

**ROCK COUNTY**

Janesville, Wisconsin

REPORT ON FEDERAL AND STATE AWARDS

For the Year Ended December 31, 2012

# ROCK COUNTY

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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*

Independent Auditors' Report

To the County Board of Supervisors  
Rock County  
Janesville, Wisconsin

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rock County, Wisconsin as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Rock County's basic financial statements and have issued our report thereon dated July 25, 2013.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Rock 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 Rock County's internal control. Accordingly, we do not express an opinion on the effectiveness of Rock County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. These material weaknesses are items 12-1 and 12-2.

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 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 disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Rock County's Response to Findings***

Rock County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Rock 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 it.

***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.

*Baker Tilly Virchow Krause, LLP*  
Madison, Wisconsin  
July 25, 2013

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND  
REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
REQUIRED BY OMB CIRCULAR A-133 AND THE *STATE SINGLE AUDIT GUIDELINES*

Independent Auditors' Report

To the County Board of Supervisors  
Rock County  
Janesville, Wisconsin

***Report on Compliance for Each Major Federal and Major State Program***

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, 2012. Rock County's major federal and major 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 Rock County's major federal and major 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; 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 on compliance for each major federal and major state program. However, our audit does not provide a legal determination of Rock County's compliance.

***Opinion on Each Major Federal and Major State Program***

In our opinion, Rock County 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 major state programs for the year ended December 31, 2012.

To the County Board of Supervisors  
Rock County

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, 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 12-3, 12-4, 12-5, 12-6, 12-8, 12-10 and 12-11. Our opinion on each major federal and major state program is not modified with respect to these matters.

### ***Rock County's Response to Findings***

Rock County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Rock County'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 Rock County 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 Rock County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal or major 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 major state program 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not 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 a 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 12-3, 12-4, 12-6, 12-7, 12-8, 12-9, 12-11 to be material weaknesses.

### ***Rock County's Response to Findings***

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

To the County Board of Supervisors  
Rock County

***Purpose of this Report***

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 OMB Circular A-133 and the *State Single Audit Guidelines*. Accordingly, this report is not suitable for any other purpose.

***Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and the 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 Rock County, Wisconsin as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Rock County's basic financial statements. We issued our report thereon dated July 25, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Baker Silly Veichow Krause, CPA*  
Madison, Wisconsin  
September 11, 2013

**ROCK COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
For the Year Ended December 31, 2012

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Pass- Through Agency	Grant/Pass-Through Grantors' Number	(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Revenues	
							Total Revenues	Expenditures
<b>FEDERAL PROGRAMS</b>								
<b>U. S. Department of Agriculture</b>								
Conservation Reserve Program	10.069	N/A	N/A	\$ -	\$ 24,024	\$ -	\$ 24,024	\$ 24,024
Child Nutrition Cluster								
School Breakfast Program	10.553	DPI	N/A	-	12,060	-	12,060	12,060
National School Lunch	10.555	DPI	N/A	-	22,906	-	22,906	22,906
Total Child Nutrition Cluster					34,966		34,966	34,966
State Administration Matching Grants for Food Stamp Program	10.561	DHS	N/A	-	1,387,442	-	1,387,442	1,387,442
Senior Farmers Market Nutrition Program	10.576	N/A	N/A	-	-	12,475	12,475	12,475
Total U.S. Department of Agriculture					1,446,432	12,475	1,458,907	1,458,907
<b>U.S. Department of Commerce</b>								
ARRA - Economic Adjustment Assistance	11.307	N/A	06-79-05338	-	47,921	-	47,921	47,921
<b>U.S. Department of Housing and Urban Development</b>								
Community Development Block Grant/State's Program	14.228	DOA	EAP 08-10	1,349	31,820	24,433	57,602	57,602
Community Development Block Grant/State's Program	14.228	DOA	N/A	1,405	451,594	-	452,999	452,999
Community Development Block Grant/State's Program	14.228	DOA	N/A	-	12,474	-	12,474	12,474
Total Community Development Block Grant/State's Program				2,754	495,888	24,433	523,075	523,075
HOME Investments Partnership Program	14.239	Janesville	N/A	(14,498)	21,198	-	6,700	6,700
Lead Hazard Demonstration	14.905	DHS	N/A	-	131,905	-	131,905	131,905
ARRA Lead Hazard Reduction Demonstration Grant Program	14.909	N/A	WILHB0413-08	19,449	132,658	-	152,107	152,107
Total U.S. Department of Housing and Urban Development				7,705	781,649	24,433	813,787	813,787
<b>U.S. Department of Justice</b>								
Juvenile Accountability Block Grant	16.523	DOA	N/A	(3,680)	12,967	3,115	12,402	12,402
Juvenile Justice and Delinquency Prevention	16.540	DOA	N/A	(7,356)	7,356	-	-	-
Developing, Testing and Demonstrating Promising New Programs	16.541	DOA	N/A	-	29,547	-	29,547	29,547
Drug Court Discretionary Program	16.585	N/A	2009-DC-BX-19	(8,117)	27,246	2,590	21,719	21,719
State Criminal Assistance	16.606	N/A	N/A	-	19,630	-	19,630	19,630
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	DOJ	2010-MO-BX-0012	-	2,649	-	2,649	2,649
Edward Byrne Memorial Justice Assistance Grant	16.738	DOJ	2012-DJ-BX-1126	-	40,051	(8,151)	31,900	31,900
Edward Byrne Memorial Justice Assistance Grant	16.738	DOJ	2011-DJ-BX-3369	201	(201)	-	-	-
Edward Byrne Memorial Justice Assistance Grant	16.738	DOJ	2009-DJ-01-9570	-	55,204	-	55,204	55,204
Total Edward Byrne Memorial Justice Assistance Grant				201	95,054	(8,151)	87,104	87,104
Total U.S. Department of Justice				(18,952)	194,449	(2,446)	173,051	173,051

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, 2012

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Pass- Through Agency	Grant/Pass-Through Grantors' Number	(Accrued) Deferred Beginning Balance	Revenues			Total Revenues	Expenditures
					Cash Received (Refunded)	Accrued (Deferred) Ending Balance	\$		
<b>FEDERAL PROGRAMS (cont.)</b>									
<b>U.S. Department of Transportation</b>									
Transit Services Program Cluster									
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	DOT	N/A	\$ -	\$ 100,469	\$ -	\$ 100,469	\$ 100,469	
New Freedom Program	20.521	DOT	N/A	(12,395)	52,660	26,934	67,199	67,199	
Total Transit Services Program Cluster				(12,395)	153,129	26,934	167,668	167,668	
Highway Safety Cluster									
State and Community Highway Safety	20.600	DOT	2013-N/A	-	4,248	1,887	6,135	6,135	
State and Community Highway Safety	20.600	DOT	2012-40-05-PT	(429)	30,232	-	29,803	29,803	
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	DOT	2013-N/A	-	3,625	3,052	6,677	6,677	
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601	DOT	2012-31-05-K8	(4,983)	34,744	-	29,761	29,761	
Occupant Protection Incentive Grants	20.602	DOT	2013-N/A	-	2,565	4,326	6,891	6,891	
Occupant Protection Incentive Grants	20.602	DOT	2012-25-05-K2	(1,286)	24,097	-	22,811	22,811	
Total Highway Safety Cluster				(6,698)	99,511	9,265	102,078	102,078	
Total U.S. Department of Transportation				(19,093)	252,640	36,199	269,746	269,746	
<b>National Foundation on the Arts and the Humanities</b>									
Library Services and Technology Act (LISTA)	45.310	N/A	12-53-9926-12-165	-	9,392	-	9,392	9,392	
Library Services and Technology Act (LISTA)	45.310	N/A	12-53-9926-12-121	-	9,600	-	9,600	9,600	
Library Services and Technology Act (LISTA)	45.310	N/A	12-53-9926-12-219	-	13,031	-	13,031	13,031	
Library Services and Technology Act (LISTA)	45.310	N/A	11-120-LSTA	(6,879)	6,879	-	-	-	
Library Services and Technology Act (LISTA)	45.310	N/A	11-240-LSTA	(3,574)	3,574	-	-	-	
Total Library Services and Technology Act (LISTA)				(10,453)	42,476	-	32,023	32,023	
Total National Foundation on the Arts and the Humanities				(10,453)	42,476	-	32,023	32,023	
<b>U.S. Environmental Protection Agency</b>									
State Indoor Radon Grants	66.032	DHS	N/A	-	3,500	-	3,500	3,500	
ARRA - Water Quality Management Planning	66.454	unknown	N/A	-	14,457	-	14,457	14,457	
Total U.S. Environmental Protection Agency				-	17,957	-	17,957	17,957	
<b>U.S. Department of Education</b>									
Safe and Drug-Free Schools and Communities-National Program	84.181	DHS	N/A	-	165,817	-	165,817	165,817	
Total U.S. Department of Education				-	165,817	-	165,817	165,817	

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, 2012

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Pass- Through Agency	Grant/Pass-Through Grantors' Number	(Accrued) Deferred Beginning Balance	Revenues			Total Revenues	Expenditures
					Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
	93.558	DHS	N/A	\$ -	\$ 329,590	\$ -	\$ 329,590	\$ 329,590	
	93.558	DCF	N/A	-	2,016,688	-	2,016,688	2,016,688	
	93.958	DHS	N/A	-	142,023	-	142,023	142,023	
	93.994	DHS	N/A	-	61,451	-	61,451	61,451	
	93.767	DHS	N/A	-	252,075	-	252,075	252,075	
	93.069	DHS	N/A	-	97,391	-	97,391	97,391	
	93.150	DOA	N/A	(29,078)	184,329	-	155,251	155,251	
	93.268	DHS	N/A	-	40,492	-	40,492	40,492	
	93.917	DHS	N/A	-	8,094	-	8,094	8,094	
	93.779	GWAAR	N/A	-	5,000	-	5,000	5,000	
	93.779	GWAAR	N/A	-	60,155	5,905	66,060	66,060	
	93.779	DHS	N/A	-	383,746	-	383,746	383,746	
				-	448,901	5,905	454,806	454,806	
	93.778	DHS	N/A	-	3,632,089	-	3,632,089	3,632,089	
	93.778	DHS	N/A	-	20,276,522	-	20,276,522	20,276,522	
	93.778	DCF	N/A	-	1,017,506	-	1,017,506	1,017,506	
				-	24,926,117	-	24,926,117	24,926,117	
	93.959	DCF	N/A	-	99,989	-	99,989	99,989	
	93.959	DHS	N/A	-	650,876	-	650,876	650,876	
	93.667	DHS	N/A	-	750,865	-	750,865	750,865	
	93.667	DHS	N/A	-	645,880	-	645,880	645,880	
	93.667	DCF	N/A	-	4,059	398	4,457	4,457	
				-	321,812	-	321,812	321,812	
				-	971,751	398	972,149	972,149	

**FEDERAL PROGRAMS (cont.)**

**U. S. Department of Health and Human Services**

- Block Grants for Temporary Assistance for Needy Families
- Block Grants for Temporary Assistance for Needy Families
- Total Block Grants for Temporary Assistance for Needs Families
- Block Grants for Community Mental Health Services
- Maternal and Child Health Services Block Grant
- Children's Health Insurance Program
- Public Health Emergency Preparedness
- Projects for Assistance in Transition from Homelessness
- Immunization Grants
- HIV Care Formula Grants
- Centers for Medicare and Medicaid Services Research
- Centers for Medicare and Medicaid Services Research
- Centers for Medicare and Medicaid Services Research
- Total Centers for Medicare and Medicaid Services Research
- Medical Assistance Program - WIMCR
- Medical Assistance Program
- Medical Assistance Program-CLTS
- Total Medical Assistance Program
- Block Grants for Prevention and Treatment of Substance Abuse
- Block Grants for Prevention and Treatment of Substance Abuse
- Total Block Grants for Prevention and Treatment of Substance Abuse
- Social Services Block Grant
- Social Services Block Grant
- Social Services Block Grant
- Total Social Services Block Grant

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, 2012

Grantor Agency / Pass-Through Agency/ Program Title	Federal CFDA Number	Pass- Through Agency	Grant/Pass-Through Grantors' Number	(Accrued) Deferred Beginning Balance	Revenues			Total Revenues	Expenditures
					Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total		
<b>FEDERAL PROGRAMS (cont.)</b>									
<b>U. S. Department of Health and Human Services (cont.)</b>									
Aging Cluster									
Title III, Part B - Grants for Supportive Services	93.044	GWAAR	N/A	\$ (13,308)	\$ 127,600	\$ 10,504	\$ 124,796	\$ 124,796	
Title III, Part C - Nutrition Services	93.045	GWAAR	N/A	(28,845)	184,185	6,922	162,262	162,262	
Nutrition Services Incentive Program	93.053	GWAAR	N/A	-	37,175	9,265	46,440	46,440	
Total Aging Cluster				(42,153)	348,960	26,691	333,498	333,498	
Title III, Part D - In-Home Services	93.043	GWAAR	N/A	(4,305)	6,392	1,869	3,956	3,956	
Title III, Part E - National Family Caregiver Support	93.052	GWAAR	N/A	(30,688)	45,098	40,906	55,316	55,316	
Home Visiting Program	93.505	DCF	N/A	-	81,189	30,608	111,797	111,797	
Promoting Safe and Stable Families	93.556	DCF	N/A	-	61,800	-	61,800	61,800	
Refugee and Entrant Assistance - State Administered Programs	93.566	DCF	N/A	-	2,615	-	2,615	2,615	
Child Support Enforcement	93.563	DCF	N/A	-	2,385,976	-	2,385,976	2,385,976	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	DCF	N/A	-	565,190	-	565,190	565,190	
Child Welfare Service Grants - State Grants	93.645	DCF	N/A	-	727,908	-	727,908	727,908	
Child Welfare Services Grant - State Grants	93.645	DOC	N/A	(1,123)	27,372	3,286	29,535	29,535	
Total Child Welfare Service Grants - State Grants				(1,123)	755,280	3,286	757,443	757,443	
Foster Care Title - IV-E	93.658	DOC	N/A	(1,747)	43,795	5,257	47,305	47,305	
Foster Care Title - IV-E	93.658	DOC	N/A	-	15,100	-	15,100	15,100	
Foster Care - Title IV-E	93.658	DCF	N/A	-	120,674	-	120,674	120,674	
Total Foster Care				(1,747)	179,569	5,257	183,079	183,079	
Chafee Foster Care Independence Program	93.674	DCF	N/A	-	32,120	-	32,120	32,120	
Low Income Home Energy Assistance Block Grant	93.568	DOA	N/A	-	199,103	33,248	232,351	232,351	
Total U.S. Department of Health and Human Services				(109,094)	34,893,059	148,168	34,932,133	34,932,133	
<b>Office of National Drug Control Policy</b>									
High Intensity Drug Trafficking Areas Program	95.001	Milwaukee HIDTA	G09ML0016A	(6,293)	6,293	-	-	-	
High Intensity Drug Trafficking Areas Program	95.001	Milwaukee HIDTA	G11ML0016A	(11,818)	50,000	2,279	40,461	40,461	
High Intensity Drug Trafficking Areas Program	95.001	Milwaukee HIDTA	G12ML0016A	-	-	22,820	22,820	22,820	
Total Office of National Drug Control Policy				(18,111)	56,293	25,099	63,281	63,281	
<b>U. S. Department of Homeland Security</b>									
Hazard Mitigation Grant	97.039	DMA	N/A	-	45,032	45,032	90,064	90,064	
Homeland Security Grant Program	97.067	DOA	2009-HS-05-9320	-	65,000	-	65,000	65,000	
Total U.S. Department of Homeland Security				-	110,032	45,032	155,064	155,064	
<b>TOTAL FEDERAL PROGRAMS</b>				<b>\$(167,998)</b>	<b>\$ 38,008,725</b>	<b>\$ 288,960</b>	<b>\$ 38,129,687</b>	<b>\$ 38,129,687</b>	

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, 2012

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues				Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
<b>STATE PROGRAMS</b>						
<b>Wisconsin Department of Agriculture, Trade and Consumer Protection</b>						
Clean Sweep	115.040	\$ -	\$ 12,600	\$ -	\$ 12,600	\$ 12,600
County Staff and Support	115.150	(786)	136,014	-	135,228	135,228
Land and Water Resource Management	115.400	(52,594)	52,594	52,177	52,177	52,177
Farmiland Preservation Program	115.XXX	(5,924)	5,924	-	-	-
Prescription Drug Collection Program	115.XXX	(6,225)	20,364	6,171	20,310	20,310
Total Wisconsin Department of Agriculture, Trade, and Consumer Protection		(65,529)	227,496	58,348	220,315	220,315
<b>Wisconsin Department of Public Instruction</b>						
Public Library Systems Aid	255.002	328,954	438,605	(329,954)	437,605	437,605
<b>Wisconsin Department of Natural Resources</b>						
Beckman Mill	370.421	-	16,271	-	16,271	16,271
Recreational Aids - Snowmobile Trail and Area 07/12 - 06/13	370.485	-	28,300	(16,534)	11,766	11,766
Recreational Aids - Snowmobile Trail and Area 07/11 - 06/12	370.485	12,374	28,300	-	40,674	40,674
Wildlife Damage Control and Abatement	370.553	(7,282)	7,282	7,005	7,005	7,005
DNR Conservation Grant	370.XXX	-	3,147	-	3,147	3,147
Lake Protection Grant	370.XXX	(1,575)	1,575	1,575	1,575	1,575
Water Patrol	370.XXX	-	16,737	-	16,737	16,737
Transient Non-Community Well Program	370.XXX	(5,175)	5,175	-	-	-
Total Wisconsin Department of Natural Resources		(1,658)	106,787	(7,954)	97,175	97,175
<b>Wisconsin Department of Transportation</b>						
Elderly and Handicapped County Aids	395.101	-	369,413	-	369,413	369,413

See 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, 2012

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues				Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	-		
<b>STATE PROGRAMS (cont.)</b>							
<b>Wisconsin Department of Corrections</b>							
Community Intervention Program 7/11-6/12	410.302	\$ (57,446)	\$ 134,093	-	\$ 76,647	\$ 76,647	
Community Intervention Program 7/12-6/13	410.302	-	64,270	22,543	86,813	86,813	
Youth Aids	410.313	(121,903)	2,666,000	320,033	2,864,130	2,864,130	
Total Wisconsin Department of Corrections		(179,349)	2,864,363	342,576	3,027,590	3,027,590	
<b>Wisconsin Department of Health Services</b>							
Cons Contracts CHHD LD	435.157720	-	24,384	-	24,384	24,384	
Cons Contracts MCH	435.159320	-	4,462	-	4,462	4,462	
FSET Admin GPR/Fed Base	435.231	-	6,391	-	6,391	6,391	
FSET Admin GPR/Fed Base	435.233	-	2,278	-	2,278	2,278	
IMAA State Share	435.283	-	1,274,719	-	1,274,719	1,274,719	
IMAA Federal Share	435.284	-	122,787	-	122,787	122,787	
COP-W Waiver	435.338	-	1,100,695	-	1,100,695	1,100,695	
CIP II Non Federal	435.348	-	2,335,799	-	2,335,799	2,335,799	
Community Options Program	435.367	-	1,930,852	-	1,930,852	1,930,852	
CIP II Community Relocate Non Federal	435.369	-	19,914	-	19,914	19,914	
CIP II Diversions Non Federal	435.375	-	46,219	-	46,219	46,219	
Alzheimer's Family Support	435.381	-	71,584	-	71,584	71,584	
ICFMR Nonfed	435.407	-	1,255,368	-	1,255,368	1,255,368	
FC Transition CIP1B Nonfed	435.410	-	23,695	-	23,695	23,695	
CIP1B MFP Nonfed	435.475	-	95,085	-	95,085	95,085	
Elder Abuse and Neglect	435.382	(19,036)	60,368	9,068	50,400	50,400	
Community Support Program Wait List	435.504	-	57,772	-	57,772	57,772	
Brain Injury Waiver	435.506	-	162,178	-	162,178	162,178	
Certified Mental Health Program	435.517	-	80,602	-	80,602	80,602	
Integrated Services for Children with Severe Disabilities	435.530	-	10,095	-	10,095	10,095	
Non-Resident Reimbursement	435.531	-	30,040	-	30,040	30,040	
Birth to Three Initiative	435.550	-	162,338	-	162,338	162,338	
Basic County Allocation	435.561	-	4,806,805	-	4,806,805	4,806,805	
CIP 1B	435.564	-	780,724	-	780,724	780,724	

See 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, 2012

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues				Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
<b>STATE PROGRAMS (cont.)</b>						
<b>Wisconsin Department of Health Services (cont.)</b>						
Treatment Alternative Program						
Family Support	435.576	\$ -	\$ 60,062	\$ -	\$ 60,062	\$ 60,062
CIP 1A	435.577	-	62,089	-	62,089	62,089
Base County Allocation - State Match	435.580	-	697,954	-	697,954	697,954
CLTS DD OTH CWA ADMIN GPR	435.681	-	634,604	-	634,604	634,604
CLTS MH OTH CWA ADMIN GPR	435.835	-	10,977	-	10,977	10,977
CLTS MH OTH CWA ADMIN GPR	435.841	-	6,041	-	6,041	6,041
CLTS MH OTH CWA ADMIN GPR	435.847	-	2,051	-	2,051	2,051
Passed Through Greater Wisconsin Area on Aging Resources						
Benefit Specialist County	435.560320		33,438		33,438	33,438
State Pharmacy Asst Prog 11-12	435.560327		9,067		9,067	9,067
Senior Community Svs Prog	435.560330		10,844	491	11,335	11,335
Title 3C-1 Cong Meal Prog	435.560350	(39,050)	156,437	11,524	128,911	128,911
Title 3C-2 Home Meals	435.560360	(758)	9,828	-	9,070	9,070
Total Wisconsin Department of Health Services		(58,844)	16,158,546	21,083	16,120,785	16,120,785
<b>Wisconsin Department of Children and Families</b>						
County Allocated Shared - W-2 Work Experience	437.215	-	1,797	-	1,797	1,797
County Allocated Shared - W-2 Other Work Activities	437.215	-	114,423	-	114,423	114,423
County Allocated Shared - W-2 Education	437.215	-	141	-	141	141
County Allocated Shared - W-2 Job Skills Training	437.215	-	472	-	472	472
County Allocated Shared - W-2 Parenting & Life Skills Training	437.215	-	76	-	76	76
County Allocated Shared - W-2 Retention & Life Skills Training	437.215	-	28,417	-	28,417	28,417
County Allocated Shared - W-2 SSI/SSDI Advocacy	437.215	-	9,064	-	9,064	9,064
County Allocated Shared - TANF Eligibility	437.215	-	623	-	623	623
County Allocated Shared - Refugee	437.215	-	65,596	-	65,596	65,596
W-2 Other work activities	437.215	-	95	-	95	95
W-2 Education	437.215	-	118	-	118	118
W-2 Retention and Advancement Services	437.215	-	249	-	249	249
W-2 Transportation	437.215	-	6,395	-	6,395	6,395
W-2 Emergency Payments	437.215	-	1,770	-	1,770	1,770

See 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, 2012

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues				Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance	Total Revenues	
<b>STATE PROGRAMS (cont.)</b>						
<b>Wisconsin Department of Children and Families (cont.)</b>						
W-2 Workers Comp Insurance Premium	437.215	\$ -	\$ 130	\$ -	\$ 130	\$ 130
W-2 Emergency Ass't	437.215	-	104,730	-	104,730	104,730
W-2 Transition Benefits	437.215	-	460,437	-	460,437	460,437
W-2 Community Service Jobs	437.215	-	138,870	-	138,870	138,870
W-2 Custodial Parent of an infant	437.215	-	78,465	-	78,465	78,465
W-2 No Slot Benefit	437.215	-	1,451	-	1,451	1,451
W2B At Risk Pregnancy	437.215	-	2,766	-	2,766	2,766
AW DOJ Fingerprint Backgr	437.332	-	1,402	-	1,402	1,402
Foster Care Continuation	437.337	-	23,165	-	23,165	23,165
Brighter Future Initiative	437.354	-	117,567	-	117,567	117,567
Basic County Allocation	437.3561	-	1,162,099	-	1,162,099	1,162,099
F State/ County match	437.3681	-	204,796	-	204,796	204,796
Home Visiting Program	437.XXX	(5,300)	43,396	-	38,096	38,096
CS Prepayment of 2011 CS Support	437.7502	-	190,211	-	190,211	190,211
Total Wisconsin Department of Children and Families		(5,300)	2,758,721	-	2,753,421	2,753,421
<b>Wisconsin Department of Justice</b>						
Cold Case Grant	455.XXX	(5,145)	9,132	2,772	6,759	6,759
Reimbursement for Victim and Witness Assistance Program	455.503	(88,136)	174,153	110,474	196,491	196,491
Total Wisconsin Department of Justice		(93,281)	183,285	113,246	203,250	203,250
<b>Wisconsin Department of Military Affairs</b>						
Emergency Government Response Equipment	465.308	-	7,965	-	7,965	7,965
Emergency Planning Grant	465.337	-	19,677	19,676	39,353	39,353
Total Wisconsin Department of Military Affairs		-	27,642	19,676	47,318	47,318
<b>Wisconsin Department of Veterans Affairs</b>						
County Veterans Service Officer	485.001	-	-	13,000	13,000	13,000

See 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, 2012

Grantor Agency / Pass-Through Agency / Program Title	State ID Number	Revenues				Total Revenues	Expenditures
		(Accrued) Deferred Beginning Balance	Cash Received (Refunded)	Accrued (Deferred) Ending Balance			
<b>STATE PROGRAMS (cont.)</b>							
<b>Wisconsin Department of Administration</b>							
Public Benefits	505.371	\$ -	\$ 134,173	\$ 20,997	\$ 155,170	\$ 155,170	
Alternatives to Incarceration	505.635	(18,762)	129,693	-	110,931	110,931	
Projects for Assistance in Transition from Homelessness	505.709	-	7,800	-	7,800	7,800	
Total Wisconsin Department of Administration		<u>(18,762)</u>	<u>271,666</u>	<u>20,997</u>	<u>273,901</u>	<u>273,901</u>	
<b>TOTAL STATE PROGRAMS</b>		<b>\$ (93,769)</b>	<b>\$ 23,406,524</b>	<b>\$ 251,018</b>	<b>\$ 23,563,773</b>	<b>\$ 23,563,773</b>	

See 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, 2012

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#### **NOTE 1 – BASIS OF PRESENTATION**

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The accompanying schedule of expenditures of federal and state awards (the "schedule") includes the federal and state grant activity of Rock County under programs of the federal and state government for the year ended December 31, 2012. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the *State Single Audit Guidelines*. Because the schedule presents only a selected portion of the operations of Rock County, it is not intended to and does not present the financial position, changes in net assets or cash flows of Rock County.

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#### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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Expenditures reported on the schedule are reported on the accrual or modified basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying 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.

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#### **NOTE 3 – PASS-THROUGH GRANTORS**

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Federal funds have been passed through the following grantors:

- DOJ – Wisconsin Department of Justice
- DOT – Wisconsin of Transportation
- DPI – Wisconsin Department of Public Instruction
- DOA – Wisconsin Department of Administration
- DHS – Wisconsin Department of Health Services
- DCF – Wisconsin Department of Children and Families
- Janesville – City of Janesville, Wisconsin
- GWAAR – Greater Wisconsin Agency on Aging Resources
- DOC – Department of Corrections
- DMA – Department of Military Affairs
- Milwaukee HIDTA (High-Intensity Drug Trafficking Areas)

## ROCK COUNTY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS For the Year Ended December 31, 2012

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#### **NOTE 4 – CARS/CORE REPORT DATES**

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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>
53-205	June 1, 2013
53-210	June 1, 2013
53-215	June 1, 2013
53-220	June 1, 2013
53-230	June 1, 2013

The Schedule of Expenditures of Federal and State Awards includes adjustments through the December 31, 2012 CORE report.

# ROCK COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

### SECTION I – SUMMARY OF AUDITORS’ RESULTS

#### *FINANCIAL STATEMENTS*

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- > Material weakness(es) identified?              X   yes                   no
- > Significant deficiency(ies) identified?              yes              X   none reported

Noncompliance material to financial statements noted?

       yes              X   no

#### *FEDERAL OR STATE AWARDS*

Internal control over major programs:

- > Material weakness(es) identified?              X   yes                   no
- > Significant deficiency(ies) identified?              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 section 510(a) of OMB Circular A-133?

  X   yes                   no

       Federal Programs                   State Programs

Auditee qualified as low-risk auditee?

       yes     X   no                   yes     X   no

Identification of major federal programs:

CFDA Number

Name of Federal Program or Cluster

10.561

State Administration Matching Grants for Food Stamp Program

14.228

Community Development Block Grant/State’s Program

93.558

Block Grants for the Temporary Assistance of Needy Families

93.778

Medical Assistance Program

       Federal                   State

Dollar threshold used to distinguish between type A and type B programs:

	\$	1,143,891	<u>DHS</u>	\$ 483,924	<u>All Other</u>	\$ 100,000
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## ROCK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

#### SECTION I – SUMMARY OF AUDITORS’ RESULTS (cont.)

##### *FEDERAL OR STATE AWARDS* (cont.)

Identification of major state programs:

State Number	Name of State Program
395.101	Elderly and Handicapped County Aids
410.313	Youth Aids
435.235, 435.284	Income Maintenance Available Allocation
435.338	COP-W Waiver
435.348, 435.369, 435.375	Community Integration Program II
435.367	Community Options Program
435.407	ICFMR Nonfed
435.506	Brain Injury Waiver
435.564	CIP 1B
435.580	CIP 1A
435.217	W-2
435.561, 437.3561, 437.3681	Basic County Allocation, F State/County Match
455.503	Reimbursement for Victim and Witness Assistance Program

The following Federal programs were tested as major programs according to the requirements of the *State Single Audit Guidelines*:

CFDA No.	Name of Federal Program
93.778	Medical Assistance Program - Case Management
93.778	Medical Assistance Program – Wisconsin Medicaid Cost Reporting
93.778	Medical Assistance Program – Medicaid Personal Care
93.558	Block Grants for Temporary Assistance for Needy Families – Kinship Care

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

##### ***FINDING 12-1: INTERNAL CONTROL OVER FINANCIAL REPORTING***

##### ***Material Journal Entries, SEFA Changes and Preparation of Financial Statements***

**Criteria:** Statement on Auditing Standards (SAS) No. 115 requires auditors to report a material weakness if material journal entries are required for the financial statement, material changes are made to schedule of expenditures of federal awards, or the auditor prepares the annual financial statements and footnotes.

# ROCK COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

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

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#### **FINDING 12-1: INTERNAL CONTROL OVER FINANCIAL REPORTING (cont.)**

##### **Material Journal Entries and Preparation of Financial Statements (cont.)**

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

**Cause:** County staff was not able to identify certain adjusting journal entries and the County contracted with the auditors to prepare the financial statements.

**Effect:** The financial statements and schedule of expenditures of federal and state awards need to contain all of the required disclosures and account balances without material changes by your auditors.

**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 for someone to review the schedule of expenditures of federal and state awards other than the preparer.

**Grantee's Response/Corrective Action Plan:** The county does not have sufficient professionally trained staff to prepare a complete set of year-end financial statements. Due to budget constraints, it is unlikely the county will be in a position to hire, train, and house professional staff to complete this task in the near future. The county will have staff, other than the preparer, review the schedule of expenditures of federal and state awards.

**Official Responsible:** Sherry Oja, Finance Director

#### **FINDING 12-2: RESTATEMENTS**

**Criteria:** Statement on Auditing Standards (SAS) No. 115 requires auditors to report a material weakness if a restatement is detected as part of the financial audit.

**Condition:** During the 2012 audit, restatements were identified, which resulted from financial reporting errors from in prior years' financial statements related to health insurance claims payable.

**Cause:** The County did not have controls in place to ensure that the claims payable as provided by their health insurance claims administrator was properly calculated and reported in the financial statements.

**Effect:** The health insurance claims payable in the financial statements in prior year was understated.

**Recommendation:** We recommend the County put in place controls to evaluate information provided by service providers is complete and accurate.

**Grantee's Response/Corrective Action Plan:** The county has revised its method of calculating the health insurance claims payable to ensure proper reporting going forward.

**Official Responsible:** Sherry Oja, Finance Director

# ROCK COUNTY

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

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

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#### ***FINDING 12-3: 435.367 COMMUNITY OPTIONS PROGRAM, WISCONSIN DEPARTMENT OF HEALTH SERVICES***

**Criteria:** Per the Community Option Program regulations, every COP participant who received COP funded services must have a care plan that is signed by the participant or the participant's guardian. That service plan should be reviewed at least every six months.

**Condition:** The County did not update all care plans every six months.

**Questioned Costs:** None noted.

**Context:** Out of the 40 files tested, one file contained a care plan that was not reviewed every six months.

**Effect:** The needs of the individual and the related care plan may have changed.

**Recommendation:** We recommend the County put in place a system to ensure that all service plans are updated every six months.

**Grantee's Response/Corrective Action Plan:** All Community Support Program (CSP) cases (both COP and Waiver) will be going to one worker in the Long Term Support (LTS) Division to complete paperwork. Effective 9/1/13 all Waiver cases moved to the LTS division for oversight of the paperwork, however, ongoing case management will still be provided by the CSP case manager. One worker in LTS has been designated to receive the Waiver files and will complete all paperwork associated to Waiver standards including: the annual Long Term Care Functional Screens, financial documents, Individual Service Plan's (ISP), Payment Authorizations, and authorizing invoices.

The same process will occur for the COP-only files. This transition of COP files will take place in the beginning of October 2013. This same worker will take over the paperwork for the CSP COP cases and maintain the COP file to ensure standards are met.

It is felt that LTS case managers are more aware of the COP/Waiver standards and requirements whereas CSP case managers tend to be more focused on the mental health needs of the clients. This transfer of paperwork to one worker in LTS will address the paperwork requirements.

**Official Responsible:** Charmian Klyve, Director of Human Services

#### ***FINDING 12-4: 435.564 CIP 1A, WISCONSIN DEPARTMENT OF HEALTH SERVICES***

**Criteria:** The DHS Audit Guide, Section 2.6.3 states that expenses and revenues reported to the department through HSRS must be complete, accurate, and supported by the County's records.

**Condition:** The SPC code reported on HSRS was not supported by the Individual Service Plans (ISP).

**Questioned Costs:** None noted.

**Context:** Out of the 40 files tested, one SPC code on an individual's ISP did not agree to HSRS. The HSRS was incorrect.

## ROCK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

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

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##### ***FINDING 12-4: 435.564 CIP 1A, WISCONSIN DEPARTMENT OF HEALTH SERVICES (CONT.)***

**Effect:** The incorrect services on the HSRS were funded by grant dollars.

**Recommendation:** We recommend the County put in place a system to ensure that the appropriate SPC code is used to report costs to the state on the HSRS.

**Grantee's Response/Corrective Action Plan:** The DD Board's Contract Compliance Specialist checks incoming ISP's submitted by the case managers and matches SPC codes with both the bills and HSRS. The DD Board's Contract Compliance Specialist e-mails the case managers if any corrections to the SPC codes on the ISP and HSRS are necessary. The DD Board's Contract Compliance Specialist will notify the DD Board's HSRS Data Entry staff of any corrections to the SPC codes to ensure accurate HSRS reporting to the State.

**Official Responsible:** John Hanewall, Developmental Disabilities Director

##### ***FINDING 12-5: STATE SINGLE AUDIT GUIDELINES GENERAL REQUIREMENTS, WISCONSIN DEPARTMENT OF HEALTH SERVICES***

**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 audit reports from the prior year's audit. One audit report was not received within 180 days of their fiscal year end. Another audit report was received, but was not reviewed timely by the County.

**Questioned Costs:** None noted.

**Context:** There was one audit report (Sterling Adult Family Home) from 2011 that was not received and reviewed by the County in a timely manner. Audit reports are supposed to be provided to the County by June 30, 2012. Also, one audit report (University Health Care Inc.) was received timely, however, it was not reviewed by the County to ensure the report contained all of the applicable report elements required by the contract and that the subrecipient complied with program requirements.

**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 obtain and review all audit reports timely as required per Wisconsin Statute 46.036(4)(c).

## ROCK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

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

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##### ***FINDING 12-5: STATE SINGLE AUDIT GUIDELINES GENERAL REQUIREMENTS (cont.)***

***Grantee's Response/Corrective Action Plan:*** The Rock County Developmental Disabilities Board granted a request for a 30-day extension of time for the Sterling Adult Family Home 2011 audit requested by the certified public accounting firm that prepares the provider's audit. After the extension of time the DD Board followed up on the status of the audit. Per the certified public accounting firm, Sterling AFH did not submit their financial materials to the accounting firm. Both the DD Board Director and Financial Supervisor made several attempts at contacting both the provider and accounting firm requesting the 2011 audit. Documentation of correspondence and phone calls made are in the provider's contract file. After several attempts by the DD Board, a letter dated December 14, 2012 signed by both the DD Board Director and Financial Supervisor was sent to Sterling AFH and cc'd to the certified public accounting firm informing them that effective January 1, 2013 the Rock County DD Board will no longer make payments to Sterling AFH until the DD Board receives documentation from the accounting firm that Sterling AFH has submitted the necessary paperwork for both the 2010 and 2011 agency audit. This action is per the DD Board's provider agreement with Sterling AFH Part V. Audit Requirements, section H (4) "In the event that the Provider fails to have an appropriate audit performed or fails to provide a complete audit report to the Purchaser within the specified timeframes, the Purchaser may: Withhold payment, cancel the Contract, or take other actions deemed by the Purchaser to be necessary to protect the Purchaser's interests". As of this date Sterling AFH has yet to provide the necessary audit paperwork and the Rock County DD Board has not paid the provider for services in 2013.

In regards to University Health Care, the Rock County Human Services department will make sure when audits are received and subsequently reviewed, that the checklist that is maintained is completed and then reviewed by the Controller on a monthly basis

***Official Responsible:*** Charmian Klyve, Director of Human Services and John Hanewall, Developmental Disabilities Director

##### ***FINDING 12-6: 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 all projects over \$2,000, the County did not obtain the proper certifications of payroll.

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

***Context:*** None of the five files tested contained the proper certification of payroll as required by Davis-Bacon.

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

## ROCK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

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

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**FINDING 12-6: 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 procedures to ensure all required documentation related to Davis-Bacon requirements are present in project files before contractors are paid.

**Grantee's Response/Corrective Action Plan:** The Lead Hazard Reduction Demonstration Grant closed its performance period in of March 2012. If the County receives a grant with similar Davis-Bacon requirements, it will amend its "Project File Checklist" to include a field indicating whether or not Davis-Bacon requirements are present for the particular funding program and/or project.

**Official Responsible:** Colin Bymes

**FINDING 12-7: 14.228 COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH WISCONSIN DEPARTMENT OF ADMINISTRATION**

**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 noted.

**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.

**Grantee's Response/Corrective Action Plan:** The quarterly accomplishments reports are prepared and reviewed by the division's program manager. The financial reports are prepared and reviewed by the division's accountant. Both of these staff members compile the report for submittal to the reporting agency. The County has added a second review and approval of the completed report by the agency's director before they are filed.

**Official Responsible:** Colin Byrnes, Interim Director of Planning and Development

**FINDING 12-8: 14.228 COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH WISCONSIN DEPARTMENT OF ADMINISTRATION**

**Criteria:** OMB Circular A-87 requires that the County maintain documentation to support allowable expenditures.

**Condition:** The County did not maintain support for all expenditures under the program.

## ROCK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

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

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**FINDING 12-8: 14.228 COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM,  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH WISCONSIN  
DEPARTMENT OF ADMINISTRATION (cont.)**

**Questioned Costs:** \$2,950

**Context:** Out of the twelve expenditures tested, one expenditure did not have supporting documentation.

**Effect:** The County could incur unallowable grant expenditures.

**Recommendation:** We recommend that supporting documentation be required for all grant expenditures.

**Grantee's Response/Corrective Action Plan:** The County will secure the required supporting documentation from the project contractor for this expenditure and complete the file. The agency's current policy: the agency accountant requires a contractor requested/homeowner approved invoice for completed project work before processing any program expenditures.

**Official Responsible:** Colin Byrnes, Interim Director of Planning and Development

**FINDING 12-9: 14.228 COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM,  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH WISCONSIN  
DEPARTMENT OF ADMINISTRATION**

**Criteria:** OMB Circular A-102 requires that Federal agencies, or their subgrantees, shall not award assistance to applicants that are debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549. Agencies, or subgrantees, shall establish procedures for the effective use of the List of Parties Excluded from Federal Procurement or Nonprocurement programs to ensure that they do not award assistance to listed parties in violation of the Executive Order.

**Condition:** The County did not maintain documentation that all vendors used under the program had not been suspended or debarred.

**Questioned Costs:** None noted.

**Context:** Out of the twelve vendors tested, there was no evidence that two vendors had been compared to the List of Parties Excluded from Federal Procurement or Nonprocurement.

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

**Recommendation:** We recommend that the County check vendors to a list of suspended and debarred vendors to ensure they are not on the list when procuring vendors and maintain documentation of this review.

## ROCK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

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

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**FINDING 12-9: 14.228 COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM,  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH WISCONSIN  
DEPARTMENT OF ADMINISTRATION (cont.)**

**Grantee's Response/Corrective Action Plan:** The County has acquired a login to the System For Award Management (www.sam.gov) in order to search for ineligible contractors. A field has been added to the Project File Checklist indicating the location of the website, the date that the search was completed, and the results of the search. A date stamped single-page printout of the website search results will be included in the project file.

**Official Responsible:** Colin Byrnes, Interim Director of Planning and Development

**FINDING 12-10: 14.228 COMMUNITY DEVELOPMENT BLOCK GRANT/STATE'S PROGRAM,  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PASSED THROUGH WISCONSIN  
DEPARTMENT OF ADMINISTRATION**

**Criteria:** Requirements in 24 CFR sections 91.115 and 570.486 state that the grantee must certify to HUD that it has met the citizen participating requirements.

**Condition:** The County posted its public notice 12 days prior to the hearing, which was less than the required two weeks.

**Questioned Costs:** None noted.

**Context:** Rock County's citizen participation plan was posted of its public notice prior to the 14 days minimum requirement.

**Effect:** The citizens of Rock County were not notified of the hearing in the required time period.

**Recommendation:** We recommend that the County have procedures in place to ensure that notifications are made timely.

**Grantee's Response/Corrective Action Plan:** County staff will forward future required legal notices 24 days before meeting date deadline to publication staff. In addition, the department director will review the legal notice before it is filed to determine timeliness of publication.

**Official Responsible:** Colin Byrnes, Interim Director of Planning and Development

**FINDING 12-11: 93.778 MEDICAL ASSISTANCE PROGRAM, CASE MANAGEMENT, U.S. DEPARTMENT OF  
HEALTH AND HUMAN SERVICES PASSED THROUGH WISCONSIN DEPARTMENT OF HEALTH  
SERVICES**

**Criteria:** The Wisconsin Administrative Code DHS 107.32 indicates that the case manager shall maintain a file for each recipient receiving case management services.

**Condition:** The County was missing one case management file.

**Questioned Costs:** \$11

**Context:** Out of the forty case files tested, one case file could not be located.

## ROCK COUNTY

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2012

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

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***FINDING 12-11: 93.778 MEDICAL ASSISTANCE PROGRAM, CASE MANAGEMENT, U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES PASSED THROUGH WISCONSIN DEPARTMENT OF HEALTH SERVICES (cont.)***

***Effect:*** The recipient may not be receiving services for which the County is being reimbursed.

***Recommendation:*** We recommend that the County have procedures in place to maintain file documentation for all individuals receiving case management services.

***Grantee's Response/Corrective Action Plan:*** As of August 19, 2013, all case management documentation is completed in an electronic record.

***Official Responsible:*** Charmian Klyve, Director of Human Services

