



MARATHON COUNTY FINANCE DEPARTMENT
500 FOREST ST
WAUSAU WI 54403
715 261-1175 phone
715 261-0386 fax
<http://www.co.marathon.wi.us>

COUNTY OF MARATHON, WISCONSIN
Corrective Action Plan
For the year ended December 31, 2018

FINDING 2018-001 INTERNAL CONTROL OVER FINANCIAL REPORTING

Repeat of Finding 2017-001

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 2018-001 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: September 30, 2020



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FINDING 2018-002 SOLID WASTE DEPARTMENT

Criteria: Sufficient internal controls involve centralizing collections of County funds as much as is feasible, depositing funds on a regular basis, and reconciling this collection activity to the County's general ledger.

Condition: The County Solid Waste department receives payments on a regular basis from commercial haulers. Payments are sent directly to the Solid Waste office where they are posted into their Wasteworks system and then brought to the bank. The same individual is able to create the invoice, post the payment, prepare and deliver the deposit which results in a weakness over segregation of duties. In addition, the Solid Waste department should reconcile all collection activity to the County's general ledger, as currently this is not occurring.

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

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

Recommendation: We recommend the County and the Solid Waste department determine if payments could be sent directly to the County Treasurer's department. If this is not possible, then controls should be established so that solid waste collections are adequately safeguarded and reconciled to the County's general ledger.

Management's Response: The County Treasurer and Finance Department staff met with the staff of the Solid Waste Department in June 2018 and again in June 2019 to review their cash receipting procedures and initiate changes to adequately safeguard their collections.

Several of the key elements of this change have been completed and others will still need to be done. Here is a status update:

- < The Solid Waste department has changed its scale software from Wasteworks to Paradigm. With the implementation of Paradigm, credit card payments from Global Payments to the decentralized bank account used by Solid Waste have been eliminated and now are processed to the County's centralized bank account.



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FINDING 2018-002 SOLID WASTE DEPARTMENT (CONT.)

Management Response (cont.): We are still working with the Solid Waste Department to complete the following items listed as a significant deficiency:

- < Have matching invoices in the Cayenta system but at this time the payments are sent back to the Solid Waste and applied against the invoice and the funds are deposited at the decentralized bank account used by Solid Waste.
- < Run Solid Waste invoicing out of Cayenta with the remittance address listed as the County Treasurer's office.
- < Receipt invoice payments into Cayenta first and deposit as part of the Treasurer's office bank deposit into the County's centralized bank account.
- < Eliminate the use of the separate decentralized bank account by the Solid Waste department.
- < Receipt over the counter payments at the Solid Waste department into Paradigm and deposit at least weekly with the County Treasurer's office and into the County's centralized bank account.
- < The Solid Waste department will look for ways to segregate some of the duties that are currently assigned to one position.

The County Treasurer and Finance Department will continue to work with the Solid Waste 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: September 30, 2020



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COUNTY OF MARATHON, WISCONSIN
Corrective Action Plan
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FINDING 2018-003

Program State ID Number and Title: 437.3377 and 437.3380 CW Kinship Care Program

State Grantor: *Wisconsin Department of Children and Families*

Criteria: Chapter DCF 58.11(a) of the Wisconsin State Statutes states: “each agency administering the kinship care program shall establish a written policy describing its standards for establishing verification of the relative relationship and shall indicate whether any specific documents, such as a birth certificate, a marriage license, guardianship papers or paternity papers, will be required.” Since these eligibility determinations are required by State statute, it is necessary under the *State Single Audit Guidelines* to establish internal controls over eligibility determinations prior to benefit payments being paid.

Condition/Context: For the 12 case files tested, an independent review of initial eligibility determinations was not completed. This is not a statistically valid sample.

Cause: Eligibility was not reviewed due to lack of staffing and time to perform such review.

Effect: Ineligible participants could receive benefit payments resulting in questioned costs and noncompliance with state statutes surrounding the program.

Questioned Costs: None noted.

Recommendation: Program management should develop a process by which case file documentation is reviewed by a second person subsequent to the initial eligibility assessment and prior to the payment of benefits to the kinship care provider. This review process should be documented in the case file.

Management’s Response: Written procedures have been updated and implemented to include a review of initial kinship provider eligibility requirements by a second person prior to the payment of benefits, including documentation in the eWiSACWIS case file.

Official Responsible for Ensuring the Corrective Action Plan: Aidyn Laurynz

Planned Completion Date for the Corrective Action Plan: July 30, 2019



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FINDING 2018-004

Program State ID Number and Title: 437.3377 and 437.3380 CW Kinship Care Program

State Grantor: *Wisconsin Department of Children and Families*

Criteria: Chapter DCF 58.13 (1) of the Wisconsin State Statutes states: “An agency shall reassess eligibility of a kinship care relative for the kinship care program at least every 12 months after the date the agency initially began making payments to the kinship care relative, to determine if the requirements under ss. DCF 58.04 and 58.10 continue to be met.” Since reassessments are required every 12 months by Wisconsin state statutes, the county is required to comply with these standards.

Condition/Context: In a sample of 12 cases, there was one case that did not comply with the 12-month reassessment requirement. This particular case did not have any assessment documents (such as a background check, verification of residence, etc.) on file for 2018. This is not a statistically valid sample.

Cause: Unknown.

Effect: Ineligible participants could receive benefit payments resulting in questioned costs and noncompliance with state statutes surrounding the program.

Questioned Costs: Questioned costs were \$11,331 and were determined by projecting the exception amount noted during our testing over the total population.

Recommendation: We recommend program management review their Kinship Care cases on a regular basis to ensure that reassessments are completed consistent with statutory requirements.

Management’s Response: Written procedures have been updated and implemented to include a monthly review of annual reviews/reassessments for kinship providers to ensure compliance with the 12-month assessment requirement.

Official Responsible for Ensuring the Corrective Action Plan: Aidyn Laurynz

Planned Completion Date for the Corrective Action Plan: July 30, 2019