



**MARATHON COUNTY FINANCE DEPARTMENT**  
**500 FOREST ST**  
**WAUSAU WI 54403**  
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COUNTY OF MARATHON, WISCONSIN  
Corrective Action Plan  
For the year ended December 31, 2017

***FINDING 2017-001 INTERNAL CONTROL OVER FINANCIAL REPORTING***

**Repeat of Finding 2016-001**

**Criteria:** According to Statement on Auditing Standards (SAS) AU-C Section 315, sufficient internal controls should be in place that provide for the preparation of reliable financial statements, including the schedule of expenditures of federal and state awards, that are fairly presented in conformity with generally accepted accounting principles.

**Condition:** The auditors prepared the financial statements in accordance with generally accepted accounting principles and misstatements in the general ledger were identified during the audit.

**Cause:** The County does not have the resources required to identify and correct all misstatements in the financial records or to prepare the annual financial statements in conformity with generally accepted accounting principles.

**Effect:** There is a greater risk that the County's interim financial records and annual financial statements contain material misstatements or missing disclosures.

**Recommendation:** The County may consider and implement additional internal control procedures to ensure the accuracy of its financial records as well as the preparation of the annual financial statements.

**Management Response:** The County has implemented procedures for county personnel that prepare the financial statements to review transactions and accounts so that the financial statements would be free of any material errors. The County reviewed transactions and accounts that met transaction dollar limits, reviewed transactions during the year and completed additional pre-audit work to verify all transactions were appropriate. The County takes the accuracy of its financial reporting very seriously and will continue to strive to create financial statements that are free of material misstatement.



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***FINDING 2017-001 INTERNAL CONTROL OVER FINANCIAL REPORTING (CONT.)***

***Management Response (cont.):*** The Finance Department staff does attend GFOA and other governmental accounting training and maintains the knowledge and ability to complete the financial statements in house. If in the future additional resources become available, the County will review the final financial transactions and entries and develop the comprehensive annual financial report in house.

***Official Responsible for Ensuring the Corrective Action Plan:*** Marathon County Finance Director.

***Planned Completion Date for the Corrective Action Plan:*** April 19, 2019



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***FINDING 2017-002 DECENTRALIZED ACTIVITIES – CENTRAL WISCONSIN AIRPORT & LANDFILL***

**Repeat of Finding 2016-002**

**Criteria:** Sufficient internal controls involve centralizing collections of County funds as much as is feasible and depositing funds on a regular basis.

**Condition:** For the majority of the year, the Central Wisconsin Airport (CWA) collected significant amounts of funds and did not deposit them on a regular basis. Both the County landfill and CWA have an individual who is responsible for invoicing, collecting payments, preparing deposits, and delivering the funds which results in a weakness over segregation of duties.

**Cause:** Limited staffing and past procedures have not been revised.

**Effect:** Controls are weakened when there is a lack of segregation of duties, centralized collections do not occur, and deposits are not made regularly.

**Recommendation:** We recommend the County, CWA and the landfill determine if payments could be sent directly to the County Treasurer's office for deposit. If this is not possible, the collections at CWA should be deposited on a more frequent basis and controls should be established so that airport and landfill funds are adequately safeguarded.

**Management's Response:** The County Treasurer and Finance Department staff met with the staff of the Solid Waste Department on June 13, 2018 to review their cash receipting procedures and initiate changes to adequately safeguard their collections. Several key elements were identified.

The County Treasurer and Finance Department help to continue to work with the Landfill staff to develop a plan to facilitate this change.

**Official Responsible for Ensuring the Corrective Action Plan:** Marathon County Finance Director.

**Planned Completion Date for the Corrective Action Plan:** March 31, 2019



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COUNTY OF MARATHON, WISCONSIN  
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***FINDING 2017-003 TREASURER'S OFFICE***

**Repeat of Finding 2016-003**

**Criteria:** We performed our audit under Statements on Auditing Standards (SAS), AU-C Section 315, which required us to review the County's internal controls. As a result, we identified certain controls that we considered to be key controls that were not in place during the year under audit.

**Condition:** The tax collection software system that the County utilizes was not reconciled to the County's general ledger in 2015 and is not able to produce historical reports or interface with the County's general ledger. While 2016 and 2017 activity did reconcile, the discrepancy between the Land Records system and Cayenta general ledger still exists. Additionally, adjustments to the Land Records system are periodically being reviewed. However, this review is not being documented.

**Cause:** There are system limitations within the tax collection system that do not allow historical reports to be reproduced.

**Effect:** Internal controls cannot be relied upon over adjustments to the tax system.

**Recommendation:** We recommend that the tax collection software and the general ledger reconcile at all times during the year. Further, we recommend that the County work with the software vendor to determine if historical reports could be produced, if the two systems could interface, and if a report could be generated whereby a documented review of all adjustments could be performed by someone independent of posting journal entries.

**Management's Response:** The Finance Department will work with the Treasurer's office and City County Information Technology Commission to develop a set of procedures to balance the Land Records system with Cayenta. The two systems balanced for past years' taxes and do balance for 2016 and 2017. The land records application cannot rerun reports from prior dates. The Land Records system was programmed in house so there is no vendor to contact to make changes in the programming at this point.



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***FINDING 2017-003 TREASURER'S OFFICE (CONT.)***

***Management's Response (cont.):*** There are two items to note on the process of recording receipts from the land records system to Cayenta. Each day amounts collected by the Treasurer's office for various categories are posted to the accounts (land records). The subsequent day, the financial activity is posted through Cayenta cash receipts by the County Treasurer's office. This does provide a problem for timing and possible errors due to double receipting. The Land Records system is not interfaced with Cayenta so the previous day's activity must be posted by cash receipt at the Treasurer's office not through manual journal entries.

Lastly, the current Land Records system is old (26 years old) and many of the requested improvements that you suggested are not possible on the system without major programming changes. In 2017, the County went out for RFP to purchase a new Land Records system with many of the suggestions that you have listed and they will be a requirement in the new system. The RFP responses have been evaluated and a new land records software, Ascent from Transcendent Technologies, has been selected. Implementation of the new system is ongoing at this time with a "go live" date of September 2018. We will update the procedures for reconciling the new land records system to Cayenta. The new system's additional functionality should eliminate many of the concerns listed in this letter.

***Official Responsible for Ensuring the Corrective Action Plan:*** Marathon County Finance Director.

***Planned Completion Date for the Corrective Action Plan:*** December 31, 2018



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COUNTY OF MARATHON, WISCONSIN  
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***FINDING 2017-004***

***Program State ID Number and Title:*** 395.101 Elderly and Disabled County Aids

***State Grantor:*** *Wisconsin Department of Transportation*

***Criteria:*** The quarterly reports required by the State were not reviewed by someone other than the preparer. In addition, the two reports tested were not submitted by the applicable due date.

***Condition/Context:*** The grant agreement with the State requires the annual report be submitted by March 31<sup>st</sup> of the following year and all quarterly reports to be submitted by the end of the following month. Someone other than the preparer should be reviewing the quarterly reports before submission. This is not a statistically valid sample.

***Cause:*** The County did not have the appropriate staffing and time available to review or submit the reports on a timely basis.

***Effect:*** The reports were not properly submitted to the State by the required deadline. The quarterly reports could contain errors without any review.

***Questioned Costs:*** None noted.

***Recommendation:*** We recommend the County submit the reports by the deadlines set forth by the State and that the quarterly reports be reviewed by someone other than the preparer.

***Management's Response:*** The CPZ staff assigned to administer the WisDOT Grant will establish a new approach to submitting the required quarterly reports. The Administrative Coordinator will begin each new year of the grant cycle by scheduling times on the Outlook calendars of the Administrative Coordinator, the Program Manager and the Accounting Manager to establish the deadlines for the receiving of the necessary information from the service providers and the deadlines for submittal of the quarterly reports to WisDOT. The Administrative Coordinator will receive the necessary information from the service providers and prepare the quarterly report forms.



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***FINDING 2017-004 (CONT.)***

***Management's Response (cont.):*** Upon completion of the forms, the Program Manager will review and sign the quarterly reports before submitting them to WisDOT.

***Official Responsible for Ensuring the Corrective Action Plan:*** Conservation, Planning and Zoning Department Director.

***Planned Completion Date for the Corrective Action Plan:*** August 20, 2018



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COUNTY OF MARATHON, WISCONSIN  
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***FINDING 2017-005***

***Program State ID Number and Title:*** 395.101 Elderly and Disabled County Aids

***State Grantor:*** *Wisconsin Department of Transportation*

***Criteria:*** Payroll allocations should be reviewed to ensure they are accurate and appropriate. In addition, payroll charges to a grant must be supported by the documentation required by the Uniform Guidance.

***Condition/Context:*** During testing of expenditures it was found that 10% of an individual's total annual payroll was allocated to the grant, but it was determined that only 4% of this individual's time was actually spent on the grant. This is not a statistically valid sample.

***Cause:*** A budgeted number was used to allocate payroll expenditures.

***Effect:*** The expenditures charged to the grant were overstated.

***Questioned Costs:*** Total questioned costs amount to \$4,616, which is the difference between the actual payroll costs and the budgeted payroll costs for State ID 395.101 Elderly and Disabled County Aids.

***Recommendation:*** We recommend that the allocation of payroll expenditures be allocated based on actual time spent working on the grant program.

***Management's Response:*** The CPZ staff administering the WisDOT Grant will use a new approach to identifying the payroll expenditures allocated to the Grant. Instead of using a percentage of annual payroll expenses, staff will establish the payroll expenses based on actual time spent working on the grant program. The actual time allocated to the grant will be established and monitored in the County's Intellitime System. The Intellitime System allows for the coding and tracking of a person's time based on a particular code (or program). When applying for the grant program, the time established to administer the grant will be developed and included for each of the CPZ staff members working on the grant program.





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***FINDING 2017-005 (CONT.)***

***Management's Response (cont.):*** The actual time spent and the corresponding payroll expenditures will be identified and reported back to WisDOT on the Quarterly report forms.

***Official Responsible for Ensuring the Corrective Action Plan:*** Conservation, Planning and Zoning Department Director.

***Planned Completion Date for the Corrective Action Plan:*** September 4, 2018