



COUNTY OF MARATHON

COURTHOUSE

500 FOREST STREET

WAUSAU, WISCONSIN 54403-5568

August 9, 2005

Mr. Don Rahn, Partner
Virchow Krause
Ten Terrace Court
PO Box 7398
Madison, WI 53707-7398

Dear Mr. Rahn:

The Finance and Property Committee for Marathon County will receive a copy of the Report on Internal Control (Including Memorandum on Accounting Procedures, Internal Controls and Other Matters), and will review the document at its August 15, 2005 meeting. The Finance Department (Department) will continue to work with management on the items noted in the report to strengthen internal controls and increase operational efficiency. Listed below is the plan for implementing items discussed in the Report on Internal Controls.

The County would like to thank Don Rahn, Partner, Robert Schuettpelez, Audit Manager and the Virchow Krause staff for their work to complete our audit.

Management Point Department Controls

Marathon County takes seriously concerns about issues surrounding internal controls and procedures used at our organization. Several memos detailing guidelines for financial and accounting policies have been issued by management to assist departments in following County procedures that are designed to strengthen internal controls and standardized procedures. We welcome your comments and suggestions on ways to improve these areas.

In regards to segregation of duties, the Executive Management Team will put together a plan to review and address any way we can mitigate the risk posed by the lack of segregation of duties in the departments identified in your letter.

Response to Status of Prior Year Points County Travel Policy

Based on your recommendations, County Administration has implemented new travel guidelines that take into account the concerns that you addressed in the Report on Internal Controls.

Response to Informational Disclosures

Marathon County will comply with all new GASB requirements as they become effective for financial reporting. We appreciate the technical assistance we receive from Virchow Krause to better prepare Marathon County for implementing all new GASB pronouncements as required.

Required Audit Communications

The listing of information in this section of the letter from Virchow Krause is an audit requirement. It is designed to give the auditors a format with which to make accurate and timely comment to the County regarding new and better procedures and bring audit issues to your attention.

The management at Marathon County appreciates the hard work and professionalism that Virchow Krause has put into this audit. We are working to implement the suggestions that you have made in order to strengthen our commitment to effective management and internal control.

Sincerely,

MARATHON COUNTY

*Kristi Kordus
Marathon County Finance Director*