance with laws, regulations, contracts, and grant agreements, including, if applicable, federal awards. Inquiries should be made of management, other employees, internal auditors (if the client has an internal audit function), and those charged with governance. (See the discussion in section 301 .) These inquiries may occur throughout the engagement. Use professional judgment to determine which members of management and employees to interview, the extent of inquiries, and whether it is necessary to obtain corroborating information. A list of required inquiries is provided for each step on the form to ensure that all professional requirements are met. When documenting the results of inquiries, document the primary areas of focus during the interview, the responses to the inquiries, and the related risks. If responses to inquiries have been vague or implausible or have produced evidence that is inconsistent with other audit evidence, investigate those responses further. If you determine there is a risk of material misstatement of the opinion unit financial statements or material noncompliance affecting the opinion unit financial statements, add the risk to [ALG-CX-7.1](#) at the opinion unit financial statement level and/or relevant assertion level.

If the audit is a Single Audit, completion of this practice aid should include consideration of both the audit of the financial statements and the federal award program audit. Alternatively, the auditor may wish to complete separate forms. Information gathered about risks related to the audit of federal award programs should be carried forward to [ALG-CX-7.3](#) .

1. Inquire of management personnel about the risks of fraud, including risks of fraud related to major programs and how the entity addresses them and about compliance with provisions of laws, regulations, contracts, and grant agreements, and about compliance with federal award program compliance requirements. Specifically ask about the following:

- Their knowledge of any actual fraud or suspicions of fraud affecting the entity or its federal award programs. **None Noted.**
- Their awareness of any allegations of fraud or suspected fraud affecting the entity or its federal award programs.

Janica Gines: The only allegations of suspected fraud related to allegations made relating to the former Executive Director of the Department of Agriculture and some individuals he hired and some suspected improprieties related to those individuals in terms of their pay and leave payments. This is being reviewed by the internal control auditors in our Division.

John Reidhead: The Agriculture whistleblower complaints that the OSA is aware of. Those issues, while serious, are not material. Our post auditors identified some potential split purchases at Health (State Lab) and DNR. The Health issues were followed up on by the Health Internal Auditor and Health took corrective action. The Health findings were not material to the General Fund, based on my knowledge. I believe the DNR issues are still under review and we will be asking the DNR internal auditors to follow-up. The DNR issues are also not material to the General Fund.

- Their knowledge of any possible or actual noncompliance or abuses of broad programs and controls occurring during the period being audited or the subsequent period. *John Reidhead: No, however, we are concerned about additional risk with all of the federal funds and state activity happening related to the COVID-19 pandemic. The purchases and expenditures happening in an emergency situation. The significant federal dollars coming to the state with compliance requirements that are not fully developed or that changes. I believe the State is doing a good job to administer the funding, but there are many parts and changing conditions as it goes along.*

- How, to what extent, and how often they assess the risk that the entity's financial statements and, if applicable, the schedule of expenditures of federal awards might be materially misstated due to fraud and the controls in place to prevent and detect it.
 - *State Finance works daily and throughout the year with agencies and agency management on accounting issues/concerns and internal controls. They work through issues and resolve them to ensure that the financial statements and schedule of expenditures of federal awards are not materially misstated due to fraud/financial reporting fraud. They also review information they request or that is sent to them for CAFR/SEFA for reasonableness using their professional judgment and experience to evaluate and determine if information is accurate and complete.*
 - *State Finance has an internal audit group that also reviews FINET transactions based on risk. They also require agencies to complete ICQs that assist in assessing risk and evaluating potential weaknesses. ICQs are developed for those areas where we feel are at a higher risk for fraud or misstatement.*
 - *Those using FINET are required to go through initial training.*
 - *In terms of controls to prevent/detect fraud, the Division of Finance has controls embedded in FINET to ensure separation of duties for transaction reviews/approvals. In addition, the Division of Finance requires agencies to have established controls to ensure separation of duties for all feeder systems (systems that interface transactions into FINET). The Division of Finance also develops accounting policies to help ensure that agencies have proper controls in place. These policies are available on-line and are discussed in B&A and ACT meetings. As new policies are developed and implemented, the Division of Finance provides training in the same forums on the new policies.*
 - *State Finance performs analytical reviews of assigned funds and accounts during the year as necessary and also during CAFR/SEFA preparation, reviewing for indicators of fraud as well as inconsistencies, completeness and accuracy.*
- Their processes (programs and controls) for identifying, responding to, and monitoring fraud risks, including any—
 - specific fraud risks they have identified or that have been brought to their attention; or
 - classes of transactions, account balances, or disclosures for which a fraud risk is likely to exist.

See above
- How they communicate to employees the importance of ethical behavior and appropriate business practices. *Management communicates this through monthly staff meetings and also various emails regarding examples of issues that are happening around the world and locally and how to address them at the department level. This is also communicated through the annual certification by all employees of their review and commitment to the "Employee Code of Conduct" as part of their performance plan.*

The Division of Finance has established a culture where ethical behavior and appropriate business practices are expected. The expectations are communicated to employees in both formal ways through training and informal ways through discussions focusing on accuracy and propriety of transactions in the course of daily business.
- The nature and extent of monitoring multiple locations, departments, programs, or components and whether any of them have a higher level of fraud risk. *The Division of Finance, Financial Reporting and Financial Transaction sections (sections) work with agencies on a regular basis for ad hoc questions and requests for assistance. In addition, the sections review assigned funds and accounts regularly and provide guidance on any issues identified in these reviews. Annually during the close-out process, the sections meet with agencies identified as needing additional assistance because they have encountered problems in the past or because they are new to the process to provide guidance on close-out requirements. Finally, as legislative and accounting changes impact the reporting entity and required accounting and compliance, the sections work to provide guidance on implementation of changes.*
- *In terms of higher fraud risks, we think that newly established programs, agencies, and component units would potentially be considered higher fraud risks. If a new program is established in an existing agency, we would rely on that agency to establish controls based on Division of Finance policies to address any fraud risks. If a new agency were created, the Division of Finance would provide training and guidance to*

financial staff as considered necessary. Creation of new agencies is infrequent and we are unaware of any newly created agencies. Finally, for any newly established component units, the Division of Finance works to reach out and ensure that the component unit is aware of reporting requirements related to financial reporting. However, since component units are legally separate, the Division of Finance does not perform the same level of monitoring for those entities.

- If applicable, whether they have reported to those charged with governance about the entity's processes for identifying and responding to fraud risks. *The Division of Finance works closely with the Governor's Office of Management & Budget for various activities and if significant fraud risks were identified, those risks and proposed processes/controls to mitigate those risks would be communicated to GOMB. Also, post-audit findings are reported to agency executive directors. Each year, the DAS executive director and executive management also meet with each agency's executive director and executive team to discuss DAS customer service statistics. Post-audit statistics for the year for each agency are discussed in those meetings.*
- The entity's (a) compliance with provisions of laws, regulations, contracts, and grant agreements, and compliance with federal award program compliance requirements; (b) policies relative to compliance with provisions of laws, regulations, contracts, and grant agreements, and compliance with federal award program compliance requirements; and (c) use of directives (for example, a code of ethics) and periodic representations obtained from management-level employees about compliance. *Accounting Policies and procedures, regular meetings with agencies, assisting agencies to resolve grant issues. Attend training on federal issues and inform agencies of training related to federal issues. Also, we monitor some compliance with significant laws, such as budgetary procedures laws and ISF related laws. We also monitor compliance with some purchasing laws through the post-audit process. For those things that are our responsibility to monitor, we do. Other compliance is the responsibility of each agency.*
- If the entity uses a service organization, their 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 them. *None noted*

a. Management Personnel Interviewed:

<u>Name</u>	<u>Title</u>	<u>Date</u>
John Reidhead	Director, Division of Finance	6/14/2020
Janica Gines	Assistant Director	5/6/2020
Allyson Branch	Mgr. Financial Transactions	10/27/2020
Sean Williford	Mgr. Financial Reporting	10/28/2020
Patricia Nelson	Assistant Comptroller	5/4/2020
Marilee Richins	Interim Director, Division of Finance	12/10/2020

- b. Document the responses, including any information that may be relevant to identifying fraud risks. [Alternatively, the inquiries can be documented in a memo(s) or other workpaper(s) referenced from this section.]

See above for responses from key management personnel. For the others, we asked them regarding the first three bullet points listed above. They were not aware of any fraud or were suspicious of any fraudulent behavior.

2. Inquire of employees about whether they are aware of fraud that is occurring, or is alleged, or have suspicions of fraudulent activity. For employees involved in the financial reporting process, also inquire about unusual or improper journal entry or other adjustment activity.

a. Employees Interviewed:

<u>Name</u>	<u>Title</u>	<u>Date</u>
Debbie Empey	Manager of Internal Control, DAS	11/2/2020
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]

<u>Name</u>	<u>Title</u>	<u>Date</u>
See also CX-3.3s in other audit areas		Various Dates

- b. Document the responses, including any information that may be relevant to identifying fraud risks.

Debbie indicated she is aware of potential fraud at the Department of Agriculture from an anonymous tip she received on 3/2/2020. Her team did limited testwork and then turned their testwork over to OSA to pursue the investigation. In addition, after performing reviews at (Department of Natural Resources) DNR, Division of Parks and Recreation, DNR performed further investigation and found an alleged fraud regarding an employee/vendor.

Auditor Note: Per review of the Limited Review of the Utah Department of Agriculture and Food (Report No. DAG-20-OA) Report dated November 17, 2020 issued by our Office, we have determined that, although the issues noted by our audit team regarding UDAF was concerning, the issues noted do not pose a risk of material misstatement to the FY2020 financial statements nor does it represent a risk of material noncompliance that would impact the CAFR.

Per discussion with Dennis Carver, DNR Internal Audit Director, a manager from the Division of Parks and Recreation (Division) was fired after it was discovered that he was splitting invoices and falsifying invoices related to supposed work performed by a paving company where he served as president. Over the last 20 years, approximately \$1.3 million has paid to his paving company. He has worked for the Division for the last 13 years. The case has been turned over to the AG's office for prosecution. Subsequently, the Division has been strengthening controls within the Division to prevent this type of fraud from happening again. The fraud is not material to the general fund and we do not feel that this fraud poses a risk of material misstatement to the financial statements, nor does it represent a risk of material noncompliance that would impact the CAFR.

Per discussion with Melanie Henderson, DOH Internal Auditor, the State of Finance post-auditors discovered a number of transactions at the State Lab where invoices had been split. The DOH internal audit director investigated the matter. They determined that there were no conflict of interest issues, but that invoices were being split to circumvent controls either out of convenience or due to a misunderstanding of internal controls. In addition, the internal auditor had some concerns regarding the control environment at the State Lab. The internal audit instituted corrective action and the Director of the State Lab has been replaced.

3. Inquire of appropriate internal audit personnel about the risks of fraud. (If the entity does not have an internal audit function, indicate "N/A" in the space provided.) Specifically ask about the following:
- Their views about the risk of fraud.
 - Whether they have knowledge of any actual, suspected, or alleged fraud.
 - Whether they have performed any procedures to identify or detect fraud during the year.
 - Whether management or those charged with governance has satisfactorily responded to any findings resulting from those procedures.
 - Whether they have knowledge of any possible or actual noncompliance or abuses of broad programs and controls occurring during the period being audited or the subsequent period.

- a. Internal Audit Personnel Interviewed:

<u>Name</u>	<u>Title</u>	<u>Date</u>
N/A – No internal audit	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]

- b. Document the responses, including any information that may be relevant to identifying fraud risks.

[]

4. Inquire of those charged with governance or the audit committee or other group or individual formally designated with oversight of financial reporting or of federal programs (or at least its chair) about the risks of fraud. Specifically ask about the following:

- Their views about the risks of fraud.
- Whether they have knowledge of any actual, suspected, or alleged fraud affecting the entity or its federal awards programs.
- Whether they have knowledge of any possible or actual noncompliance or abuses of broad programs and controls occurring during the period being audited or the subsequent period.
- Whether they have an active role in oversight of management's processes for identifying and responding to fraud risks and of the controls established to mitigate those risks, and if so, how they exercise such oversight activities.
- Whether the entity is in compliance with laws, regulations, contracts, and grant agreements.

- a. Those Charged with Governance Interviewed:

<u>Name</u>	<u>Title</u>	<u>Date</u>
Tani Downing	DAS Executive Director	12/10/2020
Phil Dean	GOMB Interim Executive Director	11/8/2020
[]	[]	[]
[]	[]	[]
[]	[]	[]
[]	[]	[]

- b. Document the responses, including any information that may be relevant to identifying fraud risks.

Responses to the five questions above:

1. What are your views about the risks of fraud for the State of Utah?

DAS response:

DAS is alert to potential fraudulent activities. It takes fraud very seriously and does its best to minimize the opportunities for fraud. The Division of Risk Management (DRM) believes there are considerable risks of fraud for all of its insureds – state agencies, institutions of higher education, school districts, and some of the charter schools. Those risks have been manifested in recent Qui Tam/Whistleblower lawsuit that has been brought against multiple agencies, alleging that they made misrepresentations about and/or otherwise failed to account for the use of ARRA funds. These claims have implicated the State Risk Fund and affected the cost and scope of pertinent insurance coverage.

Auditor Note: *Inasmuch as the issues noted here are concerning litigation, we will depend on the Legal Rep Letter (GC-02) to provide any potential issues with litigation brought against the State and its various agencies.*

GOMB response:

GOMB acknowledges that the risks of fraud are real within state government. Our office relies heavily on individual state agencies to protect government funds and services by establishing, monitoring, and reviewing internal controls. As part of the annual budget process, GOMB staff review budget documents and reports to ensure adherence to state policy and procedure. While the Division of Finance is primarily responsible for developing policies and monitoring statewide internal controls to minimize the risk of fraud, GOMB is committed to supporting both Finance's and state agencies' efforts to have adequate resources to maintain controls. GOMB actively works with Finance, the Office of the Legislative Fiscal Analyst (LFA), and state agencies to monitor the development and execution of budgets, including processes for federal grants, non-federal grants, and revenue monitoring. Additionally, GOMB staff carries out the day-to-day finance, accounting, and budget responsibilities for GOMB, the Governor's Office, and the Lieutenant Governor's Office and provides FINET data entry support for the Public Lands Policy Coordinating Office. GOMB staff are

directed to follow, and to the best of my knowledge do follow, all financial policies and maintain required controls and separation of duties while carrying out these responsibilities.

2. Do you have any knowledge of any actual, suspected, or alleged fraud affecting the State of Utah or its federal awards programs?

DAS response:

The only allegations of suspected fraud related to allegations made relating to the former Executive Director of the Department of Agriculture and some individuals he hired and some suspected improprieties related to those individuals in terms of their pay and leave payments. This is being reviewed by the internal control auditors in our Division. Additionally, some fraud was uncovered at the Department of Natural Resources by our internal audit team.

GOMB response:

No.

3. Do you have knowledge of any possible or actual noncompliance or abuses of broad programs and controls occurring during FY19 or FY20 (to date)?

DAS response:

No.

GOMB response:

No.

4. Do you have an active role in oversight of management's processes for identifying and responding to fraud risks and of the controls established to mitigate those risks, and if so, how do you exercise such oversight activities?

DAS response:

Yes, DAS takes an active role in oversight of processes for identifying and responding to fraud risks, and of the controls established to mitigate those risks. The Division of Finance, which is part of DAS, operates two programs designed to minimize the risk of financial fraud. Those two programs are Internal Control and Post Audit.

The Internal Control program is a self-assessment survey that requires agencies to disclose business practices in regards to how they meet accounting policies such as separation of duties, etc.

The Post Audit program audits agency transactions on a quarterly basis and reports findings to the agency administrator. The DAS executive leadership team monitors agency post-audit error rates and conducts an annual meeting with agency executive leadership where the post audit error rate is discussed. During these meetings, the agency is shown data that compares its error rate to the state average (for FY 2016, that rate is 1.69%). DAS recognizes the agency when its error rate is better than the state average, and DAS encourages better performance when the agency error rate is not as good.

In addition, DAS contracts for the services of an internal auditor who performs financial and performance-based audits on its programs. The results of these audits are openly discussed with management and employees. Divisions and programs are required to provide formal responses to internal audit findings and make necessary changes to implement the recommendations.

The DAS leadership team holds frequent meetings with its management teams to discuss the results of internal audits, surveys, proper internal controls, and other issues pertaining to accounting policy and procedures.

GOMB response:

GOMB's role in risk assessment is secondary to agency management and those entities with a specific role and responsibility for conducting financial audits and reviews (Division of Finance, Office of Legislative Auditor General, Office of State Auditor, etc.). However, GOMB is directly responsible for on-going agency performance audits which allow for an in-depth review of operational and accounting procedures and practices. In addition, Cabinet members are expected to immediately report to GOMB the identification of potential risks or fraud so our office may intervene as necessary based on the individual situation or concern.

ALG-CX-3.3

(Continued)

Within GOMB, staff are directed to follow, and to my knowledge do follow, all financial policies and maintain required controls and separation of duties while carrying out internal accounting, budgeting, and finance duties. At the statewide level, GOMB has worked with the Governor to recommend additional resources for internal audit support for small agencies and a FINET upgrade. GOMB also issues guidance to agencies regarding appropriately spending government resources, including funds intended to be passed-through to non-state entities. In 2020, GOMB has assumed an increased role in federal funds oversight with CARES Act Coronavirus Relief Fund allocations.

5. Is the State of Utah in compliance with laws, regulations, contracts, and grant agreements?

DAS response:

Yes.

GOMB response:

Yes.

ALG-CX-7.1: Risk Assessment Summary Form**Instructions**

This form is designed for identifying significant audit areas, documenting the risks of material misstatement affecting relevant assertions for each area (including fraud risks or other significant risks), assessing those risks, selecting an audit approach that is appropriately tailored to respond to the assessed level of risk, and documenting the linkage of the assessed risks to the audit procedures that respond to those risks. A separate form should be completed for each opinion unit. Your risk assessments should take into account materiality, the results of preliminary analytical procedures, information obtained about the entity and its environment, including its internal control, the consideration of fraud, engagement team discussions, results of engagement acceptance or continuance procedures, other engagements performed for the entity, and any other sources that provide information relevant to identifying and assessing risks. When identifying risks of material misstatement, exercise professional skepticism. You need to be familiar with the concepts in Chapter 4 of this *Guide* before completing this form.

Document risks of material misstatement at the overall financial statement (i.e., opinion unit) level and the planned responses in Part I. Indicate whether the overall risks are fraud risks or other significant risks.

Single Audit Risk Assessment: In a Single Audit, the auditor should assess both (1) the risk that noncompliance may cause the financial statements to contain a material misstatement and (2) the risk that noncompliance may have a material effect on each major program. Risks of material misstatement of the financial statements resulting from noncompliance should be documented on this form. [ALG-CX-7.3](#) can be used to document your assessment of the risk of material noncompliance for a major program.

Complete the risk assessment summary table in Part II as indicated in the instructions to Part II.

Risk Assessment Summary Form

Governmental Unit: Overall Financial and Single Audit

Financial Statement Date: 06/30/2020

Opinion Unit:^a State CAFR

Completed by: See CSA Signoff Date: []

Approved by: []

Date: []

Part I—Overall Risks and Responses

Describe overall risks (that is, risks at the financial statement (i.e., opinion unit) level that may affect many assertions) and your planned responses. Examples of overall risks include weaknesses in the control environment, changes in management, lack of entity expertise necessary to prepare the financial statements, lack of oversight over the preparation of the financial statements, going concern considerations, related-party transactions, motivation by management to fraudulently misstate the financial statements, or schedule of expenditures of federal awards, etc. For each risk identified, indicate if the risk is a fraud risk or other significant risk. (See instructions in Part II.) Responses may include consideration of staffing, increasing the level of supervision, use of a specialist, changing the timing of procedures, etc. Based on the nature of the overall risks, consider if the risks could result in a material misstatement for one or more specific audit areas. If so, indicate the risks for relevant assertion(s) for the audit area(s) in Part II.

Identified Risk	Indicate If Significant Risk (S = Significant, F = Fraud)	Responses
Management override of internal controls (CX-3.1 #51)	S,F	We review all significant transactions, including journal entries, for reasonableness, proper coding, and proper cut-off (see AP-2 , step 4)

Part II—Risk Assessment Summary

Document your specific risk assessments and your planned responses by completing the summary table following the instructions below:

Column	Instructions
Audit Area	An audit area includes all related account balances, transaction classes, and disclosures. See the discussion in section 403 .
Significant Audit Area	<p>An audit area is significant if it contains a significant transaction class, material account balance, fraud risk or other significant risk, or requires significant disclosures (including quantitative and qualitative disclosures). When determining whether an audit area is significant, consider whether any transaction class, account balance, or disclosure for the area has a relevant assertion. Nonsignificant audit areas have no relevant assertions. Place a checkmark in the box for each audit area that is considered significant.</p> <p>The determination of whether an audit area is significant is important in determining the effect of the risk assessment on the audit approach. For example, as indicated for the audit approach column, the use of the limited procedures approach is not appropriate for a significant audit area. See discussion in section 403 .</p>
Other Audit Areas	Space is provided at the end of the risk assessment summary table to add audit areas unique to the governmental unit/opinion unit or to describe specific risks related to matters such as related-party transactions, going concern considerations, subsequent events, significant estimates, or disclosures.
Identified Risks/Assertions Affected	<p>Based on your understanding of the entity obtained when performing risk assessment procedures and the conclusions reached at ALG-CX-3.1 list (1) any specifically identified risk related to a potential misstatement that could result in material misstatement of the opinion unit financial statements and (2) the related assertions for the account balances, transaction classes, or disclosures in the audit area.</p> <p>There is a presumption that you will identify improper revenue recognition due to fraud as a risk of material misstatement as discussed in section 404 . (If you do not identify improper revenue recognition as a fraud risk, document your reason in the space provided following the risk assessment summary table.)</p>
Indicate If Significant Risk	Indicate if the identified risk of material misstatement is a fraud risk or other significant risk by placing an “F” in this column if the risk is a fraud risk or an “S” in this column if the risk is a significant risk other than a fraud risk. If the risk is not a fraud risk or other significant risk, leave the column blank. Significant risks, which include fraud risks, are those that require special audit consideration because of the nature of the risk or the likelihood and potential magnitude (including quantitative and qualitative considerations) of related misstatements. When considering if an identified risk is a significant risk, determine if it relates to (1) significant economic, accounting, or other developments needing specific attention; (2) complex transactions; (3) significant related-party transactions; (4) measurements that are subjective or uncertain, especially estimates with a high degree of uncertainty; or (5) significant unusual transactions. Treat related-party transactions that are significant unusual transactions as significant risks. See the discussion in section 403 .

Column	Instructions
Assertions	<p>Assess the risk of material misstatement at the relevant assertion level for each account balance, transaction class, or disclosure in the audit area. A <i>relevant assertion</i> is an assertion that has a reasonable possibility of containing a misstatement(s) that would cause the opinion unit financial statements to be materially misstated. When determining whether the assertion is relevant, do not consider the effect of internal controls.</p> <p>When documenting the risk assessment make an assessment for each relevant assertion, regardless of whether you have identified any specific risks related to that assertion. See the discussion in section 403 . Consider the following categories of assertions when making your risk assessments:</p> <p>Existence or Occurrence (E/O) Completeness (C) Rights or Obligations (R/O) Accuracy or Classification (A/CL) Valuation or Allocation (V) Cutoff (CO)</p> <p>The PPC audit approach addresses disclosure and presentation related matters in the Concluding Audit Steps of the individual audit area programs and in the General Audit and Completion Program and includes the Presentation assertion within the A/CL assertion.</p>
I/R	<p>Document the assessed level of inherent risk as high, moderate, or low for each relevant assertion. See the discussion in section 403 . Completing ALG-CX-3.1 and performing other risk assessment procedures generally provides a basis to assess inherent risk. The Linkage/Comments column needs to be used to document information to support the basis for the assessment. ALG-CX-7.2 provides a list of factors to consider that may influence the assessment of inherent risk by relevant assertion for each audit area. Do not consider internal controls in assessing inherent risk.</p>
C/R	<p>Document the assessed level of control risk as high, moderate, or low for each relevant assertion based on the understanding of internal control and, if applicable, tests of controls documented at ALG-CX-10.1 . If the control risk assessment at the relevant assertion level includes an expectation that the controls are operating effectively (i.e., control risk assessment of less than high), AU-C 330.08 requires the auditor to test the relevant controls for operating effectiveness. See the discussion in section 403 .</p>
Assessed RMM	<p>Document the combined assessed risk of material misstatement (RMM) as high, moderate, or low for each relevant assertion. You may make an overall, or combined, assessment of the risk of material misstatement at the assertion level by completing only the Assessed RMM column, or separate assessments of inherent risk and control risk and then combine them as discussed in note a. See the discussion in section 403 .</p>

Column	Instructions
Audit Approach	Select the audit approach that is responsive to the assessed risk of material misstatement for all relevant assertions and tailor the audit programs as necessary. Obtain more persuasive audit evidence the higher the risk assessment. Regardless of the risk assessment, you should perform substantive procedures for all relevant assertions for each material class of transactions, account balance, and disclosure. In addition, you should perform substantive procedures specifically responsive to significant risks. When the response to significant risks consists only of substantive procedures, perform some tests of details rather than relying only on analytical procedures. When determining whether the audit response is specifically responsive to the significant risk, ensure that the audit programs are appropriately tailored. Determining the audit approach is discussed in section 405 .
Linkage/Comments	Use this column to clarify the linkage between assessed risks and the nature, timing, and extent of audit procedures performed. Provide additional comments as considered necessary.

		Risks of Material Misstatement		Risk Assessment				Response	
Audit Area	Significant Audit Area? (✓=Yes)	Identified Risks/ Assertions Affected	Indicate If Significant Risk (S=Significant, F=Fraud)	Assertions	I/R (H,M,L)	C/R (H,M,L)	Assessed RMM (H,M,L) ^b	Audit Approach (L,B,E,S) ^c	Linkage/ Comments ^d
See CX-7.1A for Risk Assessments by overall audit area									

If you did not identify improper revenue recognition as a fraud risk in the risk assessment summary table, document the reasons supporting your conclusion.

N/A – Improper revenue recognition was identified as a fraud risk on the TRR and ORR & SIT tabs of CX-7.1A

Notes

^a A separate form should be completed for each opinion unit.

^b Use your judgment in determining the combined risk of material misstatement. Consider the nature of the risk, likelihood of potential misstatement, and magnitude, considering both quantitative and qualitative factors, of potential misstatement. Based on the assessed levels of inherent and control risk, the combined assessed risk of material misstatement may be determined as follows:

<u>Inherent Risk (I/R)</u>	×	<u>Control Risk (C/R)</u>	=	<u>Risk of Material Misstatement (RMM)</u>
High		High		High
High		Moderate		High
High		Low		Moderate. to High

Moderate	High	Moderate to High
Moderate	Moderate	Low to Moderate
Moderate	Low	Low to Moderate
Low	High	Moderate to High
Low	Moderate	Low to Moderate
Low	Low	Low

This RMM table is intended as a guide. Risk assessment is ultimately based on the auditor's professional judgment and may vary. For example, if, based on the facts and circumstances of a specific engagement, an auditor determines that the IR assessment is Low, the CR assessment is High, and the overall RMM assessment is Low for an assertion, the authors believe this could be appropriate so long as each assessment is supportable and appropriately documented.

Several of the combinations of separate assessments of I/R and C/R above indicate a range for RMM rather than a single level of risk. Combining risks always requires auditor judgment about the specific risks identified. Further, the need for a range of combined risk results from using a qualitative rather than a quantitative level of assessed risk. When a quantitative assessment of risk is made, the auditor calculates RMM based on specific percentages for assessed I/R and C/R. When a qualitative assessment of risk is made, the level of risk corresponds to a range of percentages rather than a specific percentage. Using a qualitative approach, I/R and C/R can only be assessed as a level of risk (such as high, moderate, or low) rather than a percentage, and the result of combining these risks is better expressed as a range. See section 403 .

° Possible audit approaches are as follows:

L (Limited Procedures) = Preliminary analytical procedures, other risk assessment procedures, and final analytical procedures are considered sufficient. (This approach is not appropriate for significant audit areas). No additional audit program is needed for this audit area or assertion.

Core Audit Programs

B (Basic Procedures) = The basic procedures in the core audit program are sufficient. This approach includes primarily substantive analytical procedures (includes some tests of details, many of which are required by the professional standards). If you plan to perform procedures in the basic program to respond to an identified risk, document that response in the Linkage/Comments column. (This approach is generally not appropriate for fraud risks or other significant risks. Tailoring of basic procedures may be necessary as indicated below.)

E (Extended Procedures) = Basic substantive procedures plus selected extended procedures (procedures for additional assurance) or other audit procedures are needed for specific relevant assertions in this audit area. If this approach is selected, go to the appropriate core audit program and select or develop extended procedures (procedures for additional assurance) or other audit procedures to respond to the risks at the relevant assertion level.

Specified Risk Audit Programs

S (Specified Risk) = A set of substantive audit programs based on certain underlying risk assumptions at the assertion level for each audit area. If your risk assessment for any assertion(s) differs from the specified risk assumption in an audit area, modify the audit program for that audit area to adequately respond to the risk assessment. Tailoring will be necessary to ensure that the final audit program for each audit area reflects the procedures necessary to address the assessed risks of the governmental unit. Additional procedures can be selected from the Basic, Extended, or Other Procedures sections included in the core audit programs.

Tailoring Necessary

The particular tests selected, whether they are in the Basic, Extended, or Specified Risk programs, need to be tailored to the nature, cause, and direction of potential misstatements at the relevant assertion level.

The auditor should also consider whether it is appropriate (or necessary) to alter the extent or timing of the procedures to adequately respond to the risk assessment.

^d Examples of linkage/comments include:

- Information that clarifies how the audit procedures have been tailored to respond to your risk assessment.
- Descriptions of the procedures that will be performed to specifically respond to fraud risks or other significant risks and how the nature, timing, and extent of procedures respond to assessed risks.
- Information about the nature, timing, or extent of further audit procedures in response to other identified risks.
- Whether you plan to perform procedures in the Basic Procedures section of the audit programs to respond to an identified risk.
- A reference to documentation of tests of controls and how they affect the nature, timing, and extent of substantive procedures.
- Documentation of the basis for your assessment of inherent risk for an assertion. A documentation example for capital assets might be, "The capital assets area has no complex accounting, auditing, judgmental, or other issues, except for the evaluation and categorization of related repairs and maintenance. As such, inherent risks for the assertions E/O, R/O, A/CL, and CO are considered to be low; inherent risk for completeness (C) is deemed to be moderate."

**Overall Financial and Single Audit
CX-7.1-A Risk Assessments**

**CX-7.1-A
6/30/2020**

The following tables are the risk assessments for FY20 for each overall audit area by opinion unit.

The following opinion unit abbreviations are used:

GA	Governmental Activities
BA	Business Type Activities
DCU	Discrete Component Units
GEN	General Fund
EF	Education Fund
TF	Transportation Fund
TIF	Transportation Investment Fund
TL	Trust Land Permanent Fund
NGF	Nonmajor Gov't Funds
SAP	Student Assistance Programs
UCF	Unemployment Compensation Fund
WLP	Water Loan Program
CI	Community Impact
ISF	Internal Service Funds
NPF	Nonmajor Proprietary Funds
FF	Fiduciary Funds

Risk Assessment Summary
APE

Incharge Signoff (initial and date) DBI 11/16/2020
Director Signoff (initial and date) SDS 11/25/2020
Concurring Signoff (initial and date) See OVR

See 1/ for definition of Opinion Unit abbreviations.

Expenditures/Expenses and Accounts Payable and Other Liabilities

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA	x	BA	x	X	CO Improper cutoff at year end, Improper application of GAAP for CARES \$\$ (CX-3.1 #51)	S					B	Although the assessed RMM for CO assertion is high, the basic audit program steps are considered sufficient to address the risks of material misstatements identified. We will also perform unique tests for CARES \$\$ expenditures
GEN	x	UCF	x				E/O	H	H	M		
EF	x	WLP	x				C	H	H	M		
TF	x	CI	x				R/O	M	H	M		
TIF	x	ISF	x				V	M	H	M		
TL	x	NPF	x				A/CL	M	H	M		
NGF	x	FF	*				CO	H	H	H		
SAP		DCU										

* FF are covered on the FID tab

Payroll and Related Liabilities

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA	x	BA	x	X	None	N/A					B	
GEN	x	UCF	x				E/O	M	H	M		
EF	x	WLP	x				C	M	H	M		
TF	x	CI	x				R/O	M	H	M		
TIF	x	ISF	x				V	M	H	M		
TL	x	NPF	x				A/CL	M	H	M		
NGF	x	FF					CO	M	H	M		
SAP		DCU										

Risk Assessment Summary
CAI

Incharge Signoff (initial and date) AP- 9/17/2020
 Director Signoff (initial and date) KBL 9/23/2020
 Concurring Signoff (initial and date) See OVR

See 1/ for definition of Opinion Unit abbreviations.

Cash

						Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected		Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA	x	BA	x	X	None		N/A					B	
GEN	x	UCF	x					E/O	M	H	M		
EF	x	WLP	x					C	M	H	M		
TF	x	CI	x					R/O	M	H	M		
TIF	x	ISF	x					V	M	H	M		
TL	x	NPF	x					A/CL	M	H	M		
NGF	x	FF	x					CO	M	H	M		
SAP		DCU											

Investments and Derivate Instruments

						Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected		Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA	x	BA	x	X	None		N/A					B	
GEN	x	UCF	x					E/O	M	H	M		
EF	x	WLP	x					C	M	H	M		
TF	x	CI	x					R/O	M	H	M		
TIF	x	ISF	x					V	M	H	M		
TL	x	NPF	x					A/CL	M	H	M		
NGF	x	FF	x					CO	M	H	M		
SAP		DCU											

Risk Assessment Summary
INV

Incharge Signoff (initial and date) DL 8/11/2020
Director Signoff (initial and date) KBL 8/11/2020
Concurring Signoff (initial and date) See OVR

See 1/ for definition of Opinion Unit abbreviations.

Inventory

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA	X	BA	X	No	Errors in Recognizing and Valuing PPE inventory	N/A					E	Analytical procedures are sufficient for all areas other than PPE Inventory. In which case, we will perform an inventory observation of the PPE inventory. We will also select various items and perform sheet to shelf and shelf to sheet selections. We will also test the valuation of the inventory at FYE.
GEN	X	UCF	X				E/O	H	H	H		
EF	X	WLP	X				C	H	H	H		
TF		CI	X				R/O	M	H	M		
TIF	X	ISF	X				V	H	H	H		
TL	X	NPF					A/CL	M	H	M		
NGF	X	FF	X				CO	H	H	H		
SAP		DCU										

Inventory - DABC

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA		BA		X		N/A					B	DABC: Inventory is not material for Non-major proprietary funds. Inventory is tested through analytics in AC-10 .
GEN		UCF					E/O	M	H	M		
EF		WLP					C	M	H	M		
TF		CI					R/O	M	H	M		
TIF		ISF					V	M	H	M		
TL		NPF	X				A/CL	M	H	M		
NGF		FF					CO	M	H	M		
SAP		DCU										

Inventory - DOT

					Risks of Material Misstatement		Risk Assessment				Response	
				Significant	Identified Risks /	Indicate if Significant Risk	Risk Assessment	I/R	C/R	Assessed	Audit	

Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Significant Risk (S=Significant, F=Fraud)	Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	RMM (H/M/L)	Approach (L, B, E, S)	Comments / Linkage
GA		BA		X	None	N/A					B	
GEN		UCF					E/O	M	H	M		
EF		WLP					C	M	H	M		
TF	X	CI					R/O	M	H	M		
TIF		ISF					V	M	H	M		
TL		NPF					A/CL	M	H	M		
NGF		FF					CO	M	H	M		
SAP		DCU										

Risk Assessment Summary
TRR

Incharge Signoff (initial and date) DL - 8/3/2020
Director Signoff (initial and date) HA 12/14/2020
Concurring Signoff (initial and date) See OVR

Note that this schedule is based on TAX revenues (for TRR audit) and covers both governmental and proprietary type funds.

See 1/ for definition of Opinion Unit abbreviations.

Tax Revenue and Related Receivables

						Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit*				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)		Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA	x	BA	X	X	Improper Revenue Recognition Errors in Tax Accruals due to Change in Filing Dates (CX-3.1 #51)	S, F						E	Extended procedures for those areas with a High RMM. We will also be using a limited scope of PJE and 10%.
GEN	x	UCF						E/O	H	H	H		
EF	x	WLP	X					C	M	H	M		
TF	x	CI						R/O	M	H	M		
TIF	x	ISF						V	H	H	H		
TL		NPF						A/CL	M	H	M		
NGF		FF	*					CO	H	H	H		
SAP		DCU											

* Opinion Units with no "x" do not have tax revenues and receivables and, therefore, do not have a risk assessment for TRR

Risk Assessment Summary
ORR & SIT

ORR Incharge Signoff (initial and date) CCB 7/13/2020
 ORR Director Signoff (initial and date) SDS 8/26/2020
 Concurring Signoff (initial and date) See OVR

Note that this schedule is based on non-tax revenues (for ORR audit) and covers both governmental and proprietary type funds. See below for SIT audit

See 1/ for definition of Opinion Unit abbreviations.

Other Revenue and Related Receivables

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA	x	BA	x	X	Improper Revenue Recognition & Errors in Application of GAAP for CARES \$\$ (CX-3.1 #51)	S, F					E	The RMM will be addressed with a smaller scope (PJE & +/-10%) and bigger sample sizes (selecting High on step 10.a of audit programs where revenues are being sampled). Additionally, basic audit steps in PPC audit programs are designed to address and RMM for revenue recognition. As the revenue recognition for CARES \$\$ is dependent on expenditure recognition, we will tie \$\$s recognized to work performed in the APE audit area.
GEN	x	UCF	x				E/O	H	H	H		
EF	x	WLP	x				C	M	H	M		
TF	x	CI	x				R/O	M	H	M		
TIF	x	ISF	x				V	H	H	H		
TL		NPF	x				A/CL	M	H	M		
NGF	x	FF	*				CO	H	H	H		
SAP		DCU										

* FF are covered on the FID tab

Note that the schedule below is based on non-tax revenues (for SIT audit) and covers the TL opinion unit

SIT Incharge Signoff (initial and date) AD 10/28/2020
 SIT Director Signoff (initial and date) HA 10/22/2020

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA		BA			Improper Revenue Recognition (SIT CY 2 2 8, OVR CY 2 1 #51)							Improper revenue recognition will be addressed with smaller scope (PJE & +/-10%) using the
GEN		UCF					E/O	H	H	H		
EF		WLP					C	H	H	H		

TF		CI		X	(SIT CX-3.2 & OVR CX-3.1 #51) Line item consolidation errors with SITFO consolidation (SIT CX-3.2 & OVR CX-3.1 #51)	S	R/O	M	H	M	E	Permanent Fund materiality levels Consolidation errors will be addressed with increased professional skepticism of SITFO, tests of off-book consolidation entries
TIF		ISF					V	H	H	H		
TL	X	NPF					A/CL	M	H	M		
NGF		FF					CO	H	H	H		
SAP		DCU										


Risk Assessment Summary
GOV

Incharge Signoff (initial and date) HB 06/12/2020
Director Signoff (initial and date) GH 11/20/2020
Concurring Signoff (initial and date) See OVR

See 1/ for definition of Opinion Unit abbreviations.


Capital Assets and Expenditures

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA	x	BA	x	X	None	N/A					B	
GEN		UCF					E/O	M	H	M		
EF		WLP					C	M	H	M		
TF	x	CI					R/O	M	H	M		
TIF	x	ISF	x				V	M	H	M		
TL		NPF	x				A/CL	M	H	M		
NGF	x	FF					CO	M	H	M		
SAP		DCU										

 = Capital Assets/Expenditures testwork does not apply to this opinion unit (for table above)

Debt and Debt Service

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA	x	BA	x	X	None	N/A					B	
GEN		UCF					E/O	M	H	M		
EF		WLP	x				C	M	H	M		
TF	x *	CI					R/O	M	H	M		
TIF		ISF	x				V	M	H	M		
TL		NPF	x				A/CL	M	H	M		
NGF	x	FF					CO	M	H	M		
SAP		DCU										

 = Capital Assets/Expenditures testwork does not apply to this opinion unit (for table above)

* Applicable when there is a bond issued for highway construction.

Risk Assessment Summary
FBC

Incharge Signoff (initial and date) JK 12-04-20
Director Signoff (initial and date) SDS 12/4/2020
Concurring Signoff (initial and date) See OVR

See 1/ for definition of Opinion Unit abbreviations.
Equity and Financial Statement Reconciliations (Net Position / Net Assets)

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA	x	BA	x	X	None	N/A					B	
GEN	x	UCF	x				E/O	M	H	M		
EF	x	WLP	x				C	M	H	M		
TF	x	CI	x				R/O	M	H	M		
TIF	x	ISF	x				V	M	H	M		
TL	x	NPF	x				A/CL	M	H	M		
NGF	x	FF	x				CO	M	H	M		
SAP		DCU										

Risk Assessment Summary
FID

Incharge Signoff (initial and date) TDK 11/24/20
Director Signoff (initial and date) GH 11/30/20
Concurring Signoff (initial and date) See OVR

See 1/ for definition of Opinion Unit abbreviations.

Fiduciary Fund Assets and Additions for Private Purpose Trust and Agency Funds

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA		BA		X	None	N/A					B	
GEN		UCF					E/O	L	H	L		
EF		WLP					C	L	H	L		
TF		CI					R/O	L	H	L		
TIF		ISF					V	L	H	L		
TL		NPF					A/CL	L	H	L		
NGF		FF	x				CO	L	H	L		
SAP		DCU										

Fiduciary Fund Liabilities and Deductions for Private Purpose Trust and Agency Funds

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA		BA		X	None	N/A					B	
GEN		UCF					E/O	M	H	M		
EF		WLP					C	M	H	M		
TF		CI					R/O	M	H	M		
TIF		ISF					V	M	H	M		
TL		NPF					A/CL	M	H	M		
NGF		FF	x				CO	M	H	M		
SAP		DCU										

Pension Trust Fund

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage

Risk Assessment Summary
FID

Incharge Signoff (initial and date) TDK 11/24/20
Director Signoff (initial and date) GH 11/30/20
Concurring Signoff (initial and date) See OVR

See 1/ for definition of Opinion Unit abbreviations.

GA	x	BA	x	X	None	N/A					B	
GEN		UCF					E/O	M	H	M		
EF		WLP					C	M	H	M		
TF		CI					R/O	M	H	M		
TIF		ISF	x				V	M	H	M		
TL		NPF	x				A/CL	M	H	M		
NGF		FF	x				CO	M	H	M		
SAP		DCU										

Other Employee Benefit Trust Fund

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA	x	BA	x	X	None	N/A					B	
GEN		UCF					E/O	M	H	M		
EF		WLP					C	M	H	M		
TF		CI					R/O	M	H	M		
TIF		ISF	x				V	M	H	M		
TL		NPF	x				A/CL	M	H	M		
NGF		FF	x				CO	M	H	M		
SAP		DCU										

Risk Assessment Summary
DCU

Incharge Signoff (initial and date) CW 8/10/20
Director Signoff (initial and date) JDA 11/19/20
Concurring Signoff (initial and date) See OVR

See 1/ for definition of Opinion Unit abbreviations.

Component Unit Consolidations (All DCUs)

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA		BA		X	None						B	
GEN		UCF					E/O	M	H	M		
EF		WLP					C	M	H	M		
TF		CI					R/O	M	H	M		
TIF		ISF					V	M	H	M		
TL		NPF					A/CL	M	H	M		
NGF		FF					CO	M	H	M		
SAP		DCU	x									

Insurance and Self Insurance

					Risks of Material Misstatement		Risk Assessment				Response	
Opinion Unit				Significant Audit Area	Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
GA		BA		X	None	N/A					B	See (DCU) LD and LD-1 Audit Programs
GEN		UCF					E/O	M	H	M		
EF		WLP					C	M	H	M		
TF		CI					R/O	M	H	M		
TIF		ISF	x				V	M	H	M		
TL		NPF					A/CL	M	H	M		
NGF		FF					CO	M	H	M		
SAP		DCU										

Risk Assessment Summary
OVR (UHE Rollup)

OVR Incharge Signoff (initial and date) RER 11/20/2020
OVR Director Signoff (initial and date) See OVR
Concurring Signoff (initial and date) See OVR

See 1/ for definition of Opinion Unit abbreviations.
Student Assistance Program & my529 Consolidations

					Risks of Material Misstatement		Risk Assessment				Response	
Significant Audit Area	Opinion Units				Identified Risks / Assertions Affected	Indicate if Significant Risk (S=Significant, F=Fraud)	Risk Assessment Documentation Approach	I/R (H/M/L)	C/R (H/M/L)	Assessed RMM (H/M/L)	Audit Approach (L, B, E, S)	Comments / Linkage
X	GA		BA		None						L	The UHEAA audits were contracted out for FY17-FY21. The SLGP and SLPP statements are combined to form the SAP opinion unit. The my529 statements (a dba of UESP) are a private purpose trust fund. See CAFR rollup testwork in the BA and TB workpapers of the OVR audit.
	GEN		UCF				E/O	L	H	L		
	EF		WLP				C	L	H	L		
	TF		CI				R/O	L	H	L		
	TIF		ISF				V	L	H	L		
	TL		NPF				A/CL	L	H	L		
	NGF		FF	x			CO	L	H	L		
	SAP	x	DCU									

Overall Financial and Single Audit	GC-05
GC-05 Inquiries with Management	06/30/2020

Purpose: Per audit steps 5.b-c, 7.b, 8.a. and d on **AP-2**, steps 24.a, and 25.b on **AP-3**, and step 6 on **AP-18**.

Testwork:

We inquired with Patricia Nelson, Assistant State Comptroller on 12/18/20 regarding the following:

Commitments/Contingencies (Step 5.b. on AP-2 and step 24.a. on AP-3):

She is not aware of any unrecorded contingencies or commitments related to the financial statements or to federal award programs for the State of Utah.

Noncompliance with provisions of contracts or grants, including Federal awards (Step 5.c. on AP-2 and step 24.a. on AP-3):

She is not aware of any noncompliance with provisions of contracts or grants, including federal awards that could have a material effect on the financial statements.

Accounting estimates (Step 7.b. and 8.d. on AP-2):

She is not aware of any new accounting estimates or the need to revise the accounting estimates already made for the CAFR.

Subsequent Events (Step 8.a. on AP-2, step 25.b. on AP-3, and step 6 on AP-18):

In order to identify subsequent events, State Finance makes inquiry with component units via email, reviews financial reports, reviews minutes (in some cases), and searches for any bond issuances subsequent to June 30 on the EMMA website. State Finance also inquires of Risk Management, DFCM, GOMB, the Legislative Financial Analyst, and URS, PEHP, UHEAA, UTA and SITFO and reviews component unit financial statements for subsequent event disclosures. They also review the legal representation letter and update to that letter.

Patricia is not aware of any loss or impairment of assets or of any unusual adjustments recorded on FINET. She is not aware of issuance of long-term debt subsequent to 6/30/20. She is not aware of any reports on compliance having been issued to the State of Utah since 6/30/20 other than those issued by the OSA. She is not aware of any subsequent events affecting the SEFA.

Summary: **NEN.** The CAFR disclosures are considered adequate and there is no affect on our single audit testwork/report.

PURPOSE: This workpaper evaluates the effect of the PJE

on our opinion units and determines whether the proposed adjustments indicate any internal control weaknesses. See **JE-00-1** for detail of adjustments that are summarized by opinion unit on each tab of this workpaper. See conclusion for each opinion unit and the overall conclusion below.

We discussed all the PJE

s documented on this workpaper with Patricia Nelson, Assistant State Comptroller, on a timely basis to give management an opportunity to correct them. Patricia agreed with the PJE

s. 5 PJE

s were booked (**JE-01, JE-02, JE-03, JE-06 and JE-07**), one PJE was partially booked (**JE-04**) and one PJE was unbooked (**JE-05**). **JE-05** was not booked due to the late timing and size (over PJE but well below PM) of the proposed adjustment, but Finance will implement the change for FY21. **JE-01** is a correction of tax abatement accrual. **JE-02** was proposed to reclassify the investments that were improperly classified as cash and cash equivalents. **JE-03** corrects distributed earnings and the reinvestment of those earnings in the appropriate line items in the Investment Trust Fund statement of changes in net position. **JE-04** reduces erroneous SITFO year-end accruals. The unbooked portion of **JE-04** reflects the difference between what our Office proposed and what State Finance actually booked. **JE-05** was an attempt to break-out a liability that was netted against Cash and Cash Equivalents when the URS statements were consolidated into the CAFR, but this PJE was not booked. **JE-06** was proposed to reclassify the net position for the Utah Transit Authority. Finally, **JE-07** was proposed to include the UVU Foundation into the amounts recorded in the CAFR for UVU. We do not feel that any of the PJE

s were indicative of fraud. There were no additional unbooked PJE

s noted from the various component audits that we would need to consider here in forming our opinion on the State's CAFR (see **GB-36**).

Conclusion: Based on the results of the evaluation performed above, as well as the consideration of qualitative factors, uncorrected differences, individually and in aggregate do not cause the financial statements of this opinion unit taken as a whole to be materially misstated.

Internal Control Considerations:

Based on our review of the PJE

s (booked/unbooked), we have proposed **FR-01**, since **JE-04, JE-06 and JE-07** are indicative of an internal control weakness for financial reporting. The unbooked PJE

s do not materially misstate the financial statements (individually or in aggregate); therefore, we will not modify our opinion on any opinion units. These errors did not/could not result in a material misstatement to the financial statements since all material PJE

s were agreed to and booked by State Finance.

Qualitative Considerations in Evaluating Materiality:

The judgment about whether a misstatement is material is influenced by qualitative considerations as well as quantitative considerations. The following are examples of qualitative considerations:

1. The effect of the misstatement on overall trends, for example, a misstatement that changes a decrease in fund balance to an increase in fund balance.
2. The effect of the misstatement on other financial statement components (that is, the pervasiveness of the misstatement).
3. The effect of the misstatement on the government's compliance with legal and contractual provisions, such as revenue misstatements that might affect the entity's compliance with bond covenants.
4. A misstatement that affects management's compensation, for example by satisfying requirements for the award of bonuses or other forms of incentive compensation.
5. The significance of the financial statement element or portion of the entity's activities affected by the misstatement.
6. The effects of misclassifications that could be significant to the financial statement users, for example, misclassification between operating and nonoperating
7. The potential effect on future periods.
8. The character of the misstatement (for example, the precision of the audit differences).
9. The sensitivity of the circumstances surrounding the misstatement, for example, the implications of misstatements involving fraud, possible illegal acts, violations of contractual provisions, or conflicts of interest.
10. The motivation of management with respect to the misstatement, for example, (1) an indication of a possible pattern of bias by management when developing and accumulating accounting estimates or (2) a misstatement precipitated by management's continued unwillingness to correct weaknesses in the financial reporting process.
11. The significance of the misstatement or disclosures relative to politically sensitive matters or known user needs.
12. The existence of statutory or regulatory requirements affecting materiality thresholds.
13. Offsetting effects of individually significant matters.
14. Cost of making the correction.
15. Risk of possible additional uncorrected misstatements.

Opinion Unit: Governmental Type Activities

						Only include Unbooked PJE's				
						Assets + DO DR(CR)	Liabilities + DI DR(CR)	Fund Balance DR(CR)	Revenue DR(CR)	Expense DR(CR)
PJE #	Workpaper Reference	Booked/ Unbooked	Line Description	Debit	Credit					
JE-01	TRR AD-32	Booked	GTA - Accounts Payable and Accrued Liabilities	4,361,808						
			GTA - Corporate Tax Imposed for Education		4,361,808					
			To correct the tax abatement accrual.							
JE-02	CAI AA-05	Booked	GTA - Cash and Cash Equivalents	2,206,008,000						
			GTA - Investments		2,206,008,000					
			To reclassify investments that were improperly reclassified as cash and cash equivalents							
Total Unbooked PJE's						-	-	-	-	-
Financial statement caption totals						32,209,991,000	(7,037,665,000)	(25,172,326,000)	(15,613,255,000)	14,540,876,000
Unbooked PJE's as a % of F/S Captions						0.00%	0.00%	0.00%	0.00%	0.00%

Opinion Unit:

Business-Type Activities

						Only include Unbooked PJE's				
PJE #	Workpaper Reference	Booked/ Unbooked	Line Description	Debit	Credit	Assets + DO DR(CR)	Liabilities + DI DR(CR)	Fund Balance DR(CR)	Revenue DR(CR)	Expense DR(CR)
JE-04	SIT TB-02	Booked	BTA - Accounts Payable & Accrued Liabilities BTA - Accounts and Interest Receivable, net To reduce erroneous SITFO yearend accruals	8,034,000	8,034,000					
JE-04	SIT TB-02	Unbooked	BTA - Accounts Payable & Accrued Liabilities BTA - Accounts and Interest Receivable, net To reduce erroneous SITFO yearend accruals	163,724	163,724	(163,724)	163,724			
Total Unbooked PJE's						(163,724)	163,724	-	-	-
Financial statement caption totals						4,824,360,000	(1,356,741,000)	(3,467,619,000)	(7,846,784,000)	16,189,477,000
Unbooked PJE's as a % of F/S Captions						0.00%	-0.01%	0.00%	0.00%	0.00%

					Only include Unbooked PJE's					
PJE #	Workpaper Reference	Booked/Unbooked	Line Description	Debit	Credit	Assets + DO DR(CR)	Liabilities + DI DR(CR)	Fund Balance DR(CR)	Revenue DR(CR)	Expense DR(CR)
JE-06	DCU BC-11	Booked	UTA - Restricted For: Expendable - Transit Services	105,638,000						
			UTA - Unrestricted Net Position		105,638,000					
			To reclassify net position for the Utah Transit Authority							
Entity-wide Effect										
JE-06	DCU BC-11	Booked	Component Units - Restricted For: Transit Services	105,638,000						
			Component Units - Unrestricted Net Position		105,638,000					
			To reclassify net position for the Utah Transit Authority							
JE-07	DCU BD-12	Booked	UVU - Current Assets - Cash and Cash Equivalents	5,407,000						
			UVU - Current Assets - Investments	2,668,000						
			UVU - Current Assets - Receivables, Accounts, net	1,527,000						
			UVU - Current Assets - Notes/Loans/Mortgages/Pledges Rec, net	1,697,000						
			UVU - Current Assets - Prepaid Items	1,000						
			UVU - Noncurrent Assets - Restricted Investments	39,235,000						
			UVU - Noncurrent Assets - Accounts Receivable, net	27,705,000						
			UVU - Noncurrent Assets - Investments	43,544,000						
			UVU - Noncurrent Assets - Notes/Loans/Mortgages/Pledges Rec. net	11,023,000						
			UVU - Noncurrent Assets - Other Assets	2,032,000						
			UVU - Noncurrent Assets - Capital Assets (net of Accum Depreciation)	3,375,000						
			UVU - Current Liabilities - Accounts Payable and Accrued Liab		3,444,000					
			UVU - Current Liabilities - Unearned Revenue		186,000					
			UVU - Deferred Inflows Relating to Beneficial Interest		1,994,000					
			UVU - Expenses		90,267,000					
			UVU - Scholarship Allowances	70,000						
			UVU - Tuition and Fees		1,000					
			UVU - Operating Grants and Contributions		40,750,000					
			UVU - Sales, Services, and Other Revenues		242,000					
			UVU - Capital Grants and Contributions		1,400,000					
			To add UVU Foundation to the entity-wide and combining statements for Non-major Component Units							
Entity-wide Effect										
JE-07	DCU BD-12	Booked	Component Units - Cash and Cash Equivalents	5,407,000						
			Component Units - Investments	46,212,000						
			Component Units - Accounts and Interest Receivable, net	29,232,000						
			Component Units - Prepaid Items	1,000						
			Component Units - Restricted Investments	39,235,000						
			Component Units - Notes/Loans/Mortgages/Pledges Receivable, net	12,720,000						
			Component Units - Other Assets	2,032,000						
			Component Units - Construction in Progress	3,375,000						
			Component Units - Accounts Payable and Accrued Liab		3,444,000					
			Component Units - Unearned Revenue		186,000					
			Component Units - Deferred Inflows of Resources		1,994,000					
			Nonmajor Colleges and Universities - Expenses		90,267,000					
			Nonmajor Colleges and Universities - Charges for Services		173,000					
			Nonmajor Colleges and Universities - Operating Grants and Contributions		40,750,000					
			Nonmajor Colleges and Universities - Capital Grants and Contributions		1,400,000					

To add UVU Foundation to the entity-wide and combining statements for Non-major Component Units					
Total Unbooked PJE	-	-	-	-	-
Financial statement caption totals	18,339,564,000	(6,541,405,000)	(11,798,159,000)	(9,668,065,000)	8,981,208,000
Unbooked PJE as a % of F/S Captions	0.00%	0.00%	0.00%	0.00%	0.00%

						Only include Unbooked PJE's				
PJE #	Workpaper Reference	Booked/ Unbooked	Line Description	Debit	Credit	Assets + DO DR(CR)	Liabilities + DI DR(CR)	Fund Balance DR(CR)	Revenue DR(CR)	Expense DR(CR)
General Fund										
JE-02	CAI AA-05	Booked	Cash and Cash Equivalents Investments	1,055,442,000	1,055,442,000					
To reclassify investments that were improperly reclassified as cash and cash equivalents										
Total Unbooked PJE's						-	-	-	-	-
Financial statement caption totals						3,079,348,000	(1,625,320,000)	(1,454,028,000)	(7,321,072,000)	8,079,513,000
Unbooked PJE's as a % of F/S Captions						0.00%	0.00%	0.00%	0.00%	0.00%
Education Fund										
JE-01	TRR AD-32	Booked	Accounts Payable and Accrued Liabilities Corporate Tax Revenue	4,361,808	4,361,808					
To correct the tax abatement accrual.										
JE-02	CAI AA-05	Booked	Cash and Cash Equivalents Investments	576,920,000	576,920,000					
To reclassify investments that were improperly reclassified as cash and cash equivalents										
Total Unbooked PJE's						-	-	-	-	-
Financial statement caption totals						2,749,156,000	(829,417,000)	(1,919,739,000)	(5,802,202,000)	4,408,707,000
Unbooked PJE's as a % of F/S Captions						0.00%	0.00%	0.00%	0.00%	0.00%
Transportation Fund										
JE-02	CAI AA-05	Booked	Cash and Cash Equivalents Investments	50,209,000	50,209,000					
To reclassify investments that were improperly reclassified as cash and cash equivalents										
Total Unbooked PJE's						-	-	-	-	-
Financial statement caption totals						789,434,000	(302,111,000)	(487,323,000)	(1,211,347,000)	1,162,676,000
Unbooked PJE's as a % of F/S Captions						0.00%	0.00%	0.00%	0.00%	0.00%

Opinion Unit:

Major Governmental Funds

						Only include Unbooked PJE's				
PJE #	Workpaper Reference	Booked/ Unbooked	Line Description	Debit	Credit	Assets + DO DR(CR)	Liabilities + DI DR(CR)	Fund Balance DR(CR)	Revenue DR(CR)	Expense DR(CR)
Transportation Investment Fund										
JE-02	CAI AA-05	Booked	Cash and Cash Equivalents Investments	523,437,000	523,437,000					
To reclassify investments that were improperly reclassified as cash and cash equivalents										
Total Unbooked PJE's						-	-	-	-	-
Financial statement caption totals						961,023,000	(3,038,000)	(957,985,000)	(751,974,000)	805,739,000
Unbooked PJE's as a % of F/S Captions						0.00%	0.00%	0.00%	0.00%	0.00%
Trust Lands Fund										
NONE										
Total Unbooked PJE's						-	-	-	-	-
Financial statement caption totals						2,632,377,000	(107,324,000)	(2,525,053,000)	53,614,000	23,497,000
Unbooked PJE's as a % of F/S Captions						0.00%	0.00%	0.00%	0.00%	0.00%

						Only include Unbooked PJE's				
PJE #	Workpaper Reference	Booked/ Unbooked	Line Description	Debit	Credit	Assets + DO DR(CR)	Liabilities + DI DR(CR)	Fund Balance DR(CR)	Revenue DR(CR)	Expense DR(CR)
Student Assistance Programs										
		None								
Total Unbooked PJE's						-	-	-	-	-
Financial statement caption totals						1,488,107,000	(1,109,978,000)	(378,129,000)	(107,300,000)	107,416,000
Unbooked PJE's as a % of F/S Captions						0.00%	0.00%	0.00%	0.00%	0.00%
Unemployment Compensation Fund										
		None								
Total Unbooked PJE's						-	-	-	-	-
Financial statement caption totals						1,064,428,000	(109,616,000)	(954,812,000)	(924,493,000)	1,152,794,000
Unbooked PJE's as a % of F/S Captions						0.00%	0.00%	0.00%	0.00%	0.00%
Water Loan Programs										
		None								
Total Unbooked PJE's						-	-	-	-	-
Financial statement caption totals						1,145,319,000	(21,777,000)	(1,123,542,000)	(74,576,000)	12,266,000
Unbooked PJE's as a % of F/S Captions						0.00%	0.00%	0.00%	0.00%	0.00%
Community Impact Loan Fund										
		NONE								

Opinion Unit:

Major Proprietary Funds

						Only include Unbooked PJE's				
PJE #	Workpaper Reference	Booked/ Unbooked	Line Description	Debit	Credit	Assets + DO DR(CR)	Liabilities + DI DR(CR)	Fund Balance DR(CR)	Revenue DR(CR)	Expense DR(CR)
Total Unbooked PJE's						-	-	-	-	-
Financial statement caption totals						691,704,000	-	(691,704,000)	(11,479,000)	73,000
Unbooked PJE's as a % of F/S Captions						0.00%	#DIV/0!	0.00%	0.00%	0.00%

Opinion Unit:

Aggregate Remaining Funds

						Only include Unbooked PJEs				
						Assets + DO DR(CR)	Liabilities + DI DR(CR)	Fund Balance DR(CR)	Revenue DR(CR)	Expense DR(CR)
PJE #	Workpaper Reference	Booked/ Unbooked	Line Description	Debit	Credit					
JE-02	CAI AA-05	Booked	Investment Trust Fund - Cash and Cash Equivalents	2,206,000,000						
			Investment Trust Funds - Investments		2,206,000,000					
			To reclassify investments that were improperly reclassified as cash and cash equivalents							
JE-03	CAI TBCB-01	Booked	Investment Trust Fund - Pool Participant Deposits	229,796,000						
			Investment Trust Fund - Earnings Distribution		229,796,000					
			To include/correct distributed earnings and the reinvestment of those earnings in the appropriate line item in the Investment Trust Fund statement of changes in net position							
JE-04	SIT TB-02	Booked	State Trust Lands Admin - Accounts Payable & Accrued Liabilitie	8,034,000						
			State Trust Lands Admin - Receivables, Account, net		8,034,000					
			To reduce erroneous SITFO yearend accruals							
JE-04	SIT TB-02	Unbooked	State Trust Lands Admin - Accounts Payable & Accrued Liabilitie	163,724						
			State Trust Lands Admin - Receivables, Account, net		163,724	(163,724)	163,724			
			To reduce erroneous SITFO yearend accruals							
JE-05	APE TB-URS	Unbooked	Pension and OPEB Trust Funds - Cash and Cash Equiv	35,213,000		35,213,000				
			Pension and OPEB Trust Funds - Total Disb in excess of cash balance		35,213,000		(35,213,000)			
			To remove liability that was netted to the Cash and Cash Equivalents when rolling in the URS CAFR							
Total Unbooked PJEs						35,049,276	(35,049,276)	-	-	-
Financial statement caption totals						73,352,228,000	(2,925,212,000)	(70,427,016,000)	(23,717,947,000)	17,178,771,000
Unbooked PJEs as a % of F/S Captions						0.0%	1.2%	0.00%	0.0%	0.00%

Amounts for Financial Statement Caption Total calculation:

Pension and Other Employee Benefit Trust Funds	43,982,176,000	(1,692,167,000)	(42,290,009,000)	(7,305,312,000)	2,238,281,000
Investment Trust Fund	11,015,629,000	(20,267,000)	(10,995,362,000)	(13,017,256,000)	12,226,100,000
Private Purpose Trust Funds	15,907,570,000	(219,758,000)	(15,687,812,000)	(2,075,334,000)	822,936,000
Agency Funds	295,928,000	(295,928,000)	-		
Nonmajor Governmental Funds	1,402,365,000	(312,614,000)	(1,089,751,000)	(468,797,000)	1,179,116,000
Nonmajor Enterprise Funds	491,670,000	(172,238,000)	(319,432,000)	(510,619,000)	376,052,000
Internal Service Funds	256,890,000	(212,240,000)	(44,650,000)	(340,629,000)	336,286,000

Fund Description	
GA-Governmental Activities	BA-Business-type Activities
DCU-Discrete Component Units	GEN-General Fund
EF-Education Fund	TF-Transportation Fund
TIF-Transportation Investment Fund	TL-Trust Land
NGF-Nonmajor Governmental Funds	SAP-Student Assistance Programs
UCF-Unemployment Compensation Fund	WLP-Water Loan Programs
CI-Community Impact Loan Fund	ISF-Internal Service Funds
NPF-Nonmajor Proprietary Funds	FF-Fiduciary Funds

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PJE#	FUND	Description	DR Amount	CR Amount	Category							
					Assets	Def Outflow	Liabilities	Def Inflow	Fund Equity	Expenditures	Revenues	Transfers
		WPref			DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)
1		TRR AD-32										
		Booked										
EF		Education Fund - Accounts Payable and Accrued Liabilities	\$4,361,808.00				\$4,361,808.00					
EF		Education Fund - Corporate Tax Revenues		\$4,361,808.00							(\$4,361,808.00)	
GA		Accounts Payable and Accrued Liabilities	\$4,361,808.00				\$4,361,808.00					
GA		Corporate Tax Imposed for Education		\$4,361,808.00							(\$4,361,808.00)	
		To correct the tax abatement accrual. State Finance's supporting spreadsheet for the tax abatement accrual did not match the GOED report due to formula errors. Finance corrected the errors and booked new entry to correct the accrual.										
2		CAI AA-05										
		Booked										
GEN		General Fund-Cash and Cash Equivalents		\$1,055,442,000.00	(\$1,055,442,000.00)							
GEN		General Fund-Investments	\$1,055,442,000.00			\$1,055,442,000.00						
EF		Education Fund-Cash and Cash Equivalents		\$576,920,000.00	(\$576,920,000.00)							
EF		Education Fund-Investments	\$576,920,000.00			\$576,920,000.00						
TF		Transportation Fund-Cash and Cash Equivalents		\$50,209,000.00	(\$50,209,000.00)							
TF		Transportation Fund-Investments	\$50,209,000.00			\$50,209,000.00						

Fund Description	
GA-Governmental Activities	BA-Business-type Activities
DCU-Discrete Component Units	GEN-General Fund
EF-Education Fund	TF-Transportation Fund
TIF-Transportation Investment Fund	TL-Trust Land
NGF-Nonmajor Governmental Funds	SAP-Student Assistance Programs
UCF-Unemployment Compensation Fund	WLP-Water Loan Programs
CI-Community Impact Loan Fund	ISF-Internal Service Funds
NPF-Nonmajor Proprietary Funds	FF-Fiduciary Funds

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PJE#	FUND	Description	DR Amount	CR Amount	Category							
					Assets	Def Outflow	Liabilities	Def Inflow	Fund Equity	Expenditures	Revenues	Transfers
		WPref			DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)
	TIF	Transportation Investment Fund-Cash and Cash Equivalents		\$523,437,000.00	(\$523,437,000.00)							
	TIF	Transportation Investment Fund-Investments	\$523,437,000.00		\$523,437,000.00							
	FF	Investment Trust Fund-Cash and Cash Equivalents	\$2,206,000,000.00		\$2,206,000,000.00							
	FF	Investment Trust Fund-Investments		\$2,206,000,000.00	(\$2,206,000,000.00)							
	GA	Cash And Cash Equivalents	\$2,206,008,000.00		\$2,206,008,000.00							
	GA	Investments		\$2,206,008,000.00	(\$2,206,008,000.00)							
		To reclassify investments that were improperly reclassified as cash and cash equivalents.										
3	CAI TBCB-01											
	Booked											
	FF	Investment Trust Fund-Pool Participant Deposits	\$229,796,000.00								\$229,796,000.00	
	FF	Investment Trust Fund-Earnings Distribution		\$229,796,000.00						(\$229,796,000.00)		
		To include/correct distributed earnings and the reinvestment of those earnings in the appropriate line items in the Investment Trust Fund statement of changes in net position.										
4	SIT TB-02											
	Booked											
	NPF	State Trust Lands Administration - Accounts Payable & Accrued Liabilities	\$8,034,000.00				\$8,034,000.00					

Fund Description	
GA-Governmental Activities	BA-Business-type Activities
DCU-Discrete Component Units	GEN-General Fund
EF-Education Fund	TF-Transportation Fund
TIF-Transportation Investment Fund	TL-Trust Land
NGF-Nonmajor Governmental Funds	SAP-Student Assistance Programs
UCF-Unemployment Compensation Fund	WLP-Water Loan Programs
CI-Community Impact Loan Fund	ISF-Internal Service Funds
NPF-Nonmajor Proprietary Funds	FF-Fiduciary Funds

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PJE#	FUND	Description	DR Amount	CR Amount	Category							
					Assets	Def Outflow	Liabilities	Def Inflow	Fund Equity	Expenditures	Revenues	Transfers
		WPref			DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)
	NPF	State Trust Lands Administration - Receivables, Account, net		\$8,034,000.00	(\$8,034,000.00)							
	NPF	State Trust Lands Administration - Accounts Payable and Accrued Liabilities	\$163,724.00				\$163,724.00					
	NPF	State Trust Lands Administration - Receivables, Account, net		\$163,724.00	(\$163,724.00)							
	BA	Accounts Payable & Accrued Liabilities	\$8,034,000.00				\$8,034,000.00					
	BA	Accounts and Interest Receivables, net		\$8,034,000.00	(\$8,034,000.00)							
	BA	Accounts Payable & Accrued Liabilities	\$163,724.00				\$163,724.00					
	BA	Accounts and Interest Receivables, net		\$163,724.00	(\$163,724.00)							
		Reduce erroneous SITFO yearend accruals in NME SNP										
5	APE TB-URS											
Unbooked												
	FF	Pension and Other Employee Benefit Trust Funds - Cash and Cash Equivalents	\$35,213,000.00		\$35,213,000.00							
	FF	Pension and Other Employee Benefit Trust Funds - Total Disbursements in excess of cash balance		\$35,213,000.00			(\$35,213,000.00)					
		To remove liability that was netted to the Cash when rolling in the URS CAFR										
6	DCU BC-11											
Booked												

Partially unbooked. See JE-00 for final conclusion on effect of unbooked portion.

See JE-00 for final conclusion on effect of unbooked pjes.

Fund Description	
GA-Governmental Activities	BA-Business-type Activities
DCU-Discrete Component Units	GEN-General Fund
EF-Education Fund	TF-Transportation Fund
TIF-Transportation Investment Fund	TL-Trust Land
NGF-Nonmajor Governmental Funds	SAP-Student Assistance Programs
UCF-Unemployment Compensation Fund	WLP-Water Loan Programs
CI-Community Impact Loan Fund	ISF-Internal Service Funds
NPF-Nonmajor Proprietary Funds	FF-Fiduciary Funds

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PJE#	FUND	Description	DR Amount	CR Amount	Category							
					Assets	Def Outflow	Liabilities	Def Inflow	Fund Equity	Expenditures	Revenues	Transfers
		WPref			DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)
	DCU	UTA - Restricted For: Expendable- Transit Services	\$105,638,000.00						\$105,638,000.00			
	DCU	UTA - Unrestricted Net Position		\$105,638,000.00					(\$105,638,000.00)			
	DCU	Component Units- Restricted For: Transit Services	\$105,638,000.00						\$105,638,000.00			
	DCU	Component Units-Unrestricted Net Position		\$105,638,000.00					(\$105,638,000.00)			
		To reclassify net position for the Utah Transit Authority										
7	DCU BD-12											
Booked												
	DCU	UVU- Cash and Cash Equivalent	\$5,407,000.00		\$5,407,000.00							
	DCU	UVU-Investments	\$2,668,000.00		\$2,668,000.00							
	DCU	UVU-Accounts Receivable, net	\$1,527,000.00		\$1,527,000.00							
	DCU	UVU-Notes/Loans/Mortgages/Pledges Receivable, net	\$1,697,000.00		\$1,697,000.00							
	DCU	UVU-Prepaid Items	\$1,000.00		\$1,000.00							
	DCU	UVU-Restricted Investments	\$39,235,000.00		\$39,235,000.00							
	DCU	UVU-Accounts Receivable, net	\$27,705,000.00		\$27,705,000.00							
	DCU	UVU-Investments	\$43,544,000.00		\$43,544,000.00							

Fund Description	
GA-Governmental Activities	BA-Business-type Activities
DCU-Discrete Component Units	GEN-General Fund
EF-Education Fund	TF-Transportation Fund
TIF-Transportation Investment Fund	TL-Trust Land
NGF-Nonmajor Governmental Funds	SAP-Student Assistance Programs
UCF-Unemployment Compensation Fund	WLP-Water Loan Programs
CI-Community Impact Loan Fund	ISF-Internal Service Funds
NPF-Nonmajor Proprietary Funds	FF-Fiduciary Funds

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PJE#	FUND	Description	DR Amount	CR Amount	Category							
					Assets	Def Outflow	Liabilities	Def Inflow	Fund Equity	Expenditures	Revenues	Transfers
		WPref			DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)
	DCU	UVU-Notes/Loans/Mortgage/Pledges Receivables, net	\$11,023,000.00		\$11,023,000.00							
	DCU	UVU-Other Assets	\$2,032,000.00		\$2,032,000.00							
	DCU	UVU-Capital Assets, net	\$3,375,000.00		\$3,375,000.00							
	DCU	UVU- Accounts Payable and Accrued Liabilities		\$3,444,000.00			(\$3,444,000.00)					
	DCU	UVU-Unearned Revenue		\$186,000.00			(\$186,000.00)					
	DCU	UVU- Deferred Inflows Relating to Beneficial Interest		\$1,994,000.00				(\$1,994,000.00)				
	DCU	UVU-Expenses		\$90,267,000.00						(\$90,267,000.00)		
	DCU	UVU-Scholarship Allowances	\$70,000.00								\$70,000.00	
	DCU	UVU-Tuition and Fees		\$1,000.00							(\$1,000.00)	
	DCU	UVU-Operating Grants and contributions		\$40,750,000.00							(\$40,750,000.00)	
	DCU	UVU-Sales, Services, and Other Revenues		\$242,000.00							(\$242,000.00)	
	DCU	UVU-Capital Grants and Contributions		\$1,400,000.00							(\$1,400,000.00)	
	DCU	Component Units - Cash and Cash Equivalents	\$5,407,000.00		\$5,407,000.00							
	DCU	Component Units - Investments	\$46,212,000.00		\$46,212,000.00							

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FUND			Category								
PJE#	Description	DR Amount	CR Amount	Assets DR (CR)	Def Outflow DR (CR)	Liabilities DR (CR)	Def Inflow DR (CR)	Fund Equity DR (CR)	Expenditures DR (CR)	Revenues DR (CR)	Transfers DR (CR)
DCU	Component Units - Accounts and Interest Receivable, net	\$29,232,000.00		\$29,232,000.00							
DCU	Component Units - Prepaid Items	\$1,000.00		\$1,000.00							
DCU	Component Units - Restricted Investments	\$39,235,000.00		\$39,235,000.00							
DCU	Component Units - Notes/Loans/Mortgages/Pledges Receivable, net	\$12,720,000.00		\$12,720,000.00							
DCU	Component Units - Other Assets	\$2,032,000.00		\$2,032,000.00							
DCU	Component Units - Construction in Progress	\$3,375,000.00		\$3,375,000.00							
DCU	Component Units - Accounts Payable and Accrued Liab		\$3,444,000.00			(\$3,444,000.00)					
DCU	Component Units - Unearned Revenue		\$186,000.00			(\$186,000.00)					
DCU	Component Units - Deferred Inflows of Resources		\$1,994,000.00				(\$1,994,000.00)				
DCU	Nonmajor Colleges and Universities - Expenses		\$90,267,000.00						(\$90,267,000.00)		
DCU	Nonmajor Colleges and Universities - Charges for Services		\$173,000.00							(\$173,000.00)	
DCU	Nonmajor Colleges and Universities - Operating Grants and Contributions		\$40,750,000.00							(\$40,750,000.00)	
DCU	Nonmajor Colleges and Universities - Capital Grants and Contributions		\$1,400,000.00							(\$1,400,000.00)	
	To add UVU Foundation (a discretely-presented compontnt unit of UVU) to the entity-wide and combining statements for Non-major Component Units.										

Fund Description	
GA-Governmental Activities	BA-Business-type Activities
DCU-Discrete Component Units	GEN-General Fund
EF-Education Fund	TF-Transportation Fund
TIF-Transportation Investment Fund	TL-Trust Land
NGF-Nonmajor Governmental Funds	SAP-Student Assistance Programs
UCF-Unemployment Compensation Fund	WLP-Water Loan Programs
CI-Community Impact Loan Fund	ISF-Internal Service Funds
NPF-Nonmajor Proprietary Funds	FF-Fiduciary Funds

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PJE#	FUND	Description	DR Amount	CR Amount	Category							
					Assets	Def Outflow	Liabilities	Def Inflow	Fund Equity	Expenditures	Revenues	Transfers
	WPRef				DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)	DR (CR)
			\$7,395,918,064.00	\$7,395,918,064.00	\$295,245,552.00		(\$17,353,936.00)	(\$3,988,000.00)	\$0.00	(\$410,330,000.00)	\$136,426,384.00	

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

Purpose: See step 23 on **AP-3**.

Summary: **FR-02**

Testwork:

We compared this schedule to the FY19 Single Audit Report to ensure all appropriate findings are included here. We also reviewed the 2019 Summary Schedule of Prior Audit Findings (schedule) to ensure that all necessary findings listed in the prior schedule were carried forward to the 2020 schedule. We looked to see that any findings listed in the prior year schedule as being implemented or no longer deemed to be a significant deficiency were not carried forward. We looked to ensure that 2018-XXX findings with a reference to a 2019-XXX finding were addressed through the 2019-XXX finding. Historically, Div of Finance (Kurt Kleckner) has reported in the schedule any prior finding with QCs (even if the internal control has been implemented) until the QC has been repaid, there has been a management decision documenting it is not required to be repaid or the finding has been included in the schedule for two years after the original issuance of the finding. This is deemed appropriate in accordance with UG 200.511(b)(3).

During our review of the Summary Schedule of Prior Audit Findings we discovered errors and proposed adjustments, as follows:

- The status of ten of 47 findings were changed.
- Ten findings on the Schedule were removed due to implementation in prior years.

Due to these errors, we have issued FR-02 recommending State Finance provide training to State Agencies to provide complete and accurate information regarding grant expenditures and the status of prior audit findings.

Any FRs that are not tied out here will be tied out on the next draft (see **TB-PY-A**). The individual audit areas are responsible to review their respective PY findings following these instructions:

PLEASE NOTE THE FOLLOWING DOCUMENTS AND WHERE TO FIND THEM

TBSA-01-1 – Instructions & Tickmark Legend (Please review before signing off on findings.)

Located on H:\all\2020 Overall General File\3-GD-Single Audit (pulled into CSA for final w/p)

MC-SA – SEFA MC List

Located in Google Docs: CAFR FY2020 folder, 02 MC Listing folder (pulled into CSA for final w/p)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

School and Institutional Trust Funds Office

Finding	Initial Year	Status of Findings and Questioned Costs
2019-001	2019	<p>Finding: Securities Lending Transactions Not Reported (School and Institutional Trust Funds Office)</p> <p>Status: Implemented – corrective action taken</p> <div>NEN AD 12/16/2020</div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020***Status as of June 30, 2020***Dixie State University**

Finding	Initial Year	Status of Findings and Questioned Costs
2019-003 ED	2019	<p>Finding: Untimely Enrollment Reporting (Dixie State University)</p> <p>Status: — Implemented — corrective action taken</p> <p>Status: Partially implemented</p> <p>Reasons for Recurrence: During the state audit for FY19 there was a finding due to untimely enrollment reporting. The untimely reporting issue involved both unofficial withdrawal students and those who had graduated.</p> <p>Partial Corrective Action Taken: A report is run in the financial aid office at the end of each semester to identify those students who have unofficially withdrawn. Two individuals from the financial aid office (currently Dustin and Marcie) process this report (in order to review the work of the other) and submit either 'UW' or 'UM' codes in Banner for all students. These codes assist the registration office in identifying those students who need to be reported to the clearing house. Once the financial aid office has finished processing the report, a copy is sent to registration as an additional reference for identifying those students that need to be reported. As a final check, one individual from the financial aid office will compare the students from the report to the enrollment status in NSLDS to ensure that the enrollment reporting is accurate. This final check is completed a few weeks after the submission to the Clearinghouse in order to give adequate time for processing. Again, this process was fully implemented during FY20. (Financial Aid office personnel: Dustin Johnson & Marcie Kaye; Registration office personnel: Julie Stender & Jerhett Jerman)</p> <p>Corrective Action Planned: The issue that was not fully addressed during FY20 is that of the graduate reporting. For this process, a report is generated to identify those students who have graduated and need to be reported to the Clearinghouse. Julie Stender processes this report and sends it to the Clearinghouse. What we had not implemented during FY20 was spot checking after the report was submitted. This has since been implemented (as of August 2020). At the conclusion of each semester and after reporting to the Clearinghouse, Jerhett Jerman will spot check the enrollment status of students who have graduated.</p> <p>Contact Person: Dustin Johnson (Financial Aid), Julie Stender (Registrar)</p> <p>Anticipated Completion Date: completed as of August 2020</p> <div>MC#03 KBL 11/3/2020</div>
2019-004 ED	2019	<p>Finding: Untimely Loan Disbursement Notification (Dixie State University)</p> <p>Status: Implemented – corrective action taken</p> <div>NEN KBL 11/3/2020</div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

Salt Lake Community College

Finding	Initial Year	Status of Findings and Questioned Costs
2019-005 ED	2019	<p>Finding: Errors in Processing Returns of Title IV Funds (Salt Lake Community College)</p> <p>MC#40 Questioned Costs: \$309. The \$309 of questioned costs was removed from the student's account on July 31, 2019 and returned to the Department of Education as part of the subsequent draw.</p> <p>Status: Not corrected</p> <p>Reasons for Recurrence: Corrective action was not fully implemented until August 30, 2020</p> <p>Partial Corrective Action Taken: Reviews and verification of the calculations were implemented at the end of January. Advisors communicated to the Financial Aid Director that the reviews were completed; Documentation of the review and the process was still being developed late in the fiscal year.</p> <p>Corrective Action Planned: The Financial Aid Director will work with the Advisors to establish a consistent and documented process that can be audited and reviewed.</p> <p>Contact Person: Cristi Millard, Director of the Office of Financial Aid and Scholarships, 801-957-4145</p> <p>Anticipated Completion Date: August 30, 2020</p> <div>MC#40 KBL 11/3/2020</div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

University of Utah

Finding	Initial Year	Status of Findings and Questioned Costs
2019-008 ED	2019	<p>Finding: Failure to Design and Implement Internal Controls Over Enrollment Reporting (University of Utah)</p> <p>Status: Implemented—corrective action taken Status: Not Implemented – Corrective action plan finalized July 2020 with implementation during Fall 2020</p> <p>Reasons for Recurrence: Effective coordination of processes and designation of appropriate systems' access necessitated deliberative process in plan development. Staffing changes delayed processing authorized access to NSLDS</p> <p>Partial Corrective Action Taken: Prior to June 30, 2020, Registrar's Office, Financial Office and NSC collaborated to identify and validate enrollment changes within five business days of the initial submission to NSC. UU will manually verify the accuracy of the institution's submission to NSC. UU will manually verify the accuracy of NSC submission to NSLDS to ensure graduated students are reported correctly and timely.</p> <p>Corrective Action Planned: Effective July 1, 2020:</p> <ul style="list-style-type: none">• The Registrar resolves the error reports that the National Student Clearinghouse (NSC) submits for National Student Loan Data System (NSLDS) reporting. This process is as follows:<ul style="list-style-type: none">○ Registrar submits an enrollment report to the NSC 4-5 times a semester based on academic calendar dates.○ Once submitted, an acknowledgment of submission is received or an error report comes back that is completed by the Registrar's Office in a timely manner. An email is sent to multiple Registrar staff notifying them of the report availability as well as the report being accepted after submission.○ Once completed, NSC reports automatically the enrollment data to NSLDS at the first of every month (Per NSC Audit Guide)○ Per federal regulation (§§34 CFR 682.610 and 685.309) and DCL 14-07, the NSC has 15 days to respond with the Student Status Confirmation Report (SSCR) NSLDS error report. An email is sent to multiple staff in both the Registrar and Financial Aid Offices notifying them of the report availability.○ Once received the Registrar's Office can view the report in the NSLDS reporting tab in the Clearinghouse. The Registrar's Office will then work through the SSCR error report within the required response time. <p>Effective during Fall 2020 semester: Additionally, we plan to augment current procedures to more broadly verify the accuracy of data submitted to NSLDS through the Student Clearinghouse, as follows:</p> <ul style="list-style-type: none">• The Office of the Registrar will gain access to the NSLDS site. This access will be given to the Data Steward and the Student Systems teams initially. <p>Contact Person: Anthony P. Jones, Executive Director University Office of Scholarships and Financial Aid, anthony.p.jones@utah.edu and Tim Ebner, University Registrar, tebner@utah.edu</p> <p>Anticipated Completion Date: November 15, 2020</p> <div>MC#05 KBL 11/11/2020</div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020***Status as of June 30, 2020***Department of Natural Resources**

Finding	Initial Year	Status of Findings and Questioned Costs
2018-002 USDA	2018	<p>Finding: <u>Noncompliance With Subrecipient Monitoring Requirements</u> (Utah Department of Natural Resources)</p> <p>Status: Partially Corrected MC#04 KBL 10/28/2020</p> <p>Reasons for Recurrence: The revised grant award document did not have all the required elements. Due to a miscommunication between the program, finance section, and the auditor, the step to verify the single audit was overlooked.</p> <p>Partial Corrective Action Taken: The Department of Natural Resources (DNR) implemented a new award document that proved the grant number award amount, but the date of the grant award was not listed. Upon review of the auditor, items were overlooked that were listed in 2 CFR 200.5, 2 CFR 200.331(f), and 2 CFR 200.521</p> <p>Corrective Action Planned: With the next grant period, FFSL will ensure that the sub recipients are compliant with the requirements in 2-CFR-200.5 2 CFR 200.5, 2 CFR 200.331(f), and 2 CFR 200.521. DNR will update the grant document to include the missing elements.</p> <p>Contact Person: Stacy Carroll, Financial Manager, 801-538-7307</p> <p>Anticipated Completion Date: July 1, 2020</p>
2018-006 USDA	2018	<p>Finding: <u>Inadequate Internal Controls Over Suspension and Debarment</u> (Utah Department of Natural Resources)</p> <p>Status: Implemented – corrective action taken MC#01 Otherwise, status is considered proper. KBL 10/28/2020</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

Utah National Guard

Finding	Initial Year	Status of Findings and Questioned Costs
2018-008 DOD	2014	Finding: <u>Inadequate Internal Controls Over Suspension and Debarment</u> (Utah National Guard) Status: Implemented – corrective action taken. <div>NEN AP 10/6/2020 Based on testwork performed in FY19</div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020***Status as of June 30, 2020***Southern Utah University**

Finding	Initial Year	Status of Findings and Questioned Costs
2019-006 ED	2016	<p>Finding: <u>Inaccurate Line Items in the FISAP Report</u> (Southern Utah University)</p> <div style="border: 1px solid black; padding: 5px; float: right;">NEN KBL 11/3/2020</div> <p>Status: Implemented – corrective action taken</p>
2019-007 ED	2016	<p>Finding: <u>Untimely and Inaccurate Enrollment Reporting</u> (Southern Utah University)</p> <p>Status: Implemented—corrective action taken</p> <p>Status: Not Implemented</p> <p><u>Reasons for Recurrence:</u> In reviewing the audit findings response, it was determined that the process lacked a verification and follow-up process. This process should verify the enrollment reporting/corrections have been submitted and processed by the National Student Clearinghouse and then the reporting and corrections sent to the National Student Loan Data System (NSLDS).</p> <p><u>Partial Corrective Action Taken:</u> SUU had put into place the process to report enrollments regularly and process corrections in a timely manner. This has been implemented. The lacking item was providing oversight and a verification process to ensure the enrollment reporting and correction files were submitted as needed.</p> <p><u>Corrective Action Planned:</u> Our corrective action plan is to continue as follows:</p> <ol style="list-style-type: none"> 1. Establish a good working relationship with an assigned Clearinghouse caseworker. This will give us a better line for accountability with the Clearinghouse when compliance issues are discovered. Currently, the National Student Clearinghouse sends update files to the NSLDS every two weeks. <ul style="list-style-type: none"> - (Update 11/15/20) SUU receives email correspondence used to verify submission of error reports, pending reports, NSLDS SCCR reports, and confirmation of completion from the National Student Clearinghouse. The emails verify that the Enrollment Reporting file has been received, that an Error Report is available to be reconciled and that the Error Report Corrections have been submitted. These emails are delivered to two separate officers within the Registrar's office to aid in constant verification of reporting and processing. 2. Implement internal verification of data exchanged between the Clearinghouse and the NSLDS via direct access to the NSLDS. This access was previously unavailable to the enrollment reporting official prior to this audit. This will take place 10 days after enrollment data is reported to the Clearinghouse. <ul style="list-style-type: none"> - (Update 11/15/20) Item #2 SUU logs in to NSLDS to view the reporting percentages obtained from the NSLDS. This score 2 report can be accessed by both enrollment officers within the Registrar's office, and officers within the Financial Aid office. Currently the NSLDS offers no external notification or confirmation of changes, other than when the enrollment percentage falls below an acceptable level. SUU can view the file upload dates from the National Student Clearinghouse to the NSLDS. This is how we are able to verify that the National Student Clearinghouse is submitting reports to the NSLDS as agreed. 3. Maintain training and implementation of enrollment reporting tools and changes offered by the Clearinghouse to maintain compliance and communication.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

	<p>4. Create and verify information between Financial Aid and the Registrars' office to verify time status issues for correct program reporting to the NSLDS.</p> <p>- (Update 11/15/20) SUU will access NSLDS as the primary source of verification for updates made by both the National Student Clearinghouse, and directly to the NSLDS. This report will be accessed monthly by both Financial Aid and Registrar offices to ensure completion of enrollment program reporting.</p> <p><u>Contact Person:</u> Blair Bentley, Enrollment Specialist/Enrollment Reporting Officer, Registrars' Office (Bentley@suu.edu, (435) 586-1964)</p> <p><u>Anticipated Completion Date:</u> Dec 31, 2020</p> <div>MC#14 KBL 12/10/2020</div>
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020***Status as of June 30, 2020***Department of Health**

Finding	Initial Year	Status of Findings and Questioned Costs
2019-010 HHS	2019	Finding: Untimely and Incomplete Validation of Provider Eligibility (Department of Health) Status: Implemented – corrective action taken NEN KBL 12/18/2020
2017-011 HHS	2015	Finding: <u>Inadequate Internal Controls Over Eligibility</u> (Utah Department of Health) Questioned Costs: \$22,248 The Health Resources and Services Administration management decision letter dated January 11, 2019, deemed questioned costs of \$870 as unallowable. The repayment of \$870 was made by warrant on January 25, 2019. Status: Implemented – corrective action taken NEN KBL 12/18/2020
2018-012 HHS	2018	Finding: <u>Inadequate Internal Controls Over Subrecipient Determination and Monitoring</u> (Utah Department of Health) Status: Implemented – corrective action taken NEN KBL 12/18/2020
2018-013 HHS	2015	Finding: <u>Inadequate Internal Controls Over Eligibility</u> (Utah Department of Health) Questioned Costs: \$9,897 The Health Resources and Services Administration (HRSA) has reviewed the \$9,897 of questioned costs and determined that no monetary recoveries are necessary, per the HRSA management decision letter dated July 12, 2019. Status: Implemented – corrective action taken NEN KBL 12/18/2020

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

Department of Human Services

Finding	Initial Year	Status of Findings and Questioned Costs
2019-011 HHS	2019	Finding: Errors on Part 4 of the CB-496 Financial Report (Department of Human Services) Status: Implemented – corrective action taken <div>NEN DBI 12/8/2020</div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

Department of Workforce Services

Finding	Initial Year	Status of Findings and Questioned Costs
2019-012 HHS	2019	<p>Finding: CCDF Benefit Overpayments Due to Eligibility System Updates (Department of Workforce Services)</p> <p>Status: List Partially Implemented – corrective action taken</p> <div style="border: 1px solid black; padding: 2px; display: inline-block; color: red;">MC#30 AD 12/18/2020</div>
2019-013 HHS	2019	<p>Finding: Child Care Provider Overpayments Due to Insufficient Reviews (Department of Workforce Services)</p> <p>Status: Implemented – corrective action taken</p> <div style="border: 1px solid black; padding: 2px; display: inline-block; color: red;">NEN AD 12/18/2020</div>
2019-021 DOL	2019	<p>Finding: Work Hours and Earnings Disregarded in Unemployment Insurance Benefit Overpayment Determination (Department of Workforce Services)</p> <p>Status: Partially Implemented – corrective action taken</p> <div style="border: 1px solid black; padding: 2px; display: inline-block; color: red;">MC#30 AD 12/18/2020</div>
2019-027 GF	2019	<p>Finding: Errors in Random Moment Time Strike (RMTS) Study (Department of Workforce Services)</p> <p>Status: Partially corrected—Repeated in current fiscal year</p> <p>Reasons for Recurrence: Auditors' selection of the random moment time studies for review in the year ended June 30, 2020 occurred for a period prior to the implementation of planned corrective action from the prior year audit. The additional controls implemented to correct did not prevent or detect/correct errors during the fiscal year.</p> <p>Partial Corrective Action Taken: The department strengthened the internal controls that should have prevented and/or detected the errors cited by the auditors. Specifically, the department added an additional level of review which will ensure that costs are recorded in the appropriate cost center and each of the department's random moment time study (RMTS) pools are accurate and complete.</p> <p>Corrective Action Planned: "Planned corrective action is described in the current year's Corrective Action Plan in finding 2020-0xx."</p> <p>Contact Person Nathan Harrison, Finance Director, 801-526-9402</p> <p>Anticipated Completion Date: X</p> <div style="border: 1px solid black; padding: 2px; display: inline-block; color: red;">MC#33 AD 12/18/2020</div>
2018-016 HHS	2018	<p>Finding: <u>Inadequate Internal Controls Over CCDF Eligibility</u> (Utah Department of Workforce Services)</p> <p>Questioned Costs: \$8,723 The \$8,723 of questioned cost will not be pursued for recovery by the Administration for Children and Families (ACF), per the ACF management decision letter dated September 3, 2019.</p> <p>Status: Implemented – corrective action taken</p> <div style="border: 1px solid black; padding: 2px; display: inline-block; color: red;">NEN AD 12/18/2020</div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020***Status as of June 30, 2020*

2018-017 HHS	2018	<p>Finding: <u>Inadequate Internal Controls Over TANF Child Support Non-Cooperation</u> (Utah Department of Workforce Services)</p> <p>Questioned Costs: \$3,980 The Utah Department of Workforce Services has not received a management decision regarding the questioned costs.</p> <p>Status: Implemented – corrective action taken</p> <div>NEN AD 12/18/2020</div>
2018-018 HHS	2018	<p>Finding: <u>Inadequate Internal Controls Over Reporting</u> (Utah Department of Workforce Services)</p> <p>Status: — Implemented — corrective action taken</p> <div>MC#36 to remove AD 12/18/2020</div>
2018-038 GF	2018	<p>Finding: <u>Cost Allocation Implementation Errors</u> (Utah Department of Workforce Services)</p> <p>Status: — Implemented — corrective action taken</p> <div>MC#36 to remove AD 12/18/2020</div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020***Status as of June 30, 2020*

COMMISSION ON CRIMINAL AND JUVENILE JUSTICE, UTAH OFFICE FOR VICTIMS OF CRIME

Finding	Initial Year	Status of Findings and Questioned Costs
2019-014 DOJ	2019 2018	<p>Finding: Inconsistent Compensation Threshold and Inappropriate Allocation (Commission on Criminal and Juvenile Justice, Utah Office for Victim of Crime)</p> <p>Questioned Costs: \$12,224 The Utah Commission on Criminal and Juvenile Justice has not received a management decision regarding the questioned costs.</p> <p>Status: Implemented – corrective action taken Not implemented – repeated in fiscal year 2020, see finding 2020-XXX.</p> <p style="text-align: right; border: 1px solid black; padding: 2px;">MC#16 SC 12/16/2020</p>
2019-015 DOJ	2019 2018	<p>Finding: Expenditures Not Monitored for Period of Performance Purposes (Commission on Criminal and Juvenile Justice, Utah Office for Victim of Crime)</p> <p>Status: Implemented – corrective action taken Not implemented – repeated in fiscal year 2020, see finding 2020-XXX.</p> <p style="text-align: right; border: 1px solid black; padding: 2px;">MC#17 SC 12/16/2020</p>
2019-016 DOJ	2019 2018	<p>Finding: Inaccurate Special and Performance Reports (Commission on Criminal and Juvenile Justice, Utah Office for Victim of Crime)</p> <p>Status: Partially Corrected – repeated in fiscal year 2020, see finding 2020-XXX.</p> <p>Reasons for Recurrence: _____ The Victim Reparation Database does not track the requested information</p> <p>Partial Corrective Action Taken: _____ The database has been modified as feasible.</p> <p>Corrective Action Planned: _____ The agency has applied for and has been awarded a grant to develop a new database which will include the tracking of all federally requested data.</p> <p>Contact Person: Melanie Scarlet, Reparation Program Manager UOVC, 801-238-2364 Gary Scheller, Director UOVC, 801-238-2362</p> <p>Anticipated Completion Date: July 31, 2021</p> <p style="text-align: right; border: 1px solid black; padding: 2px;">MC#18 SC 12/16/2020</p>
2019-017 DOJ	2019 2017	<p>Finding: Errors in and Inadequate Internal Controls Over reporting and Earmarking (Commission on Criminal and Juvenile Justice, Utah Office for Victim of Crime)</p> <p>Status: Implemented – corrective action taken Not implemented – repeated in fiscal year 2020, see finding 2020-XXX.</p> <p style="text-align: right; border: 1px solid black; padding: 2px;">MC#19 SC 12/16/2020</p>
2019-018 DOJ	2019 2017	<p>Finding: On-Site Visits Not Performed Bi-Annually (Commission on Criminal and Juvenile Justice, Utah Office for Victim of Crime)</p> <p>Status: Implemented – corrective action taken Not implemented – repeated in fiscal year 2020, see finding 2020-XXX.</p> <p style="text-align: right; border: 1px solid black; padding: 2px;">MC#20 SC 12/16/2020</p>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

2019-019 DOJ	2019 2017	Finding: Inconsistency and Calculation Errors in Federal Cash Draws (Commission on Criminal and Juvenile Justice, Utah Office for Victim of Crime) Status: Implemented – corrective action taken <div>MC#21 SC 12/16/2020</div>
2019-020 DOJ	2019	Finding: Checks Issued to Incorrect Vendors Status: Implemented – corrective action taken <div>NEN SC 12/16/2020</div>
2017-018 DOJ	2017	Finding: Inadequate Internal Controls and Noncompliance with Federal Cash Management Requirements (Commission on Criminal and Juvenile Justice, Utah Office for Victims of Crime) Questioned Costs: \$139,194 Per their management decision letter dated March 19, 2019, the U.S. Department of Justice, Office of Justice Programs is not requesting return of the \$139,194 questioned costs. Status: Implemented – corrective action taken <div>MC#22 SC 12/16/2020</div>
2018-025 DOJ	2017	Finding: Internal Control Deficiencies Over and Errors in Financial & Performance Reporting, Matching, and Earmarking (Commission on Criminal and Juvenile Justice, Utah Office for Victims of Crime) Status: Implemented – corrective action taken <div>MC#23 SC 12/16/2020</div>
2018-026 DOJ	2017	Finding: Inadequate Internal Controls and Noncompliance with Subrecipient Monitoring Requirements (Commission on Criminal and Juvenile Justice, Utah Office for Victims of Crime) Status: Implemented – corrective action taken <div>MC#24 SC 12/16/2020</div>
2018-027 DOJ	2017	Finding: Timing and Calculation Errors in Federal Cash Draws (Commission on Criminal and Juvenile Justice, Utah Office for Victims of Crime) Status: Implemented – corrective action taken <div>MC#25 SC 12/16/2020</div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020***Status as of June 30, 2020*

2018-028 DOJ	2018	Finding: <u>No Allocation of Leave Balances Between Activities</u> (Commission on Criminal and Juvenile Justice, Utah Office for Victims of Crime) Status: Implemented – corrective action taken <div>NEN SC 12/16/2020</div>
2018-029 DOJ	2018	Finding: Improper Crime Victim Compensation Expenditures (Commission on Criminal and Juvenile Justice, Utah Office for Victims of Crime) Questioned Costs: \$12,224 The Utah Commission on Criminal and Juvenile Justice has not received a management decision regarding the questioned costs. Status: Implemented – corrective action taken <div>MC#26 SC 12/16/2020</div>
2018-030 DOJ	2018	Finding: <u>Internal Controls Over Federal Cash Management Requirements not Established</u> (Commission on Criminal and Juvenile Justice, Utah Office for Victims of Crime) Status: Implemented – corrective action taken <div>NEN SC 12/16/2020</div>
2018-031 DOJ	2018	Finding: Internal Control Deficiencies Over and Errors in Financial & Performance Reporting (Commission on Criminal and Juvenile Justice, Utah Office for Victims of Crime) Status: Implemented – corrective action taken <div>MC#27 SC 12/16/2020</div>
2018-032 DOJ	2018	Finding: <u>Inadequate Internal Controls Over Period of Performance</u> (Commission on Criminal and Juvenile Justice, Utah Office for Victims of Crime) Status: Implemented – corrective action taken <div>MC#28 SC 12/16/2020</div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

Department of Administrative Services

2019-023 GF	2011	<p>Finding: <u>Working Capital Reserves in Excess of Federal Guidelines</u> (Utah Department of Administrative Services)</p> <p><u>DIVISION OF PURCHASING AND GENERAL SERVICES</u></p> <p>Status: Partially corrected.</p> <p>Reasons for Recurrence:</p> <p><u>Cooperative Contract Management:</u> This fund still has working capital reserves above the federally allowed amount. The Division of Purchasing and General Services (Division) has been decreasing its administrative fees each time a contract expires and is rebid. This, however, is a slow process since contracts only expire and are rebid every five years and the Division has nearly 1,100 state cooperative contracts. The Division has also experienced an increase in the usage of its state cooperative contracts by public entities each year over the past seven years. With this increase in the usage of state cooperative contracts has come a corresponding increase in the collection of administrative fees. If the adjustment of fees had simply involved decreasing the fees on a fixed usage of the contracts, the Division would have been able to reduce their retained earnings much sooner.</p> <p><u>Print Services:</u> This fund still has working capital reserves above the federally allowed amount. Both revenues and expenses decreased from the prior year, which resulted in a net operating loss, but it was not enough to eliminate the excess reserve balance.</p> <p><u>State Surplus Property:</u> State Surplus Property will be relocating in 2021 when the Utah State Prison is relocated. State Surplus will need to use these excess reserves to invest in a new building. The excess reserves are anticipated to continue until that time.</p> <p>Partial Corrective Action Taken:</p> <p><u>Cooperative Contract Management</u> The Division continues to decrease the administrative fees on each of its state cooperative contracts as each contract expires and is rebid. The Division is allowed under law to collect up to a 1.0 % administrative fee on each cooperative contract. Currently, the average administrative fee is 0.38 %.</p> <p>As a result, while State Purchasing has seen an increase in spending on its Cooperative Contracts of 28% from FY 2018 through FY 2020, it has only seen an increase in Administrative Fees by 22% during that same time frame. State Purchasing continues to evaluate each cooperative contract as it expires to decrease the administrative fee.</p> <p>In addition, the Division has also hired two additional employees and invested in a new contract usage system and analytics tool. The new system and additional employees will help improve the management of its cooperative contracts. The system also will assist the Division in anticipating usage and decreasing the administrative fees of appropriate contracts.</p> <p><u>Print Services</u> Print Services has reviewed and decreased its administrative fees. As a result of the COVID-19 pandemic, Print Services needed to use some of its retained earnings to remain operational. Print Services is expected to use some of its retained earnings in FY 2021 as a result of the pandemic and the increase in teleworking because employees are not using their copiers. Print Services has also used its retained earnings to purchase a new tracking system to replace its 20-year tracking system.</p>
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

		<p><u>State Surplus Property</u> State Surplus will use the excess reserve funds to invest in a new building when they relocate in 2021.</p> <p>Corrective Action Planned: Planned corrective action is described in the current year's Corrective Action Plan in finding 2020-0xx.</p> <p>Contact Person: Christopher Hughes, Director, 801-538-3254</p> <p>Anticipated Completion Date: Cooperative Contract Management – June 30, 2023 Print Services – June 30, 2021 State Surplus Property – June 30, 2022</p> <p><u>DIVISION OF RISK MANAGEMENT</u></p> <p>Status: Partially corrected.</p> <p>Reasons for Recurrence: Incomplete knowledge of the differences in calculation between the federal balance and the state (FINET) balance.</p> <p>Partial Corrective Action Taken: We transferred \$1,000,000 from the Workers' Compensation Fund to the Liability Fund in FY 2020 to reduce the workers compensation balance and to strengthen the balance of liability. This makes a total of transferring \$6,000,000 out of workers compensation over three fiscal years.</p> <p>Corrective Action Planned: <u>Workers' Compensation Fund</u> In FY 2021, our costs for insurance increase \$1,400,000 over prior year. This increase is anticipated to reduce our retained earnings. Additionally, there is nearly a \$700,000 difference between FINET and the Federal retained earnings calculation. This seems to be an accrual of imputed interest over many years. We will consider whether it is beneficial to pay the difference, resolving this finding.</p> <p><u>Property Liability Self- Insurance Fund</u> In FY 2021 our costs for property insurance increase \$4,000,000 over prior year. This increase is anticipated to reduce our retained earnings. Additionally, our excess property insurance now carries a \$25,000,000 deductible for earthquake. It is wise to develop a balance in this fund to cover this deductible, should we have another earthquake.</p> <p>Contact Person: Brian Nelson, Director, 801-538-9576</p> <p>Anticipated Completion Date: Workers Compensation Fund - June 30, 2021 Property Fund - June 30, 2021</p> <div>NEN KI 12/17/2020</div>
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020***Status as of June 30, 2020***Department of Human Resource Management**

Finding	Initial Year	Status of Findings and Questioned Costs
2019-002	2019	<p>Finding: Lack of Separation of Duties within HRIS (Department of Human Resource Management)</p> <p>Status: Implemented – corrective action taken</p>
2019-024 GF	2018	<p>Finding: <u>Working Capital Reserves in Excess of Federal Guidelines</u> (Utah Department of Human Resource Management)</p> <p>Status: Partially corrected. Repeated in current fiscal year.</p> <p>Reasons for Recurrence: The pandemic announcement in the last quarter of fiscal year 2020 resulted in a halt of many planned expenditures.</p> <p>Partial Corrective Action Taken: DHRM provided a rebate from Payroll Field Services to participating agencies, which totaled \$59,116 during fiscal year 2020.</p> <p>Corrective Action Planned: The excess retained earnings for Payroll Field Services was caused by lower than anticipated expenses during fiscal year 2020. DHRM is evaluating the Payroll Field Services rate for fiscal year 2021 and will adjust it as necessary. DHRM anticipates this retained earnings balance will be in compliance with the 60-day working capital limit by June 30, 2021 .</p> <p>Contact Person: Mysti Miskimins, Finance Director, 385-256-5394</p> <p>Anticipated Completion Date: June 30, 2021</p> <div>NEN KI 12/17/2020</div>
2018-034 GF	2011	<p>Finding: <u>Working Capital Reserves in Excess of Federal Guidelines</u> (Utah Department of Human Resource Management)</p> <p>Status: Implemented – corrective action taken</p> <div>MC#29 KI 12/17/2020</div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

Department of Technology Services

2019-025 GF	2018	<p>Finding: <u>Working Capital Reserves in Excess of Federal Guidelines</u> (Utah Department of Technology Services)</p> <p>Status: Partially corrected.</p> <p>Reasons for Recurrence: The adoption of cloud based hosting technologies has been slower than anticipated due to an effort by the Department of Technology Services (DTS) to implement strong governance and best practices in this area. However, DTS has seen a big uptick in Agencies moving to the cloud in FY2021. DTS has also taken a conservative approach regarding spending by only investing in the infrastructure needed in the near term with the expectation that they will need to increase investment as cloud based hosting usage increases.</p> <p>Partial Corrective Action Taken: DTS gave significant mid-year rate reductions and rebates in both FY 2018 and FY 2019 to Hosting Services customers of about \$1.3 million and \$900 thousand respectively. In addition, DTS has proposed rates for FY 2020 and FY 2021, which are lower than the projected actual costs to provide this service. This was done in order to further draw down Hosting Services retained earnings.</p> <p>Corrective Action Planned: The advent and adoption of cloud based hosting technology will continue to change DTS operations and demand for DTS Hosting Services. As part of the DTS strategic plan, DTS will take advantage of cloud based hosting to provide even more efficient services. DTS is positioned to assist customers with a switch from hosting with DTS in the State Data Center to hosting with another provider. This switch will impact revenue; funds that would have been paid to DTS will now be paid to an outside vendor. Finally, many agencies are taking advantage of software as a service which, in some instances, moves the hosting services away from DTS to a vendor used by the software company. DTS reduced retained earnings \$687k in FY2020; and is estimated to reduce retained earnings by \$1.3 million in FY 2021 and \$1.3 million in FY2022. These amounts are conservative estimates and if cloud based hosting services adoption continues to rise, DTS will likely see additional revenue shortfalls.</p> <p>As customers continue to transition from DTS Hosting services to cloud based hosting services, DTS will closely track the impact to Hosting Services revenues and expenses. DTS will annually review and adjust rates and will issue midyear rebates if necessary to bring DTS Hosting Services into compliance with Federal excess reserve guidelines by the end of FY 2022.</p> <p>Contact Person: Daniel Frei, Finance Director, 801-538-3459</p> <p>Anticipated Completion Date: FY 2022</p> <div>NEN KI 12/17/2020</div>
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

Public Employees Health Program

2019-026 GF	1997	<p>Finding: <u>Working Capital Reserves in Excess of Federal Guidelines</u> (Public Employees Health Program)</p> <p>Status: Partially corrected.</p> <p>Reasons for Recurrence: The Public Employees Health Program (PEHP) State Medical, State Dental, Long-term Disability, and Medicare Supplement programs still have working capital reserves above the federally allowed amounts. This is mainly because it is difficult to predict actual trends and experience. Actual results in claims experience that are different than PEHP's initial assumptions have a significant impact on the level of working capital reserves.</p> <p><u>State Medical</u> – Due to the COVID-19 pandemic, medical nonemergency procedures were put on hold and reserve balances at June 30, 2020, were above federally allowed amounts as a result.</p> <p><u>State Dental</u> – Due to the COVID-19 pandemic, dental procedures were put on hold and therefore reserve balances at June 30, 2020, were above federally allowed amounts as a result.</p> <p><u>Long-term Disability</u> – Due to favorable claim experience, higher than projected investment income, and cost cutting measures, this program had reserves in excess of the federally allowed amount at June 30, 2020.</p> <p><u>Medicare Supplement</u> – Due to the COVID-19 pandemic, medical nonemergency procedures were put on hold and reserve balances at June 30, 2020, were above federally allowed amounts as a result. This program has also had favorable claim experience and received pharmacy subsidies greater than expected amounts, which resulted in reserves above the federally allowed amounts.</p> <p>Partial Corrective Action Taken: <u>State Medical</u> – PEHP issued a \$30.5 million refund to employers and employee subscribers in April 2020. The federal portion of the refund made to the State of Utah will be refunded in December 2020.</p> <p>Corrective Action Planned: <u>State Medical</u> – Due to the unknown nature and risks associated with health care costs due to the COVID-19 pandemic, PEHP will request Cost Allocation Services (CAS) allow an additional two years to study claims and health care cost trends related to COVID-19. Although we have promising news regarding vaccines, it remains very unclear how effective they will work and how many people are willing to get them and any long-term side effects. It also remains very unclear how long it will take for medical procedures to resume at normal levels. If reserves in this program are still above federally allowed amounts as of June 30, 2022, PEHP will either issue a refund to employers and subscribers or refund the federal portion.</p> <p><u>State Dental</u> – PEHP had previously agreed with CAS if there were excess reserves at June 30, 2019, PEHP would refund the federal portion. This agreement, however, was made prior to the COVID-19 pandemic. Due to COVID-19, dental claim costs were well below expectations due to guidance given from the CDC regarding delaying elective procedures, surgeries, and non-urgent outpatient visits. The expected outlook is unclear as it relates to expected dental claims due to the delay of non-urgent care dental visits. PEHP will request Cost Allocation Services (CAS) allow an additional two years to study claims and dental costs trends related to COVID-19. If reserves in this program are still above federally allowed amounts as of June 30, 2022, PEHP will either issue a refund to employers and subscribers or refund the federal portion.</p> <p><u>Long-term Disability</u> – The COVID-19 pandemic may cause several of our insureds to become disabled and thus cause a large increase in claims and a severe reduction in the reserves of this program. Therefore, PEHP will request CAS allow an additional two years to study claim and health care cost trends related to COVID-19. If reserves still exist above the</p>
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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

		<p>federally allowed amounts as of June 30, 2022, PEHP will either issue a rebate to subscribers or refund the federal portion.</p> <p><u>Medicare Supplement</u> – PEHP had previously agreed with CAS if there were excess reserves at June 30, 2020, PEHP would refund the federal portion. This agreement, however, was made prior to the COVID-19 pandemic. This program is for people age 65 and older and these insureds, due to their age and higher likelihood of having serious medical conditions, are at greater risk of becoming seriously ill and incurring large medical claims if they are infected with COVID-19. Because of this, PEHP will request CAS allow an additional two years to study Medicare supplement claims and health care cost trends related to COVID-19. If reserves still exist above the federally allowed amounts as of June 30, 2022, PEHP will either issue a rebate to subscribers or refund the federal portion.</p> <p>Contact Person: Robert Dolphin, Chief Financial Officer, 801-366-7429</p> <p>Anticipated Completion Date: June 30, 2022</p>
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NEN KI 12/17/2020

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

Utah State University

Finding	Initial Year	Status of Findings and Questioned Costs
2019-009 ED	2019	<p>Finding: Untimely Review and Approval of Cash Draws (Utah State University)</p> <p>Status: Implemented—corrective action taken</p> <p>Status: Partially Implemented—There were no questioned costs.</p> <p>Reasons for Recurrence: Corrective action was not in place for the majority of the year. The initials of the reviewer and date of review were not being added to the PDF due to a miscommunication.</p> <p>Partial Corrective Action Taken: Post-award review of draws was added. After the Treasury Office records draws, receipts for deposits are emailed to the draw accountant. The draw accountant attaches the receipt to the draw documentation PDF in box, then updates the file name to include “with receipt”. The accounting assistant/student intern reviews the file, looking at both the receipt and draw report, and compares it against the Trial Balance Summary form, A/R detail. They verify that there wasn’t a keying error and the amount deposited is in the correct fund.</p> <p>Corrective Action Planned: In March 2020, the accounting assistant/student intern began adding their initials and date of review to the PDF in order to document that the review was done.</p> <p>Contact Person: Jennifer Jenkins, Manager of Sponsored Programs Accounting, 435-797-1070</p> <p>Anticipated Completion Date: Corrective action implementation started in November 2019; implementation completed in March 2020.</p> <div align="right" style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto;"> MC#02 KBL 10/28/2020 </div>

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR YEARS PRIOR TO THE YEAR ENDED JUNE 30, 2020

Status as of June 30, 2020

Utah Department of Veterans and Military Affairs

Finding	Initial Year	Status of Findings and Questioned Costs
2019-022 VA	2019	Finding: Inaccurate State Home Report and Statement of Federal Aid Claimed (Utah Department of Veterans and Military Affairs) Status: Implemented – corrective action taken <div>NEN AP 10/6/2020</div>