

ROCK COUNTY

Janesville, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2010

ROCK COUNTY

TABLE OF CONTENTS December 31, 2010

Independent Auditors' 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	1 – 2
Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 and the State Single Audit Guidelines and the Schedule of Expenditures of Federal and State Awards	3 – 5
Schedule of Expenditures of Federal and State Awards	6 – 13
Notes to Schedule of Expenditures of Federal and State Awards	14 – 15
Schedule of Findings and Questioned Costs	16 – 23

INDEPENDENT AUDITORS' 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
Rock County
Janesville, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rock County, Wisconsin as of and for the year ended December 31, 2010 and have issued our report thereon dated July 15, 2011. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Rock County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Rock County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Rock County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses; and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness. This material weakness is item 10-1.

To the County Board of Supervisors
Rock County

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Rock County's financial statements are free of 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Rock County in a separate letter dated July 15, 2011.

Rock County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Rock County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the board of supervisors, management, others within the entity, federal and state awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Silly Virehow Krause, CPA

Madison, Wisconsin
July 15, 2011

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND THE
STATE SINGLE AUDIT GUIDELINES AND THE SCHEDULE OF EXPENDITURES
OF FEDERAL AND STATE AWARDS

To the County Board of Supervisors
Rock County
Janesville, Wisconsin

Compliance

We have audited Rock County, Wisconsin's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *State Single Audit Guidelines* that could have a direct and material effect on each of Rock County's major federal and major state programs for the year ended December 31, 2010. Rock County's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal and major state programs is the responsibility of Rock County's management. Our responsibility is to express an opinion on Rock County's compliance based on our audit.

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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*. Those standards, OMB Circular A-133 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 major state program occurred. An audit includes examining, on a test basis, evidence about Rock 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. Our audit does not provide a legal determination of Rock County's compliance with those requirements.

In our opinion, Rock County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 or the *State Single Audit Guidelines* and which are described in the accompanying schedule of findings and questioned costs as items 10-2, 10-3, 10-7, and 10-8.

To the County Board of Supervisors
Rock County

Internal Control Over Compliance

Management of Rock County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Rock County's internal control over compliance with the requirements that could have a direct and material effect on a major federal or major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 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 Rock County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 10-4, 10-5, and 10-6 to be material weaknesses.

Schedule of Expenditures of Federal and State Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Rock County, Wisconsin as of and for the year ended December 31, 2010, and have issued our report thereon dated July 15, 2011. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Rock County's basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by OMB Circular A-133 and the *State Single Audit Guidelines* and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Rock County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Rock County's response and, accordingly, we express no opinion on it.

To the County Board of Supervisors
Rock County

This report is intended solely for the information and use of the board of supervisors, management, others within the entity, federal and state awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Baker Jilly Vichow Krause, UT

Madison, Wisconsin

August 31, 2011, except for the schedule of
expenditures of federal and state awards, as to which
the date is July 15, 2011

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2010

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Grant/Pass-Through Grantors' Number	Revenues			Total Revenues	Expenditures
				(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
FEDERAL PROGRAMS								
U. S. Department of Agriculture								
Child Nutrition Cluster								
School Breakfast Program	10.553	DPI	N/A	\$ -	\$ 14,174	\$ -	\$ 14,174	\$ 14,174
National School Lunch	10.555	DPI	N/A	-	21,261	-	21,261	21,261
Total Child Nutrition Cluster				-	35,435	-	35,435	35,435
State Administration Matching Grants for Food Stamp Program	10.561	DHS	N/A	-	842,864	-	842,864	842,864
State Administration Matching Grants for Food Stamp Program	10.561	DCF	N/A	-	1,581	-	1,581	1,581
Total Food Stamp Program				-	844,445	-	844,445	844,445
Total U.S. Department of Agriculture				-	879,880	-	879,880	879,880
U.S. Department of Commerce								
ARRA - Economic Adjustment Assistance	11.307	N/A	06-79-05338	-	95,943	6,984	102,927	102,927
U.S. Department of Housing and Urban Development								
Community Development Block Grant/State's Program	14.228	COMM	EAP 08-10	-	965,495	146,588	1,112,083	1,112,083
HOME Investments Partnership Program	14.239	COMM	WILHB0344-06	21,011	-	-	21,011	21,011
HOME Investments Partnership Program	14.239	Janesville	N/A	16,077	60,007	-	76,084	76,084
Total HOME Investments Partnership Program				37,088	60,007	-	97,095	97,095
Lead Hazard Demonstration	14.905	DHS	N/A	-	9,206	-	9,206	9,206
ARRA Lead Hazard Reduction Demonstration Grant Program	14.909	N/A	WILHB0413-08	35,232	349,918	(10,353)	374,797	374,797
Total U.S. Department of Housing and Urban Development				72,320	1,384,626	136,235	1,593,181	1,593,181
U.S. Department of Justice								
Juvenile Accountability Block Grant	16.523	DOA	N/A	-	33,322	-	33,322	33,322
Juvenile Justice And Delinquency Prevention Cease Grant	16.540 16.595	DOA DOJ	N/A N/A	- 3,181	39,036 380	- (3,181)	39,036 380	39,036 380
Justice Assistance Block Grant	16.609	DOA	N/A	-	19,825	-	19,825	19,825
Drug Court Discretionary Program	16.585	N/A	2009-DC-BX-19	(18,435)	62,993	8,250	52,808	52,808
State Criminal Assistance	16.606	N/A	N/A	-	36,492	-	36,492	36,492
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	N/A	-	56,309	(11,209)	45,100	45,100
Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	2009-DJ-BX-1171	31,796	-	-	31,796	31,796
ARRA Edward Byrne Memorial Justice Assistance Grant	16.738	N/A	2009-SB-9B-0870	118,528	-	-	118,528	118,528
Total Edward Byrne Memorial Justice Assistance Grant				150,324	56,309	(11,209)	195,424	195,424
Total U.S. Department of Justice				135,070	248,357	(6,140)	377,287	377,287

See accompanying notes to schedule of expenditures of federal and state awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2010

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Grant/Pass-Through Grantors' Number	Revenues			Total Revenues	Expenditures
				(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
FEDERAL PROGRAMS (cont.)								
U.S. Department of Transportation								
Commercial Driver's License Program Improvement Grant	20.232	DOT	N/A	\$ (51,503)	\$ 67,838	\$ -	\$ 16,335	\$ 16,335
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	DOT	N/A	-	39,702	-	39,702	39,702
State and Community Highway Safety	20.600	DOT	0950-02-62	-	25,000	-	25,000	25,000
State and Community Highway Safety	20.600	DOT	0960-30-19	-	40,000	-	40,000	40,000
State and Community Highway Safety	20.600	DOT	0960-30-08	-	15,000	-	15,000	15,000
Total State and Community Highway Safety				-	80,000	-	80,000	80,000
Total U.S. Department of Transportation				(51,503)	187,540	-	136,037	136,037
National Foundation on the Arts and the Humanities								
Library Services and Technology Act (LISTA)	45.310	N/A	09-152-LSTA	(3,308)	3,308	-	-	-
Library Services and Technology Act (LISTA)	45.310	N/A	09-200-LSTA	(773)	773	-	-	-
Library Services and Technology Act (LISTA)	45.310	N/A	10-411-LSTA	-	948	-	948	948
Library Services and Technology Act (LISTA)	45.310	N/A	10-121-LSTA	-	6,370	3,230	9,600	9,600
Library Services and Technology Act (LISTA)	45.310	N/A	10-237-LSTA	-	11,648	7,768	19,416	19,416
Library Services and Technology Act (LISTA)	45.310	N/A	10-155-LSTA	-	-	3,560	3,560	3,560
Library Services and Technology Act (LISTA)	45.310	N/A	10-201-LSTA	-	400	7,100	7,500	7,500
Total Library Services and Technology Act (LISTA)				(4,081)	23,447	21,658	41,024	41,024
Total National Foundation on the Arts and the Humanities				(4,081)	23,447	21,658	41,024	41,024
U.S. Environmental Protection Agency								
State Indoor Radon Grants	66.032	DHS	N/A	-	3,500	-	3,500	3,500
U.S. Department of Energy								
ARRA Energy Efficiency and Conservation Block Grant	81.128	DOC	DE-EE0000946	-	48,600	-	48,600	48,600
U.S. Department of Education								
Early Intervention Services (IDEA) Cluster								
Special Education - Grants for Infants and Families	84.181	DHS	N/A	-	168,714	-	168,714	168,714
ARRA Special Education - Grants for Infants and Families	84.393	DCF	N/A	-	84,838	-	84,838	84,838
Total U.S. Department of Education				-	253,552	-	253,552	253,552

See accompanying notes to schedule of expenditures of federal and state awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2010

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Grant/Pass-Through Grantors' Number	Revenues			Total Revenues	Expenditures
				(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
FEDERAL PROGRAMS (cont.)								
U. S. Department of Health and Human Services								
Substance Abuse and Mental Health Service - Projects of Regional and National Significance	93.243	DHS	N/A	\$ -	\$ 10,195	\$ -	\$ 10,195	\$ 10,195
ARRA Immunization For Children and Adults	93.268	DHS	N/A	-	11,848	-	11,848	11,848
Block Grants for Temporary Assistance for Needy Families	93.558	DHS	N/A	-	548,944	-	548,944	548,944
Block Grants for Temporary Assistance for Needy Families	93.558	DWD	N/A	-	2,500	-	2,500	2,500
Block Grants for Temporary Assistance for Needy Families	93.558	DCF	N/A	-	1,853,255	-	1,853,255	1,853,255
Total Block Grants for Temporary Assistance for Needy Families				-	2,404,699	-	2,404,699	2,404,699
Block Grants for Community Mental Health Services Preventive Health and Health Services Block Grant	93.958	DHS	N/A	-	145,809	-	145,809	145,809
Maternal and Child Health Services Block Grant	93.991	DHS	17406	-	17,302	-	17,302	17,302
Children's Health Insurance Program	93.994	DHS	17406	-	66,455	-	66,455	66,455
Public Health Emergency Preparedness Immunization Grants	93.767	DHS	17406	-	98,461	-	98,461	98,461
HIV Prevention Activities - Health Department Based Centers for Medicare and Medicaid Services Research	93.069	DHS	17514	-	448,680	-	448,680	448,680
Medical Assistance Program - WIMCR	93.268	DHS	17406	-	41,560	-	41,560	41,560
Medical Assistance Program	93.940	DHS	N/A	-	5,134	-	5,134	5,134
Medical Assistance Program	93.779	DHS	N/A	-	123,867	-	123,867	123,867
Medical Assistance Program	93.778	DHS	N/A	-	691,331	-	691,331	691,331
Medical Assistance Program	93.778	DHS	N/A	-	18,070,381	-	18,070,381	18,070,381
Medical Assistance Program	93.778	DCF	N/A	-	(4,727)	-	(4,727)	(4,727)
Total Medical Assistance Program				-	18,756,985	-	18,756,985	18,756,985
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DHS	N/A	-	933,640	-	933,640	933,640
Block Grants for Prevention and Treatment of Substance Abuse	93.959	DCF	N/A	-	100,195	-	100,195	100,195
Total Block Grants for Prevention and Treatment of Substance Abuse				-	1,033,835	-	1,033,835	1,033,835
Social Services Block Grant	93.667	DHS	N/A	-	1,116,798	-	1,116,798	1,116,798
Social Services Block Grant	93.667	DCF	N/A	-	129,445	-	129,445	129,445
Total Social Services Block Grant				-	1,246,243	-	1,246,243	1,246,243

See accompanying notes to schedule of expenditures of federal and state awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2010

Grantor Agency / Program Title	Federal CFDA Number	Pass- Through Agency	Grant/Pass-Through Grantors' Number	Revenues			Total Revenues	Expenditures
				(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
FEDERAL PROGRAMS (cont.)								
U. S. Department of Health and Human Services (cont.)								
Aging Cluster								
Title III, Part B - Grants for Supportive Services	93.044	GWAAR	N/A	\$ (4,352)	\$ 118,347	\$ 11,876	\$ 125,871	\$ 125,871
Title III, Part C - Nutrition Services	93.045	GWAAR	N/A	(51,727)	205,759	33,925	187,957	187,957
Nutrition Service Incentive Program	93.053	GWAAR	N/A	-	38,819	5,013	43,832	43,832
ARRA Funds - Aging Home Delivered Nutrition Services for States	93.705	GWAAR	N/A	(13,421)	13,421	-	-	-
ARRA Funds - Aging Home Delivered Nutrition Services for States	93.705	GWAAR	N/A	(12,093)	12,093	-	-	-
Total Aging Cluster				(81,593)	388,439	50,814	357,660	357,660
Title III Part D - In Home Services	93.043	GWAAR	N/A	(1,670)	9,399	600	8,329	8,329
Title III Part E - Family Caregiver Support	93.052	GWAAR	N/A	(38,395)	57,631	40,575	59,811	59,811
Centers for Medicare and Medicaid Research								
Demonstrations and Evaluations	93.779	DHS	N/A	1,320	5,000	-	6,320	6,320
Promoting Safe and Stable Families	93.556	DCF	N/A	-	61,800	-	61,800	61,800
Family Support Payments to States - Assistance Payments	93.560	DCF	N/A	-	711	-	711	711
Child Support Enforcement	93.563	DCF	N/A	-	1,841,295	-	1,841,295	1,841,295
ARRA - Child Support Enforcement	93.563	DCF	N/A	-	1,327,535	-	1,327,535	1,327,535
Total Child Support Enforcement				-	3,168,830	-	3,168,830	3,168,830
Child Care Mandatory and Matching Funds of the Child Care and Development Fund								
Child Welfare Service Grants - State Grants	93.596	DCF	N/A	-	591,694	-	591,694	591,694
Child Welfare Service Grants - State Grants	93.645	DCF	N/A	-	85,091	-	85,091	85,091
Child Welfare Service Grants - State Grants	93.645	DOC	N/A	-	16,884	10,202	27,086	27,086
Total Child Welfare Service Grants - State Grants				-	101,975	10,202	112,177	112,177
Foster Care - Title IV-E	93.658	DOC	N/A	-	24,389	14,735	39,124	39,124
Foster Care - Title IV-E	93.658	DCF	N/A	-	1,163,530	-	1,163,530	1,163,530
Total Foster Care				-	1,187,919	14,735	1,202,654	1,202,654
Chafee Foster Care Independence Program	93.674	DCF	N/A	-	30,135	-	30,135	30,135
Low Income Home Energy Assistance Block Grant	93.568	DOA	N/A	-	244,468	-	244,468	244,468
Total U.S. Department of Health and Human Services				(120,338)	30,259,074	116,926	30,255,662	30,255,662
U.S. Department of Homeland Security								
Hazard Mitigation Grant	97.039	DMA	FEMA-DR-1768-WI	-	796,179	(146,615)	649,564	649,564
Hazard Mitigation Grant	97.039	DMA	N/A	-	-	26,250	26,250	26,250
Total Hazard Mitigation Grant				-	796,179	(120,365)	675,814	675,814
Emergency Management Performance Grants	97.042	DMA	N/A	(50,639)	85,886	50,728	85,975	85,975
Homeland Security Grant Program	97.067	DOA	N/A	-	3,400	-	3,400	3,400
Homeland Security Grant Program	97.067	DOA	2007 - HS-05-7997	-	4,500	-	4,500	4,500
Homeland Security Grant Program	97.067	DOA	2007 - HS-05/13-7421	-	8,129	-	8,129	8,129
Total Homeland Security Grant Program				-	16,029	-	16,029	16,029
Total U.S. Department of Homeland Security				(50,639)	898,094	(69,637)	777,818	777,818
TOTAL FEDERAL PROGRAMS				\$ (19,171)	\$ 34,282,613	\$ 206,026	\$ 34,469,468	\$ 34,469,468

See accompanying notes to schedule of expenditures of federal and state awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended December 31, 2010

Grantor Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
STATE PROGRAMS						
Wisconsin Department of Agriculture, Trade and Consumer Protection						
Clean Sweep	115.040	\$ -	\$ -	\$ 18,500	\$ 18,500	\$ 18,500
County Staff and Support	115.150	-	154,233	-	154,233	154,233
Land and Water Resource Management	115.400	(73,106)	131,973	25,411	84,278	84,278
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		(73,106)	286,206	43,911	257,011	257,011
Wisconsin Department of Commerce						
Projects For Assistance In Transition From Homelessness	143.707	-	181,707	-	181,707	181,707
Wisconsin Department of Public Instruction						
Public Library Systems Aid	255.002	354,202	483,571	(365,504)	472,269	472,269
Wisconsin Department of Natural Resources						
Beckman Mill	370.421	(4,520)	-	4,520	-	-
Recreational Aids - Snowmobile Trail and Area 07/09 - 06/10	370.485	17,725	28,300	-	46,025	46,025
Recreational Aids - Snowmobile Trail and Area 07/10 - 06/11	370.485	-	28,300	(7,029)	21,271	21,271
Wildlife Damage Control and Abatement	370.553	(6,662)	6,662	7,349	7,349	7,349
DNR Conservation Grant	370.XXX	834	-	-	834	834
DNR Conservation Grant	370.XXX	-	4,062	-	4,062	4,062
Gypsy Moth Suppression Grant	370.XXX	-	4,255	-	4,255	4,255
Total Wisconsin Department of Natural Resources		7,377	71,579	4,840	83,796	83,796
Wisconsin Department of Transportation						
Elderly and Handicapped County Aids	395.101	-	357,441	-	357,441	357,441
Wisconsin Department of Corrections						
Youth Aids	410.313	-	1,834,763	1,108,558	2,943,321	2,943,321

See accompanying notes to schedule of expenditures of federal and state awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2010

Grantor Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
STATE PROGRAMS (cont.)						
Wisconsin Department of Health Services						
Funeral/Cemetery W-2 & Non W-2	435.105	\$ -	\$ 225,211	\$ -	\$ 225,211	\$ 225,211
Medicaid Transportation	435.131	-	64,722	-	64,722	64,722
MA COP LTS Expansion	435.143	-	6,921	-	6,921	6,921
Cons Contracts CHHD LD	435.157720	-	28,052	-	28,052	28,052
Cons Contracts MCH	435.159320	-	4,877	-	4,877	4,877
FSET Admin GPR/Fed Base	435.231	-	31,026	-	31,026	31,026
FSET Admin GPR/Fed Base	435.233	-	3,504	-	3,504	3,504
IMAA State Share	435.283	-	754,455	-	754,455	754,455
IMAA Federal Share	435.284	-	76,561	-	76,561	76,561
COP-W Waiver	435.338	-	970,110	-	970,110	970,110
CIP II Non Federal	435.348	-	1,918,158	-	1,918,158	1,918,158
Community Options Program	435.367	-	1,893,144	-	1,893,144	1,893,144
CIP II Community Relocate Non Federal	435.369	-	136,721	-	136,721	136,721
CIP II Diversions Non Federal	435.375	-	78,939	-	78,939	78,939
Alzheimer's Family Support	435.381	-	72,180	-	72,180	72,180
ICFMR Nonfed	435.407	-	1,137,001	-	1,137,001	1,137,001
FC Transition CIP1B Nonfed	435.410	-	5,977	-	5,977	5,977
CLTS Non Federal Other	435.460	-	37,001	-	37,001	37,001
CLTS MH Non Fed Other	435.461	-	24,363	-	24,363	24,363
CLTS PD Non Fed Other	435.462	-	20,500	-	20,500	20,500
CIP1B MFP Nonfed	435.475	-	7,342	-	7,342	7,342
CIP II MFP Nonfed	435.478	-	4,737	-	4,737	4,737
CLTS DD MFP NONFED	435.484	-	10,735	-	10,735	10,735
Community Support Program Wait List	435.504	-	61,500	-	61,500	61,500
Brain Injury Waiver	435.506	-	160,804	-	160,804	160,804
Certified Mental Health Program	435.517	-	71,504	-	71,504	71,504
Integrated Services for Children with Severe Disabilities	435.530	-	7,294	-	7,294	7,294
Non-Resident Reimbursement	435.531	-	73,310	-	73,310	73,310
Birth to Three Initiative	435.550	-	161,321	-	161,321	161,321
Basic County Allocation	435.561	-	3,987,985	-	3,987,985	3,987,985
CIP 1B	435.564	-	559,343	-	559,343	559,343
Treatment Alternative Program	435.576	-	67,512	-	67,512	67,512
Family Support	435.577	-	86,727	-	86,727	86,727
CIP 1A	435.580	-	694,304	-	694,304	694,304
Base County Allocation - State Match	435.681	-	616,046	-	616,046	616,046

See accompanying notes to schedule of expenditures of federal and state awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2010

Grantor Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
STATE PROGRAMS (cont.)						
Wisconsin Department of Health Services (cont.)						
Passed Through Greater Wisconsin Area on Aging Resources						
Benefit Specialist County	435.560320	\$ -	\$ 30,651	\$ 2,787	\$ 33,438	\$ 33,438
EBS OCI Replacement	435.560327	12,335	11,572	-	23,907	23,907
Senior Community Svs Prog	435.560330	(1,892)	8,582	2,462	9,152	9,152
Title 3C-1 Cong Meal Prog	435.560350	(52,446)	204,768	21,968	174,290	174,290
Title 3C-2 Home Meals	435.560360	(2,840)	8,203	5,523	10,886	10,886
Elder Abuse Service	435.560490	(23,688)	23,688	-	-	-
Total Wisconsin Department of Health Services		(68,531)	14,347,351	32,740	14,311,560	14,311,560
Wisconsin Department of Children and Families						
County Allocated Shared - W-2 Work Experience	437.215	-	9,136	-	9,136	9,136
County Allocated Shared - W-2 Other Work Activities	437.215	-	166,455	-	166,455	166,455
County Allocated Shared - W-2 Education	437.215	-	3,151	-	3,151	3,151
County Allocated Shared - W-2 Job Skills Training	437.215	-	63	-	63	63
County Allocated Shared - W-2 Parenting & Life Skills Training	437.215	-	691	-	691	691
County Allocated Shared - W-2 Retention & Life Skills Training	437.215	-	34,007	-	34,007	34,007
County Allocated Shared - W-2 SSI/SSDI Advocacy	437.215	-	7,748	-	7,748	7,748
County Allocated Shared - TANF Eligibility	437.215	-	1,498	-	1,498	1,498
County Allocated Shared - Refugee	437.215	-	80,085	-	80,085	80,085
W-2 Other work activities	437.215	-	40	-	40	40
W-2 Education	437.215	-	148	-	148	148
W-2 Parenting and Life Skills Training	437.215	-	2,420	-	2,420	2,420
W-2 Retention and Advancement Services	437.215	-	120	-	120	120
W-2 Transportation	437.215	-	10,805	-	10,805	10,805
W-2 Emergency Payments	437.215	-	3,702	-	3,702	3,702
W-2 Transition Benefits (W-2T)	437.215	-	246,848	-	246,848	246,848
W-2 Community Service Jobs	437.215	-	202,010	-	202,010	202,010
W-2 Workers Comp Insurance Premium	437.215	-	38	-	38	38
W-2 Custodial Parent of an Infant	437.215	-	169,416	-	169,416	169,416
W-2 Emergency Ass't	437.215	-	132,155	-	132,155	132,155
Job Access Loan Rpmt - Cash	437.223	-	(502)	-	(502)	(502)
W-2 Job Access Loan Paid Centrally	437.223	-	1,793	-	1,793	1,793
AFDC Agency Incentive	437.238	-	559	-	559	559
Food Stamp Agency Collections Take Back	437.267	-	(2,493)	-	(2,493)	(2,493)

See accompanying notes to schedule of expenditures of federal and state awards.

ROCK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2010

Grantor Agency / Program Title	State ID Number	Revenues			Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance		
STATE PROGRAMS (cont.)						
Wisconsin Department of Children and Families (cont.)						
Food Stamp Agency Collections Incentive	437.267	\$ -	\$ 4,074	\$ -	\$ 4,074	\$ 4,074
MA Agency Incentive	437.267	-	1,045	-	1,045	1,045
MA Agency Collection Take Back	437.267	-	(5,772)	-	(5,772)	(5,772)
AW DOJ Fingerprint Backgr	437.332	-	232	-	232	232
Children and Family Services Incentive	437.334	-	231,476	-	231,476	231,476
Foster Care Continuation	437.337	-	23,165	-	23,165	23,165
Brighter Future Initiative	437.354	-	117,621	-	117,621	117,621
Basic County Allocation	437.3561	-	942,032	-	942,032	942,032
F State/ County match	437.368	-	264,566	-	264,566	264,566
Total Wisconsin Department of Children and Families		-	2,648,332	-	2,648,332	2,648,332
Wisconsin Department of Justice						
Reimbursement for Victim and Witness Assistance Program	455.503	(114,912)	227,689	132,117	244,894	244,894
Wisconsin Department of Military Affairs						
Hazard Mitigation Grant	465.305	-	130,954	-	130,954	130,954
Emergency Government Response Equipment	465.308	-	8,388	-	8,388	8,388
Emergency Planning Grant	465.337	(17,673)	55,287	-	37,614	37,614
Public Safety - Emergency Government Disaster Assistance	465.365	5,143	-	-	5,143	5,143
Total Wisconsin Department of Military Affairs		(12,530)	194,629	-	182,099	182,099
Wisconsin Department of Veterans Affairs						
County Veterans Service Officer	485.001	-	15,439	-	15,439	15,439
Wisconsin Department of Administration						
Public Benefits	505.371	-	160,936	-	160,936	160,936
Substance Abuse Grant	505.622	-	39,983	-	39,983	39,983
Alternatives To Incarceration	505.628	-	146,848	-	146,848	146,848
Total Wisconsin Department of Administration		-	347,767	-	347,767	347,767
TOTAL STATE PROGRAMS		\$ 92,500	\$ 20,996,474	\$ 956,662	\$ 22,045,636	\$ 22,045,636

See accompanying notes to schedule of expenditures of federal and state awards.

ROCK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2010

NOTE 1 – REPORTING ENTITY

This report on Federal and State Awards includes the federal and state awards of Rock County. The reporting entity for Rock County is based upon criteria established by the Governmental Accounting Standards Board.

The schedule includes only those programs required to be included in accordance with the *State Single Audit Guidelines*.

NOTE 2 – BASIS OF PRESENTATION

The accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* and the *State Single Audit Guidelines*.

NOTE 3 – DIRECT PAYMENTS – STATE OF WISCONSIN

Direct payments to individuals from the State of Wisconsin on behalf of Rock County for the year ended December 31, 2010 include:

<u>Program</u>	<u>CFDA No.</u>	<u>Unaudited Amount</u>
W-2 Benefits	93.558	\$ 1,236,546
Food Stamp Program	10.561	34,202,759

ROCK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2010

NOTE 4 – DIRECT PAYMENTS – WISCONSIN MEDICAL ASSISTANCE

The County received the following payments from Wisconsin Medical Assistance through EDS Federal Corporation in 2010:

<u>County Department</u>	<u>Provider No.</u>	<u>Unaudited Amount</u>
Rock County Health Care Center	20161800	\$ 7,172,228
Rock County Health Department	41861600	8,075
Rock County Health Department	42010100	1,065
Rock County Health Department	43080300	416,662
Rock County Social Services	43078300	235,240
Rock County 51.437 Board	43078600	163,891
Total		<u>\$ 7,997,161</u>

NOTE 5 – CARS/CORE REPORT DATES

The Schedule of Expenditures of Federal and State Awards includes adjustments through the following Community Aids Reporting System (CARS) reports:

<u>Agency Number</u>	<u>Date</u>
53-005	June 1, 2011
53-010	June 1, 2011
53-023	June 1, 2011
53-024	June 1, 2011
53-030	June 1, 2011
53-105	June 1, 2011
53-130	June 1, 2011
53-230	June 1, 2011

The Schedule of Expenditures of Federal and State Awards includes adjustments through the December 31, 2010 CORE report.

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2010

SECTION I – SUMMARY OF AUDITORS' RESULTS (cont.)

FEDERAL OR STATE AWARDS (cont.)

Identification of major state programs:

<u>State Numbers</u>	<u>Name of State Program</u>
143.707	Projects for Assistance in Transition from Homelessness
255.002	Public Library Systems Aid
435.283	IMAA State Share
435.284	IMAA Federal Share
435.338	Community Options Program Waiver
435.348, 435.369, 435.375	Community Integration Program II
435.367	Community Options Program
435.407	ICFMR Nonfed
435.460, 435.461, 435.462, 435.484	Community Long-Term Support Waivers
435.506	Brain Injury Waiver
435.561, 437.3561	Basic County Allocation
435.681	Basic County Allocation – State Match
435.564	Community Integration Program 1B
435.580	Community Integration Program 1A
437.354	Brighter Future Initiative

SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

FINDING 10-1: INTERNAL CONTROL OVER FINANCIAL REPORTING

Material Journal Entries and Preparation of Financial Statements

Criteria: Statement on Auditing Standards (SAS) No. 115 requires us to report a material weakness for Rock County if material journal entries are detected as part of the financial audit, or the auditor prepares the annual financial statements and footnotes. In addition, the County should have adequate internal controls to prepare an accurate schedule of expenditures of federal and state awards.

Condition: Material journal entries were identified during the course of the audit and we, as your auditors, prepared your annual financial statements. In addition, we made material changes to the schedule of expenditures of federal and state awards.

Effect: The financial statements need to contain all of the required disclosures and account balances without material changes by your auditors. In addition, the schedule of expenditures of federal and state awards should be prepared by County personnel without material changes by the auditors.

Questioned Costs: None.

Recommendation: We recommend that the County put in place procedures in order to reduce the risk of material journal entries as well as determining if resources would be available to prepare a complete set of financial statements and the schedule of expenditures of federal and state awards.

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2010

SECTION II – FINANCIAL STATEMENT FINDINGS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (cont.)

FINDING 10-1: INTERNAL CONTROL OVER FINANCIAL REPORTING (cont.)

Corrective Action Plan: The County does not have sufficient professionally trained staff to prepare a complete set of year-end financial statements and schedule of federal and state awards free of material changes by the auditors. Due to budget constraints, it is unlikely that the County will be in a position to hire, train, and house professional staff to complete this task in the near future.

Official Responsible: Jeffrey A. Smith, Finance Director

SECTION III – FEDERAL AWARDS AND STATE AWARDS FINDINGS AND QUESTIONED COSTS

FINDING 10-2: STATE SINGLE AUDIT GUIDELINES GENERAL REQUIREMENTS

Criteria: DHS general requirements as identified in the *State Single Audit Guidelines* require that the County receive and review the audit reports of all providers who are required to submit an audit report as per Wisconsin Statute 46.036(4)(c).

Condition: We followed up on an audit report from the prior year's audit. The audit report was not received within 180 days of their fiscal year end.

Questioned Costs: None

Context: There was one audit report, Maxim Health Care Services, Inc., from 2009 that was not received and reviewed by the County in a timely manner. Audit reports are supposed to be provided by to the County by June 30, 2010.

Effect: Audit findings of the provider to Rock County may affect the County's decision to provide further funding, or result in corrective action.

Recommendation: We recommend that the County review all audit reports as required per Wisconsin Statute 46.036(4)(c).

Corrective Action Plan: The Department will establish a written policy to ensure that all audits are received and reviewed in a timely manner. The policy will include withholding provider payments if the required audit is not provided by the due date indicated in the contract. In this particular case, Maxim Health Care Services, Inc. has until September 1 to provide us an audit; otherwise, the Department will withhold payments for services beginning on September 1, 2011.

Official Responsible: Chairman Klyve, Director of Human Services

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2010

SECTION III – FEDERAL AWARDS AND STATE AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

FINDING 10-3: 435.367 COMMUNITY OPTIONS PROGRAM, WISCONSIN DEPARTMENT OF HEALTH SERVICES

Criteria: The Wisconsin Department of Human Services requires a service plan for each participant of the program. This care plan must be current, which is defined as a year old or less, it must be renewed at least every six months, and it must be signed by the participant or their guardian, if any.

Condition: The County did not maintain a current service plan for all participants.

Questioned Costs: None

Context: One participant of 40 tested did not have a current service plan that was signed.

Effect: The County could be unaware of necessary changes to the services that are provided to the participant.

Cause: The County had turnover in the position that was responsible for updating this individual's service plan.

Recommendation: We recommend that the County have standard procedures in place to ensure all service plans are updated timely.

Corrective Action Plan: The Department will implement procedures to periodically review participant files to ensure pertinent documents and worksheets are updated as needed. The results of these reviews will be presented to the director, deputy director, and long term support division manager.

Official Responsible: Chairman Klyve, Director of Human Services

FINDING 10-4: 14.228 COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH WISCONSIN DEPARTMENT OF COMMERCE

14.909 ARRA - LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Criteria: Federal grant requirements require that the recipient review the listing of debarred and suspended vendors prior to purchasing goods or services.

Condition: The County did not have a procedure in place to review the list of debarred and suspended vendors prior to procuring goods and services from vendors.

Questioned Costs: None

Context: During testing of controls and compliance it was determined that the County did not have a procedure in place to verify that vendors were not suspended or debarred.

Effect: The County may have used a vendor that was debarred or suspended.

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2010

SECTION III – FEDERAL AWARDS AND STATE AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

FINDING 10-4: *14.228 COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH WISCONSIN DEPARTMENT OF COMMERCE*

14.909 ARRA - LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (cont.)

Recommendation: We recommend that the County have a procedure in place in which they verify vendors have not been suspended or debarred before signing a contract.

Corrective Action Plan: The County has instituted an internal, standardized protocol to ensure that the listing of debarred or suspended vendors has been verified. Project files now include a checklist item indicating whether or not the appropriate website for debarred or suspended vendors has been verified (www.epls.gov – Excluded Parties List System) prior to the home owner signing a contract.

Official Responsible: Paul Benjamin, Planning & Development Director

FINDING 10-5: *14.228 COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH WISCONSIN DEPARTMENT OF COMMERCE*

Criteria: To ensure accuracy, reports should be reviewed by an individual other than the original preparer before they are submitted to the granting agency.

Condition: For the program noted above, the quarterly accomplishments and financial reports are not being reviewed by an individual other than the original preparer before they are submitted to the granting agency.

Questioned Costs: None

Context: During testing of this program, it was noted that reports were submitted without being reviewed by an individual other than the original preparer.

Effect: Reports could be submitted that contain errors.

Recommendation: We recommend that an employee other than the preparer review all reports before they are submitted to grantors.

Corrective Action Plan: To ensure accuracy, the County will institute an internal process of having the department director or director/designee provide the final review of reports, prior to submittal to the granting agency.

Official Responsible: Paul Benjamin, Planning & Development Director

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2010

SECTION III – FEDERAL AWARDS AND STATE AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

**FINDING 10-6: 14.909 ARRA – LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM, U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Criteria: To ensure accuracy, reports should be reviewed by an individual other than the original preparer before they are submitted to the granting agency.

Condition: For the program noted above, the quarterly progress reports as well as the annual ARRA report are not being reviewed by an individual other than the original preparer before they are submitted to the granting agency.

Questioned Costs: None

Context: During testing of this program, it was noted that the above noted reports were submitted without being reviewed by an individual other than the original preparer.

Effect: Reports could be submitted that contain errors.

Recommendation: We recommend that an employee other than the preparer review all reports before they are submitted to grantors.

Corrective Action Plan: To ensure accuracy, the County will institute an internal process of having the department director or director/designee provide the final review of reports, prior to submittal to the granting agency.

Official Responsible: Paul Benjamin, Planning & Development Director

**FINDING 10-7: 14.909 ARRA - LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM, U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Criteria: The Housing and Urban Development Agency requires the quarterly submittal of Form S425.

Condition: The County did not submit the second, third, or fourth quarters of this report.

Questioned Costs: None

Context: It was noted that three of the quarterly required reports were not submitted.

Effect: Financial information was not submitted as required.

Recommendation: We recommend that reports be prepared and submitted as required.

Corrective Action Plan: The second, third, and fourth quarter required reports will be submitted within ten business days. The department director will perform a final review of the reports prior to their submittal to the granting agency.

Official Responsible: Paul Benjamin, Planning & Development Director

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2010

SECTION III – FEDERAL AWARDS AND STATE AWARDS FINDINGS AND QUESTIONED COSTS (cont.)

**FINDING 10-8: 14.909 ARRA - LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM, U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Criteria: The cooperative agreement/grant provisions as well as Section 1606 of the Recovery Act requires all laborers and mechanics to be paid at wages and rates not less than those prevailing on projects of a character similar to the locality as determined by the Secretary of Labor in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code. The County is required to implement the Davis-Bacon Act for any contracts in excess of \$2,000 for construction, alteration or repair. The determination of the required payment of prevailing wages and rates is accomplished by obtaining certifications of pay.

Condition: For one of the projects we tested, the County did not obtain the proper certifications of payroll.

Questioned Costs: None

Context: One of two files tested did not contain the proper certification of payroll as required by Davis-Bacon.

Effect: The contractor may not have been paying prevailing wage rates.

Recommendation: We recommend that the County have procedures to ensure all required documentation related to Davis-Bacon requirements are present in project files before construction begins.

Corrective Action Plan: The County has instituted an internal, standardized protocol to ensure that all required documentation related to Davis-Bacon requirements is present in project files before construction begins. Project files now include a checklist item indicating whether or not Davis-Bacon documentation is required and its inclusion in the file.

Official Responsible: Paul Benjamin, Planning & Development Director

ROCK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2010

SECTION IV – OTHER ISSUES

1. Does the auditor's report or the notes to the financial statements include disclosure with regard to substantial doubt as to the auditee's ability to continue as a going concern?

_____	yes	X	no
-------	-----	---	----

2. Does the audit report show audit issues (i.e., material non-compliance, non-material non-compliance, questioned costs, material weakness, significant deficiency, management letter comment, excess revenue or excess reserve) related to grants/contracts with funding agencies that require audits to be in accordance with the *State Single Audit Guidelines*:

Department of Agriculture, Trade, and Consumer Protection	_____	yes	X	no
Department of Public Instruction	_____	yes	X	no
Department of Natural Resources	_____	yes	X	no
Department of Transportation	_____	yes	X	no
Department of Corrections	_____	yes	X	no
Department of Health Services	X	yes	_____	no
Department of Children and Families	_____	yes	X	no
Department of Justice	_____	yes	X	no
Department of Military Affairs	_____	yes	X	no
Department of Veterans Affairs	_____	yes	X	no
Department of Administration	_____	yes	X	no
Department of Commerce	_____	yes	X	no
Department of Workforce Development	_____	yes	X	no

3. Was a Management Letter or other document conveying audit comments issued as a result of this audit?

X	yes	_____	no
---	-----	-------	----

4. Name and signature of partner


_____ Thomas A. Scheidegger, CPA, Partner

5. Date of report

August 31, 2011

2010 Corrective Action Plan

County of Rock, Wisconsin
51 South Main Street
Janesville, WI 53545
EIN: 39-6005736

Finding 10-1: Internal Control Over Financial Reporting

Material Journal Entries and Preparation of Financial Statements

Criteria: Statement on Auditing Standards (SAS) No. 115 requires us to report a material weakness for Rock County if material journal entries are detected as part of the financial audit, or the auditor prepares the annual financial statements and footnotes. In addition, the County should have adequate internal controls to prepare an accurate schedule of expenditures of federal and state awards.

Condition: Material journal entries were identified during the course of the audit and we, as your auditors, prepared your annual financial statements. In addition, we made material changes to the schedule of expenditures of federal and state awards.

Effect: The financial statements need to contain all of the required disclosures and account balances without material changes by your auditors. In addition, the schedule of expenditures of federal and state awards should be prepared by County personnel without material changes by the auditors.

Questioned Costs: None.

Recommendation: We recommend that the County put in place procedures in order to reduce the risk of material journal entries as well as determining if resources would be available to prepare a complete set of financial statements and the schedule of expenditures of federal and state awards.

Corrective Action Plan: The County does not have sufficient professionally trained staff to prepare a complete set of year-end financial statements and schedule of federal and state awards free of material changes by the auditors. Due to budget constraints, it is unlikely that the County will be in a position to hire, train, and house professional staff to complete this task in the near future.

Official Responsible: Jeffrey A. Smith, Finance Director

2010 Corrective Action Plan

County of Rock, Wisconsin
51 South Main Street
Janesville, WI 53545
EIN: 39-6005736

FINDING 10-2: STATE SINGLE AUDIT GUIDELINES GENERAL REQUIREMENTS

Criteria: DHS general requirements as identified in the *State Single Audit Guidelines* require that the County receive and review the audit reports of all providers who are required to submit an audit report as per Wisconsin Statute 46.036(4)(c).

Condition: We followed up on an audit report from the prior year's audit. The audit report was not received within 180 days of their fiscal year end.

Questioned Costs: None

Context: There was one audit report, Maxim Health Care Services, Inc., from 2009 that was not received and reviewed by the County in a timely manner. Audit reports are supposed to be provided by to the County by June 30, 2010.

Effect: Audit findings of the provider to Rock County may affect the County's decision to provide further funding, or result in corrective action.

Recommendation: We recommend that the County review all audit reports as required per Wisconsin Statute 46.036(4)(c).

Corrective Action Plan: The Department will establish a written policy to ensure that all audits are received and reviewed in a timely manner. The policy will include withholding provider payments if the required audit is not provided by the due date indicated in the contract. In this particular case, Maxim Health Care Services, Inc. has until September 1 to provide us an audit; otherwise, the Department will withhold payments for services beginning on September 1, 2011.

Official Responsible: Chairmian Klyve, Director of Human Services

Planned Completion Date: October 1, 2011

2010 Corrective Action Plan

County of Rock, Wisconsin
51 South Main Street
Janesville, WI 53545
EIN: 39-6005736

FINDING 10-3: 435.367 COMMUNITY OPTIONS PROGRAM, WISCONSIN DEPARTMENT OF HEALTH SERVICES

Criteria: The Wisconsin Department of Human Services requires a service plan for each participant of the program. This care plan must be current, which is defined as a year old or less, it must be renewed at least every six months, and it must be signed by the participant or their guardian, if any.

Condition: The County did not maintain a current service plan for all participants.

Questioned Costs: None

Context: One participant of 40 tested did not have a current service plan that was signed.

Effect: The County could be unaware of necessary changes to the services that are provided to the participant.

Cause: The County had turnover in the position that was responsible for updating this individual's service plan.

Recommendation: We recommend that the County have standard procedures in place to ensure all service plans are updated timely.

Corrective Action Plan: The Department will implement procedures to periodically review participant files to ensure pertinent documents and worksheets are updated as needed. The results of these reviews will be presented to the director, deputy director, and long term support division manager.

Official Responsible: Chairmian Klyve, Director of Human Services

Planned Completion Date: October 1, 2011

2010 Corrective Action Plan

County of Rock, Wisconsin
51 South Main Street
Janesville, WI 53545
EIN: 39-6005736

***FINDING 10-4: 14.228 COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM,
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED
THROUGH WISCONSIN DEPARTMENT OF COMMERCE***

***14.909 ARRA - LEAD HAZARD REDUCTION DEMONSTRATION GRANT
PROGRAM, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT***

Criteria: Federal grant requirements require that the recipient review the listing of debarred and suspended vendors prior to purchasing goods or services.

Condition: The County did not have a procedure in place to review the list of debarred and suspended vendors prior to procuring goods and services from vendors.

Questioned Costs: None

Context: During testing of controls and compliance it was determined that the County did not have a procedure in place to verify that vendors were not suspended or debarred.

Effect: The County may have used a vendor that was debarred or suspended.

Recommendation: We recommend that the County have a procedure in place in which they verify vendors have not been suspended or debarred before signing a contract.

Corrective Action Plan: The County has instituted an internal, standardized protocol to ensure that the listing of debarred or suspended vendors has been verified. Project files now include a checklist item indicating whether or not the appropriate website for debarred or suspended vendors has been verified (www.epls.gov – Excluded Parties List System) prior to the home owner signing a contract.

Official Responsible: Paul Benjamin, Planning & Development Director

Planned Completion Date: September 1, 2011

2010 Corrective Action Plan

County of Rock, Wisconsin
51 South Main Street
Janesville, WI 53545
EIN: 39-6005736

***FINDING 10-5: 14.228 COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM,
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED
THROUGH WISCONSIN DEPARTMENT OF COMMERCE***

Criteria: To ensure accuracy, reports should be reviewed by an individual other than the original preparer before they are submitted to the granting agency.

Condition: For the program noted above, the quarterly accomplishments and financial reports are not being reviewed by an individual other than the original preparer before they are submitted to the granting agency.

Questioned Costs: None

Context: During testing of this program, it was noted that reports were submitted without being reviewed by an individual other than the original preparer.

Effect: Reports could be submitted that contain errors.

Recommendation: We recommend that an employee other than the preparer review all reports before they are submitted to grantors.

Corrective Action Plan: To ensure accuracy, the County will institute an internal process of having the department director or director/designee provide the final review of reports, prior to submittal to the granting agency.

Official Responsible: Paul Benjamin, Planning & Development Director

Planned Completion Date: September 1, 2011

2010 Corrective Action Plan

County of Rock, Wisconsin
51 South Main Street
Janesville, WI 53545
EIN: 39-6005736

FINDING 10-6: 14.909 ARRA – LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Criteria: To ensure accuracy, reports should be reviewed by an individual other than the original preparer before they are submitted to the granting agency.

Condition: For the program noted above, the quarterly progress reports as well as the annual ARRA report are not being reviewed by an individual other than the original preparer before they are submitted to the granting agency.

Questioned Costs: None

Context: During testing of this program, it was noted that the above noted reports were submitted without being reviewed by an individual other than the original preparer.

Effect: Reports could be submitted that contain errors.

Recommendation: We recommend that an employee other than the preparer review all reports before they are submitted to grantors.

Corrective Action Plan: To ensure accuracy, the County will institute an internal process of having the department director or director/designee provide the final review of reports, prior to submittal to the granting agency.

Official Responsible: Paul Benjamin, Planning & Development Director

Planned Completion Date: September 1, 2011

2010 Corrective Action Plan

County of Rock, Wisconsin
51 South Main Street
Janesville, WI 53545
EIN: 39-6005736

***FINDING 10-7: 14.909 ARRA - LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM, U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT***

Criteria: The Housing and Urban Development Agency requires the quarterly submittal of Form S425.

Condition: The County did not submit the second, third, or fourth quarters of this report.

Questioned Costs: None

Context: It was noted that three of the quarterly required reports were not submitted.

Effect: Financial information was not submitted as required.

Recommendation: We recommend that reports be prepared and submitted as required.

Corrective Action Plan: The second, third, and fourth quarter required reports will be submitted within ten business days. The department director will perform a final review of the reports prior to their submittal to the granting agency.

Official Responsible: Paul Benjamin, Planning & Development Director

Planned Completion Date: September 15, 2011

***FINDING 10-8: 14.909 ARRA - LEAD HAZARD REDUCTION DEMONSTRATION GRANT PROGRAM, U.S.
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT***

Criteria: The cooperative agreement/grant provisions as well as Section 1606 of the Recovery Act requires all laborers and mechanics to be paid at wages and rates not less than those prevailing on projects of a character similar to the locality as determined by the Secretary of Labor in accordance with Subchapter IV of Chapter 31 of Title 40, United States Code. The County is required to implement the Davis-Bacon Act for any contracts in excess of \$2,000 for construction, alteration or repair. The determination of the required payment of prevailing wages and rates is accomplished by obtaining certifications of pay.

2010 Corrective Action Plan

**County of Rock, Wisconsin
51 South Main Street
Janesville, WI 53545
EIN: 39-6005736**

Condition: For one of the projects we tested, the County did not obtain the proper certifications of payroll.

Questioned Costs: None

Context: One of two files tested did not contain the proper certification of payroll as required by Davis-Bacon.

Effect: The contractor may not have been paying prevailing wage rates.

Recommendation: We recommend that the County have procedures to ensure all required documentation related to Davis-Bacon requirements are present in project files before construction begins.

Corrective Action Plan: The County has instituted an internal, standardized protocol to ensure that all required documentation related to Davis-Bacon requirements is present in project files before construction begins. Project files now include a checklist item indicating whether or not Davis-Bacon documentation is required and its inclusion in the file.

Official Responsible: Paul Benjamin, Planning & Development Director

Planned Completion Date: September 1, 2011