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December 20, 2007

To the Workforce Development Board Membership
Southwest Wisconsin Workforce Development Board, Inc.
Platteville, Wisconsin

This letter is written to provide a response to the Management Letter from Wegner LLP, and their comments and recommendations for the Southwest Wisconsin Workforce Development Board as a result of the audit prepared for fiscal year ended June 30, 2007.

Financial Reporting Process

Recommendation: In October, David Odahl, Wegner LLP, met with the Audit Committee and explained the controversial changes in the Standards for accounting and audit environments. Some of the Standards were effective immediately, and some are not effective until next audit cycle. A change that affected the Southwest Wisconsin Workforce Development Board immediately was the preparation of the financial statements and appropriate disclosures in accordance and required by generally accepted accounting principles (GAAP). Historically, Wegner LLP has prepared the financial statements and disclosures on behalf of SWWDB. The following three options to handle the new Standard, were presented by Wegner at the October Finance Committee meeting:

1. Conduct the audit as scheduled and have the auditor prepare the financial statements and receive the written communication at the end of the audit identifying the material weakness.
2. Delay the audit and engage another public accounting firm or hire an employee to prepare the financial statements.
3. Delay the audit and have the Director of Finance prepare the financial statements.

The Audit Committee directed the Auditor to prepare the financial statements for fiscal year ended June 30, 2007, with the understanding that they would have written communication at the end of the audit identifying the material weakness.

Proposed Action: SWWDB staff reviewed the options, and recommend that the Director of Finance receive the necessary training to prepare the financial statements for the audit ending June 30, 2008. The Financial Statements will be prepared in accordance with the Statements of Financial Accounting Standards (SFAS) No. 117-For Not-for-Profit Organizations.

Risk Assessment Standards

Recommendation: In March 2006, the Auditing Standards Board (ASB) issued eight new Statements on Auditing Standards (SAS), collectively referred to as the risk assessment standards. The Standards bring sweeping changes and provide guidance for the audits of financial statements for periods beginning on or after December 15, 2006 (generally calendar year 2007). Wegner LLP recommends that SWWDB staff review current policies and procedures to provide and maintain a strong system of internal control while maintaining efficiency.

Proposed Action: SWWDB management staff will review fiscal policies and procedures currently in place, to ensure that internal control measures are maintained. Any modifications and/or recommendations will be presented to the Audit Committee for their review and recommendation.

The Southwest Wisconsin Workforce Development Board staff would like to thank Wegner LLP for their positive feedback and recommendations.

Sincerely,

A handwritten signature in blue ink that reads "Robert T. Borremans". The signature is fluid and cursive, with a horizontal line extending from the end.

Robert T. Borremans, Ed.D.
Executive Director

cc: Audit Committee Members
Wegner LLP

