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MARQUETTE COUNTY, WISCONSIN
ADDITIONAL REPORTS AND SCHEDULES
REQUIRED BY THE UNIFROM GUIDANCE AND THE
STATE SINGLE AUDIT GUIDELINES

FOR THE YEAR ENDED DECEMBER 31, 2019

Johnson Block & Company, Inc.
Certified Public Accountants
2500 Business Park Road
Mineral Point, Wisconsin 53565

MARQUETTE COUNTY, WISCONSIN
DECEMBER 31, 2019

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Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in accordance with *Government Auditing Standards*

To the County Board of Supervisors
Marquette County, Wisconsin
Montello, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Marquette County, Wisconsin, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Marquette County, Wisconsin's basic financial statements and have issued our report thereon dated July 31, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item #2019-001 to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marquette County, Wisconsin's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Response to Finding

The County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
July 31, 2020

Independent Auditor's Report on Compliance for Each Major Federal and State Program; Report on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Guidelines; and Report on the Schedules of Expenditures of Federal and State Awards

To the County Board of Supervisors
Marquette County, Wisconsin
Montello, Wisconsin

Report on Compliance for Each Major Federal and State Program

We have audited Marquette County, Wisconsin's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *State Single Audit Guidelines*, issued by the Wisconsin Department of Administration that could have a direct and material effect on each of Marquette County, Wisconsin's major federal and state programs for the year ended December 31, 2019. Marquette County, Wisconsin's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Marquette County, Wisconsin's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State Single Audit Guidelines,* issued by the Wisconsin Department of Administration. Those standards, the Uniform Guidance and the State Single Audit Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Marquette County, Wisconsin's compliance.

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Opinion on Each Major Federal and State Program

In our opinion, Marquette County, Wisconsin complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and State Single Audit Guidelines and which is described in the accompanying schedule of findings and question costs as item #2019-002. Our opinion on each major federal and state program is not modified with respect to this matter.

Marquette County, Wisconsin's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and question costs. Marquette County, Wisconsin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Marquette County, Wisconsin, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Marquette County, Wisconsin's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Guidelines, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Marquette County, Wisconsin's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item #2019-002, that we consider to be a significant deficiency.

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Marquette County, Wisconsin's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Marquette County, Wisconsin's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Guidelines. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal and State Awards Required by the Uniform Guidance and the Wisconsin State Single Audit Guidelines

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Marquette County, Wisconsin, as of and for the year ended December 31, 2019 and have issued our report thereon dated July 31, 2020, which contained unmodified opinions on these financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Marquette County, Wisconsin's basic financial statements. The accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Guidelines and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal and state awards are fairly stated in all material respects in relation to the financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
September 18, 2020

Exhibit C-1
Marquette County, Wisconsin
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass-Through Agency	Pass-Through Agency ID	Expenditures	Payments to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE					
SNAP Cluster					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	DHS	61, 284	$ 3,664,717	$ 3,552,395
Total SNAP Cluster				3,664,717	3,552,395
Total U.S. Department of Agriculture				3,664,717	3,552,395
U.S. DEPARTMENT OF JUSTICE					
COPS (Community Oriented Policing Services) Anti-Methamphetamine Task Force	16.710	DOJ	25100	27,991	-
Total U.S. Department of Justice				27,991	-
U.S. DEPARTMENT OF TRANSPORTATION					
Highway Planning and Construction Cluster					
Highway Planning and Construction	20.205	DOT	211-286	20,625	-
Total Highway Planning and Construction Cluster				20,625	-
Highway Safety Cluster					
State and Community Highway Safety	20.600	DOT	211-185	78,334	
Total Highway Safety Cluster				78,334	-
Total U.S. Department of Transportation				98,959	-
U.S. DEPARTMENT OF EDUCATION					
Special Education-Grants for Infants and Families with Disabilities	84.181	DHS	550	14,124	-
Total U.S. Department of Education				14,124	-
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	GWAAR	560510	2,159	-
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for supportive Services and Senior Centers	93.044	GWAAR	560340	27,665	-
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	GWAAR	560350, 560360	52,511	-
Nutrition Services Program	93.053	GWAAR	560422	19,889	-
Total Aging Cluster				100,065	-
National Family Caregiver Support, Title III, Part E	93.052	GWAAR	560520	8,107	-
Public Health Emergency Preparedness	93.069	DHS	155015, 155050	39,421	-

The accompanying notes are an integral part of this schedule.

Exhibit C-1 (Continued)
Marquette County, Wisconsin
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass-Through Agency	Pass-Through Agency ID	Expenditures	Payments to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)					
Environmental Public Health and Emergency Response	93.070	DHS	155078	$ 7,660	$ -
Immunization Cooperative Agreements	93.268	DHS	155020	5,269	-
State Health Insurance Assistance Program	93.324	GWAAR	560432	3,700	-
Public Health Crisis Response	93.354	DHS	155129, 155131	17,000	-
Promoting Safe and Stable Families	93.556	DCF	3306	33,310	-
TANF Cluster					
Temporary Assistance for Needy Families	93.558	DHS	561	30,062	-
Total TANF Cluster				30,062	-
Child Support Enforcement	93.563	DCF	07332, 07477, 07482, 07506, 07560, 07617	179,326	-
Low-Income Home Energy Assistance	93.568	DOA	505-155	7,088	-
CCDF Cluster					
Child Care and Development Block Grant	93.575	DCF	0831, 0840, 0852	19,951	-
Total CCDF Cluster				19,951	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	DCF	03413, 03561, 03681	10,574	-
Foster Care - Title IV-E	93.658	DCF	03413, 03554, 03561, 03681	111,151	-
Adoption Assistance	93.659	DCF	3574	5,578	-
Social Services Block Grant	93.667	DHS	561	56,039	-
Children's Health Insurance Program	93.767	DHS	284	460,413	445,930
Medicaid Cluster					
Medical Assistance Program	93.778	DHS	819, 872, 875, 878, 881 159322, 560058, 560061, 560081, 560087, 560097	347,382	-
Medical Assistance Program	93.778	DHS	62, 284	4,688,064	4,542,703
Medical Assistance Program	93.778	GWAAR	560021	11,509	-
Medical Assistance Program - WIMCR	93.778	DHS	684	207,355	-
Total Medicaid Cluster				5,254,310	4,542,703
Opioid STR	93.788	DHS	533259, 533118	92,434	-
Block Grants for Community Mental Health Services	93.958	DHS	515, 569	14,523	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	515, 545, 546, 570	25,253	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds	93.991	DHS	159220	5,539	-

Exhibit C-1 (Continued)
Marquette County, Wisconsin
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Grantor Agency / Program Title	Federal CFDA Number	Pass-Through Agency	Pass-Through Agency ID	Expenditures	Payments to Subrecipients
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)					
Maternal and Child Health Services Block Grant to the States	93.994	DHS	159321	$ 19,106	$ -
Total U.S. Department of Health and Human Services				6,508,038	4,988,633
U.S. DEPARTMENT OF HOMELAND SECURITY					
Disaster Grants Public Assistance	97.036	DMA	PA-05-WI-4402-RPA-0013	95,555	-
Emergency Management Performance Grant	97.042	DMA	2019-EMPG-01-11278	29,508	-
Total U.S. Department of Homeland Security				125,063	-
Total Federal Programs				$ 10,438,892	$ 8,541,028

Exhibit C-2
Marquette County, Wisconsin
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2019

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE & CONSUMER PROTECTION			
Clean Sweep	115.040	$ 12,400	$ -
County Staff and Support	115.150	127,341	-
Land and Water Resource Management Projects	115.400	145,481	-
Total Wisconsin Department of Agriculture, Trade & Consumer Protection		285,222	-
WISCONSIN DEPARTMENT OF NATURAL RESOURCES			
Wildlife Damage Abatement	370.553	77,656	-
County Conservation	370.563	2,550	-
Recreational Boating Facilities	370.573	3,080	-
Snowmobile Trail Aids	370.575	38,940	-
Lake Management Planning	370.663	2,798	-
Recycling Grants to Responsible Units	370.670	75,295	-
Recycling Consolidated Grants	370.673	3,652	-
Stewardship	370.TA1	30	-
Total Wisconsin Department of Natural Resources		204,001	-
WISCONSIN DEPARTMENT OF TRANSPORTATION			
Elderly and Handicapped County Aids	395.101	72,389	-
Total Wisconsin Department of Transportation		72,389	-
WISCONSIN DEPARTMENT OF CORRECTIONS			
Reimbursement for Probation and Parole	410.116	64,720	-
Total Wisconsin Department of Corrections		64,720	-
WISCONSIN DEPARTMENT OF HEALTH SERVICES			
Fluoride Supplement	435.151734	1,941	-
Cons Contracts CHHD LD	435.157720	2,074	-
COMM Disease CTRL & PREV	435.155800	3,200	-
WH/FP RH 20.435 (1)(EV)	435.159322	3,084	-

Exhibit C-2 (Continued)
Marquette County, Wisconsin
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2019

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
WISCONSIN DEPARTMENT OF HEALTH SERVICES (CONTINUED)			
IMAA State Share	435.283	$ 1,992,310	$ 1,920,673
IMAA Federal Share	435.284	51,358	49,734
APS-Adult Protective SVCS	435.312	13,185	-
Children's Community Options Program	435.377	36,526	-
Alzheimer's Family Support	435.381	9,714	-
Coordinated Services - Cty	435.515	50,586	-
Community Mental Health	435.516	14,091	-
Birth to Three Initiative	435.550	13,571	-
Basic County Allocation	435.561	322,350	-
IDP Emergency Funds	435.567	17,523	-
FPI NON-FED	435.600	101,474	97,990
State/County Match	435.681	44,933	-
CLTS MH Other - CWA	435.871	120,687	-
CLTS Autism	435.874	14,470	-
CLTS Waiver CWA Admin GPR	435.877	15,519	-
CLTS Grandfather Admin GPR	435.880	1,861	-
I&A EBS Benefits Specialist GPR	435.560024	10,359	-
Other EBS Benefits Specialist GPR	435.560025	17,856	-
I&A EBS OCI Replacement GPR	435.560030	6,550	-
ADRC MFP-NH Relocation	435.560065	1,035	-
Aging & Dis Resource Ctr	435.560100	184,780	-
Senior Community Services Programs	435.560330	5,394	-
Special Programs for the Aging - Title III, Part C, Nutrition Svc.	435.560350	30,055	-
Special Programs for the Aging - Title III, Part C, Nutrition Svc.	435.560360	981	-
Elder Abuse Service	435.560490	8,697	-
Total Wisconsin Department of Health Services		3,096,164	2,068,397
WISCONSIN DEPARTMENT OF CHILDREN AND FAMILIES			
Food Stamp Agency Incentives	437.0965	2,175	-
AFDC Agency Incentives	437.0975	31	-
Medicaid Agency Incentives	437.0980	976	-
CW Kinship Care Program - Benefits	437.3377	23,480	-

Exhibit C-2 (Continued)
Marquette County, Wisconsin
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2019

Grantor Agency / Program Title	State ID Number	Expenditures	Payments to Subrecipients
WISCONSIN DEPARTMENT OF CHILDREN AND FAMILIES (CONTINUED)			
CW Kinship Care Program - Assessment	437.3380	$ 1,347	$ -
JJ AODA	437.3411	1,706	-
JJ Youth Aids	437.3413	124,529	-
Basic County Allocation	437.3561	100,589	-
State/County Match	437.3681	8,000	-
Out-of-Home Care Placements for Sex Trafficked Youth	437.3720	28,788	-
CW WiSACWIS Annual Operation Maintenance Fee	437.3935	(1,730)	-
PDS Partnership Fees	437.3940	(677)	-
Youth Specific Case Management Systems Fee	437.3945	(38,000)	-
Child Support-Direct Cost	437.7502	20,511	-
Child Support-Medical Support GPR Earned	437.7606	915	-
Total Wisconsin Department of Children and Families		272,640	-
WISCONSIN DEPARTMENT OF JUSTICE			
Treatment Alternatives & Diversion (TAD)	455.271	100,082	-
Victim Witness	455.532	37,333	-
Total Wisconsin Department of Justice		137,415	-
WISCONSIN DEPARTMENT OF MILITARY AFFAIRS			
Public Safety - Emergency Government Disaster Assistance (PA-05-WI-4402-RPA-0013)	465.305	15,926	-
Computer and HazMat Response Equipment Grant	465.308	7,475	-
Emergency Planning Grants	465.337	5,539	-
Total Wisconsin Department of Military Affairs		28,940	-
WISCONSIN DEPARTMENT OF ADMINISTRATION			
Land Information Program - Aid to Counties	505.173	120,728	-
Public Benefits Fund	505.371	34,241	-
Total Wisconsin Department of Administration		154,969	-
Total State Programs		$ 4,316,460	$ 2,068,397

1. The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of Marquette County, Wisconsin and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance and the State Single Audit Guidelines. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2. The following programs, listed as federal awards, were considered major state programs:

Program	Expenditures
WI Medicaid Cost Reporting	$ 207,355
Basic County Allocation	201,777

3. Revenues and expenditures for child support are comprised of the following:

	Expenditures
Direct Costs-Federal	$ 182,147
CS Fees	(2,821)
Totals per Schedule of Expenditures of Federal Awards	179,326
State Portion	21,426
Per SPARC Summary	$ 200,752

4. Matching costs for State program #395.101 for the year ended December 31, 2019 totaled $81,401.

5. Marquette County does not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. A central services cost allocation plan is prepared by an independent organization and used to allocate indirect costs to grant programs.

6. Expenditures reported on Exhibits C-1 and C-2 reflect payments reported on Community Aids Reporting System (CARS) reports as of June 12, 2020 and on the December 2019 System for Payments and Reports of Contracts (SPARC) report.

7. Federal funds have been passed through the following agencies:

   DHS – Wisconsin Department of Health Services
   DCF – Wisconsin Department of Children and Families
   DOJ – Wisconsin Department of Justice
   DOA – Wisconsin Department of Administration
   DOT – Wisconsin Department of Transportation
   DMA – Wisconsin Department of Military Affairs
   GWAAR – Greater Wisconsin Agency on Aging Resources

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _X_ Yes ____ None Reported
- Noncompliance material to financial statements noted? ____ Yes _X_ No

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? ____ Yes _X_ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _X_ Yes ____ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR section 200.516(a)? _X_ Yes ____ No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
10.561	SNAP Cluster
93.778	Medicaid Cluster

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee: ____ Yes _X_ No

Section I – Summary of Auditor's Results (Continued)

State Awards

Internal Control over major programs:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency (ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State of Wisconsin Single Audit Guidelines. ____ Yes __X__ No

Management Letter Issued __X__ Yes ____ No

Identification of major programs:

State Number	Name of Program
435.283	Income Maintenance Administration
435.561/681, 437.3561/3681	Basic County Allocation
93.778	WI Medicaid Cost Reporting

Dollar threshold to distinguish between type A and type B programs: $250,000

Auditee qualified as low-risk auditee ____ Yes __X__ No

Section II – Financial Statement Findings

#2019-001 – Internal Control Over Financial Reporting (Prior Year Finding #2018-001)

Criteria: Financial statements with accompanying notes and schedules of expenditures of federal and state awards should be prepared by County staff. This control deficiency could result in a material misstatement to the report that would not be prevented or detected.

Condition: Preparation of financial statements with accompanying notes and preparation of the schedules of expenditures of federal and state awards are not performed by County staff. It has designated an individual responsible for reviewing and accepting the financial statements with accompanying notes and the schedules.

Cause: County staff relies on the auditor to prepare the financial statements and related notes, including the schedule of expenditures of federal and state swards.

Effect: Possibility of undetected misstatements.

Questioned Costs: N/A

Recommendation: The preparation of the financial statements with accompanying notes and the schedules of expenditures of federal and state awards would require more training for County staff. The County uses external auditors to prepare the financial statements with notes and the schedules as a competent individual is designated by the County to review and accept these. We suggest the County continue this arrangement.

Management Response: See corrective action plan.

Section III - Federal Award Findings and Questioned Costs

#2019-002 – Purchase of Services Contract (Prior Year Finding #2018-002)

Federal CFDA Number and Title:	93.778 Medicaid Cluster
Federal Grantor:	U.S. Department of Health and Human Services
Pass-through Award Number and Year:	39-910, 2019
Pass-through Entity:	Wisconsin Department of Human Services

Criteria: A portion of the reported expenditures for Medicaid Cluster line items on the Schedule of Expenditures of Federal Awards flows through the Children's Long-Term Support (CLTS) Waiver Program. Per the State of Wisconsin Department of Health Services (DHS) Audit Guide and the 2019 State and County Contract surrounding the CLTS Waiver Program, the County must provide assurance to DHS regarding certain requirements surrounding provider compliance with DHS training and minimum qualification requirements.

Section III - Federal Award Findings and Questioned Costs (Continued)

#2019-002 – Purchase of Services Contract (Continued)

Criteria (Continued): DHS requires the County waiver agency (CWA) to ensure that CLTS Waiver Program service providers meet the applicable standards for allowable services of the CLTS Waiver Program to claim reimbursement. The CWA must provide assurance to DHS that each provider (1) is properly trained, licensed or credentialed to deliver authorized services and to maintain documentation that these requirements have been met and that (2) caregiver background checks are completed for each provider listed on the Individual Service Plan (ISP) for each CLTS Waiver Program client.

In addition to the aforementioned requirements surrounding provider compliance, the CWA must also ensure that CLTS Waiver Program providers receiving more than $10,000 in funds throughout the contract period (calendar year) have a purchase of services contract that meets DHS standards. For each provider, the CWA must ensure that the purchase of services contract includes: (1) an established rate-setting methodology and (2) a process surrounding the collection of annual audit reports for each provider.

Condition: During testing of service providers for a haphazardly selected sample of CLTS Waiver Program clients, it was noted that responsibility for the determination of provider eligibility, contracting, and audit report collection were being delegated to an outside vendor. The CWA did not perform procedures or monitoring activities to ensure that the vendor's determinations were sufficient to satisfy DHS requirements. Furthermore, no contract or memorandum of understanding existed between the County and the vendor detailing the nature of these responsibilities.

Cause: The County does not currently have a control process in place to provide assurance to DHS that mandated requirements surrounding provider compliance with DHS training and minimum qualification requirements are upheld. Although the County delegates this responsibility to an outside vendor, no monitoring of the vendor's determinations or contracting is performed by the CWA.

Effect: Providers could be selected to perform services for CLTS Waiver Program clients that failed background checks or are otherwise barred from receiving caregiver payments from Medicaid.

Questioned Costs: None noted

Context: Based on discussions with CLTS Waiver Program management at the County, the outside vendor is performing the required background and DHS qualification checks on behalf of the CWA. The outside vendor will alert program management if any providers selected by the CLTS client's family fail their respective background checks or are found to be unsuitable for any reason(s). For 2020, a purchase of services contract was drafted and signed between the CWA and the outside vendor and monitoring of determinations is performed by the CWA.

The sampling performed was not statistically valid.

Section III - Federal Award Findings and Questioned Costs (Continued)

#2019-002 – Purchase of Services Contract (Continued)

Recommendation: The County should draft a purchases of service contract between the outside vendor and itself that formally documents the responsibility placed on the vendor to perform provider eligibility checks. Monitoring on a sample basis should then be performed and documented surrounding the outside vendor's conclusions on provider eligibility on an ongoing basis.

Response: See corrective action plan.

Section IV - State Award Findings and Questioned Costs

No findings

Section V - Other Issues

1.	Does the auditor have substantial doubt as to the auditee's ability to continue as a going concern?	No
2.	Does the audit report show audit issues (i.e. material noncompliance, immaterial noncompliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grant/contracts with funding agencies that require audits to be in accordance with the State Single Audit Guidelines:	
	Department of Administration	No
	Department of Agriculture, Trade & Consumer Protection	No
	Department of Children and Families	No
	Department of Corrections	No
	Department of Health Services	Yes
	Department of Justice	No
	Department of Military Affairs	No
	Department of Natural Resources	No
	Department of Transportation	No
	Wisconsin Historical Society	No
3.	Was a Management Letter or other document conveying audit comments issued as a result of this audit?	Yes An Audit Communication letter was submitted to the oversight body
4.	Name and signature of partner	Jay Bennett, CPA
5.	Date of report	September 18, 2020

Finding #2018-001

Finding still applies. See #2019-001.

Finding #2018-002

Finding still applies. See #2019-002.