



# STATE OF WYOMING

---

## DEPARTMENT OF AUDIT

### PUBLIC FUNDS DIVISION

(307) 777-7798 Fax (307) 777-5341  
Email: pam.robinson@wyo.gov

**Matthew H. Mead**  
Governor

**Jeffrey C. Vogel**  
Director

**Pamela Robinson**  
Administrator

August 26, 2015

District Board  
c/o Chairman Jerry Shepperson  
Weston County Predatory Animal Special District  
PO Box 614  
Upton, WY 82730

Dear Mr. Shepperson:

We are issuing this audit report pursuant to the requirements of Wyoming Statute 9-1-507. This statute authorizes the Department of Audit to audit special districts. The district submits the Survey of Local Government Finances (census report) providing financial information to the Department of Audit each fiscal year in accordance with Wyoming Statute 9-1-507 (a) (vii).

**Objective:** The purpose of our audit was to determine the Weston County Predatory Animal Special District was in compliance with Wyoming State Statutes and verify the accuracy of the census report.

**Scope and Methodology:** We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The scope of the audit was from July 1, 2013 to June 30, 2014 including the census report. The following list of tests was accomplished during the performance of the audit.

- Compared census report revenues to State of Wyoming and County Treasurer distribution reports
- Traced selected other revenues in the census report from receipting to bank deposits
- Vouched selected expenditures in the census report to supporting documentation and district board approval
- Performed bank reconciliation and verification

Based on the procedures identified above, a few weaknesses and risks to public funds were identified. These violations and additional findings are presented in the accompanying summary of findings and recommendations.

This report is intended solely for the use of the specified users listed; however, this report is a matter of public record and its distribution is not limited.

## *Public Funds*

Public Funds

cc: Governor's Office  
County Clerk

## **EXECUTIVE SUMMARY**

The overall fiscal responsibility and accountability for the district rests with the governing body. This audit focused on Wyoming Statutes and how the district complied with them. The audit also determined the accuracy of the census report by reviewing supporting documentation. The areas specifically focused on were:

1. Accuracy
  - Cash and Investments
  - Revenues
  - Expenditures
2. Compliance
  - Compliance with selected Wyoming Statutes
  - Other compliance

A short summary of the focus areas are discussed below.

### **Accuracy**

The district failed to report accurately its revenues and it needs to consider how it classifies its reserves.

### **Compliance**

The district did not comply with budget reporting requirements.

Additionally, there are a few weaknesses, including lack of interest by board members and missing internal controls that increase the risk of the district.

For more detail on the areas audited, refer to each specific section in the rest of the report.

## **Financial Reporting**

The F-32 Survey of Local Government Finances submitted by the Weston County Predatory Animal District was audited for accuracy. We examined the district's report for cash, debt, revenues, and expenditures. Revenues were misstated by \$5,149 of the \$33,011 that was verified by the county treasurer (The district had a total of \$210,153 in revenue for the audit period). The district is in the habit of not obtaining payments from the county treasurer on a timely basis, sometimes as much as eight months elapsed from the time that payment was made available to the district and the payment was picked up. As a result, the district does not report payments they have not received, even though they are available to the district

In addition, the district did not complete or submit a budget to the Department of Audit. The budget must be submitted electronically, using the form found on the Department of Audit's website.

Recommendation: The board was using a CPA to handle the recordkeeping of the district. Now that the CPA has retired, the district's board should seek a replacement bookkeeper who is familiar with the accounting needs of special districts including reporting the budget and year-end financial reporting.

### Wyoming Statute 9-1-507 (viii)

...each special district in this state, no matter how formed, except districts created by and subject to administration by the courts, to report to the department and to the board of county commissioners of the county where the special district is located its proposed budget for the next fiscal year.

## **Lack of Board Involvement**

The district board appears to have a lack of involvement and interest. The ability of the district to continue operations should key individuals vacate their positions is in doubt. Currently, there are no written policies to guide future officers of the board or their employees. There are no policies guiding how certain accounting transactions are to be done, how reimbursements are to be handled, or where the district can legally deposit its investments.

Responsibility for governance of the district resides squarely on the shoulders of the district's board of directors. The board is responsible for establishing written policies directing how day to day operations are to be conducted. They are also responsible for approving financial transactions and ensuring those with day to day responsibilities do not abuse their positions.

Recommendation: The district should prepare written accounting policies, investment policies, reimbursement policies, and disaster recovery plans. These plans are important in passing information and ensuring the district can still operate even if key individuals are no longer with the board.

The district also owns a shop on the property of the district's president. Currently, there is no signed agreement, lease, or title deed to the land. Should the current president no longer serve on the board or sell his land, the fate of the shop is currently unknown. The board has not established documentation to maintain their claim on the district's property should property ownership of the land change hands.

Recommendation: The district should establish a formal legal agreement with the board president to ensure the district does not lose its property or access to its property.

### **Lack of Controls**

The board is responsible for ensuring public funds are spent in the best interests of the district. Sound fiscal management extends to implementing controls to prevent the district's assets from misappropriation and theft.

During the audit period, the district utilized the services of a CPA to do bookkeeping. The district, after the audit period, no longer uses an independent bookkeeper, which has eliminated the benefit of segregating important financial duties. All correspondence for the district is kept with the individual who has custody of the funds.

Ideally, duties would be segregated so that no one individual could take the district's funds without the knowledge of the district. The board has the duty to authorize transactions. The bookkeeper would record the transaction. The treasurer, in conjunction with the president, would be the actual custodian of the funds, as they have the ability to access the bank accounts of the district. The board would verify the amount of the check matches the voucher, and the bank statements and bookkeeper's statements reconcile. Keeping those functions separate is essential in minimizing the risk of fraud.

Recommendation: The board should consider engaging the services of another bookkeeper. The board should examine the bookkeeper's reports along with the bank statements to ensure that public funds are properly kept. Also, the board secretary should be responsible for all correspondence.

The district, as a matter of convenience, left signed blank checks with the CPA. This opens the district up to theft of its funds, and allows the district to make purchases without authorization.

Recommendation: Never leave signed blank checks with anyone.

Pamela J. Robinson, CPA  
Administrator  
Public Funds Division

2-2-2016

Dear Administrator Robinson:

This is in response to the letter of 1-28-2016 from you concerning the activities of the Washtenaw County Predator Management District (WCPMD).

I will address several issues and convey to you what will be done to improve performance of the WCPMD.

First, at the rescheduled annual meeting held Jan. 18, 2016, Donley Darnell was elected Chairman, Nick White was re-elected Vice Chairman and Mike Davis was elected Treasurer. I have Sweet was elected by the producers to replace me on the Board. No Secretary was elected so Mr. Darnell and Mr. Davis will share this duty for the present. Also, we have a potential bookkeeper to be hired. We had a very good turnout for the meeting and a lot more interest has been generated for the proper operation of the WCPMD. I will assist where appropriate to improve the functions of the Board.

I will address some of the issues from the August 2015 Audit findings.

1. Financial Reporting: This function will be improved by the hiring of a bookkeeper which will be done. Currently, there is money budgeted for this.
2. Lack of Board Involvement: This issue has improved with the interest shown at the Jan. 18, 2016 Annual meeting. However, continued support and encouragement for the new officers and Board members must be generated to keep momentum.

There are also some changes in field personnel pending which I am not at liberty to relate to you at this time, but this will help with interest in the Board.

I will suggest and assist Mr. Darrell that written policies be developed and adopted to handle financial matters, including the issue of picking up revenue from the County Treasurer.

As a matter of record, the positions of President and Treasurer are bonded, and the names given to the bonding agency and financial institutions as they are changed by the Board.

3. Shop: As I informed you, I am in the process of developing a legal agreement to submit to the Board concerning the shop. Hopefully, I will accomplish this by Feb 16, 2016, the date of the next meeting.

I will keep you informed of the resolution of this situation.

4. Lack of Controls: With the hiring of a CPA/bookkeeper, this problem will be lessened. The voucher system, while cumbersome, does require communication by the Board. I believe that with the interest being shown, we will have improvement. Also, no signed checks will be left with anyone.

5. Transfer of funds from the County Treasurer: In conversation with the County Treasurer, I was informed that the funds cannot be obtained until they are received by the Treasurer from the Wyo Livestock Board who collects the Predator Fees. So, communication must happen between bonded individuals from the WCPMD and the Treasurers office.

I hope this answers some of the questions about the functioning of the WCPMD. Thank you for your helpful suggestions and patience.  
Sincerely, Jerry Shepperd