

External Audit Review Oversight Committee Minutes
October 17, 2017 – 5:30 P.M.

The meeting was called to order at 5:30 p.m. by David Frohling in Room 4C – Fourth Floor of the Administration Building.

Members present: David Frohling, Russell Kottke, Mary Bobholz, Donna Maly, and Stephanie Justmann.

Also present were: James Mielke, County Administrator, Monica Hooper Fiscal and Support Services Division Manager, Finance Director Julie Kolp, Human Services and Health Board Director Becky Bell.

Frohling certified that public notice was given for this meeting and complies with the requirements of Wisconsin's open meetings law.

There was no public comment.

A motion was made by Justmann and seconded by Maly to approve the minutes of the June 20, 2017 meeting as presented. The motion carried.

Frohling called upon Monica Hooper who distributed a new Baker Tilly Operational Review chart dated October 17, 2017. Ms. Hooper reviewed the chart with the committee drawing attention to the following:

- Page 1, item 3 – Rates for Services. Ms. Hooper stated the rates for clinical services are being reviewed and will be adjusted the first of each year.
- Page 2, item 4 – This item is complete.
- Page 2, item 5 – Work is still progressing on this item and is almost complete.
- Page 3, item 9 – Ms. Hooper reported they are making progress getting the software implementation working.
- Page 3, item 10 – New employee has been hired and this is helping getting the billing done.
- Page 4, item 2 – This item is complete.
- Page 4, item 5 – Ms. Hooper explained there will be ongoing training with Human Services division managers. She is working with them to learn how to read budget reports.
- Page 6, item 2 – No change.
- Page 6, item 3 – This item is complete.
- Page 7, items 1-4 – These items are being worked on.
- Page 8, item 1 – This item is complete.
- Page 9, item 4 – This item is complete.

Supervisor Justmann stated Net smart is a work in progress and she suggested Corporation Counsel review the Net smart contract to make sure they are fulfilling the contract as written. It was the consensus of the committee to ask Corporation Counsel to do so.

The committee discussed the Johnson and Block findings and how they are similar to findings in this operational review. This topic will be added to the next committee agenda.

Next suggested meeting is scheduled for Tuesday, November 14, 2017, at 7:30 a.m. in meeting room 4C, fourth floor of the Dodge County Administration Building.

With no further business on the agenda, Chair Frohling declared the meeting adjourned at 6:32 p.m.



Russell Kottke, Secretary

Completed Items

NUMBER/OBSERVATION	RECOMMENDATION	PRIORITY	STAFF IDENTIFIED FOR PROCESS IMPROVEMENT	ADDITIONAL STAFF, COUNTY, OTHER RESOURCES NEEDED	INITIAL STEPS IDENTIFIED FOR PROCESS IMPROVEMENT	UPDATE ON STEPS TAKEN as of July 18, 2016/ November 2, 2016	UPDATE ON STEPS TAKEN as of March 16, 2017	UPDATE ON STEPS TAKEN as of June 16, 2017	UPDATE ON STEPS TAKEN as of October 11, 2017	NEXT STEPS IN PROCESS IMPROVEMENT
THIRD PARTY BILLING										
2. Clinical Services Billing: The Department is significantly behind on third party billing which has resulted in delayed recording of revenue and receivables. The current year general ledger activity to date contains revenues related to 2014. Additionally, at the time of the site visits, the current year billing was only completed through February 2015. (#2, Pg 4)	We recommend the Department commit the resources to catch up on billing so that the County does not miss deadlines for billing Medicare and Medicaid within the allowed timeframe and collects private payments timely, ensuring the Department is maximizing its revenues for services provided.	HIGH	Monica Hooper, Division Manager; Vacant, Fiscal Support Supervisor; Account Clerk Billing Staff - Carrie Bunker, Lisa Zimmer, Deb Grady		1. Review job tasks and duties of current Account Clerk staff to place priority on billing activities; 2. Re-assign duties as from Account Clerks as necessary to allow for priority on billing; 3. Develop ongoing review and status update process to oversee billing processes; 4. Draft and implement policy and procedures needed to ensure process improvement to meet recommendation; 5. Develop ongoing evaluation, revision and ongoing process improvement	Billing statements for March have been sent. Payments received in April are being entered - this needs to be completed before the April billing statements are sent. /Billing Statements for September have been sent. The departure of a Fiscal Supervisor at the beginning of August was a setback with this project (we are in the process of refilling this position) and in the meantime Makenzie Dray from Finance is providing assistance with gathering the data for revenue and receivable entries needed prior to 2016 year end.	Billing is completed for 2016. The department is also all caught up with billing through the end of February with the exception of Centpatco which will be completed by the end of this week.	Billing is completed for March. Netsmart was onsite May 31-June 2nd to assist HSHD in getting all claims completed.	The agency is waiting for the Private Pay customization to be validated & tested in development before moving to Production. Once this is done, month end process for March can begin and the remaining months to follow.	Based on the implementation of the new software, with a go-live date by March 1, 2017, workflow processes will be revised to reflect the functionality of the software. With full software implementation and workflow revision, the process will be documented in a policy and procedure. The policy and procedure will be utilized to standardize practice including setting timelines for all billing procedures.
3. Rates for services are entered into the Clinical Services billing software by the Division Manager and are reviewed by the Account Clerk III. However, this review has not been historically documented. We understand that typically changes to the rates are required by the state, and that the rates set by the County have not changed for several years. (#3, Pg 4)	We recommend the Account Clerk III document the review of rates entered to authorized rates (either from the state or the County) to reduce the risk that incorrect rates are entered into the Clinical Services billing system. We also recommend that the rates set by the County are reviewed regularly for appropriateness which will ensure that the Department is maximizing its revenue potential.	MED	Becky Bell, Director; Alyssa Schultz, Division Manager; Monica, Division Manager; Vacant, Fiscal Support Supervisor		1. Review process needed for review and revision of service rates on an ongoing basis; 2. Complete revision of rates following resource review and data collection; 3. Draft and implement policy and procedures needed to ensure process improvement to meet recommendation; 4. Develop ongoing evaluation and revision within policy/procedures to ensure ongoing process improvement and compliance with recommendation	Following the review of rates and discussion of questions/issues, the new rates were implemented. There have been no further rates changes. / Netsmart My Evolv contains a rate history field which tracks rates and dates when rates change for specific services.	All rates were verified that they were setup correctly in Netsmart. Rates will be reviewed on a yearly basis around mid-October going forward.	No further action has been taken since the last meeting. This will be looked at around mid-October.	No further action has been taken since the last meeting. This will be looked at around mid-October.	Ongoing, review of rates will happen on an annual basis as a rule, with more frequent reviews of particular programs as needed based on changes in funding or reimbursement rules through Forward Health. We plan to review and make any changes to rates effective the first of each year, and will document that the review of rates took place, which rates were changed, and who was involved in the process. Division Manager has put a tickler event into Outlook calendar to begin this discussion on an annual basis in mid-October. In addition, a policy will be drafted outlining this process.

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4. The Department is unable to look up the real-time outstanding balance of a patient in the Clinical Services billing system due to current system limitations. In addition, payments received have not been recorded in the Clinical Services billing system since March 2015, and are currently being tracked on an Excel spreadsheet. As a result, new bills have to be manually adjusted for payments received. The Department currently lacks a reconciliation of what is being billed to what is collected, due in part to time constraints. (#4, Pg 5)	We recommend that the new Clinical Services billing system be able to provide current balances upon request, which includes a record of all payments made on an outstanding bill. Payments should be recorded in the billing system as they occur which will ensure the accuracy of patient accounts and will reduce the risk of errors related to manually adjusting bills. Billing should be compared to amounts collected to ensure timely resolution of collection issues.	HIGH	Monica Hooper, Division Manager; Vacant, Fiscal Support Supervisor; Account Clerk Billing Staff - Carrie Bunker, Lisa Zimmer, Deb Grady		1. Outline current workflow to identify areas for process improvement; 2. In the implementation process of the new Netsmart myEvolv software, evaluate current workflow to determine areas of improvement due to new software; 3. Re-write and implement new workflow utilizing new software; 4. Draft and implement policy and procedures needed to ensure process improvement to meet recommendation; 5. Develop ongoing evaluation and revision within policy/procedures to ensure ongoing process improvement and compliance with recommendation		On March 1st, the Department went live with Netsmart for any new services. The Excel spreadsheet will need to be utilized for any payments related prior to March 1st services. Any services from March 1st on, outstanding balances of a patient are visible in Netsmart.	On March 1st, the Department went live with Netsmart for any new services. The Excel spreadsheet will need to be utilized for any payments related prior to March 1st services. Any services from March 1st on, outstanding balances of a patient are visible in Netsmart. All payments are being entered into Netsmart and a receipt will be printed off to give to the client. With Netsmart, you are able to see in real-time outstanding balances of a patient.	No further action has been taken since the last meeting.	
5. As previously mentioned, the Clinical Services billing is currently completed by Department staff in a software system called TCM. A journal entry is prepared monthly to record the billing activity from TCM into the County's general ledger system, which issued for external and internal financial reporting. The Department's billing procedures and controls currently lack reconciliation procedures between the Clinical Services billing system and the general ledger (receivables or revenues). This is due in large part to timing issues associated with the billing system previously discussed. (#5, Pg 5)	We recommend that another employee without the ability to modify the billing system or collect funds should reconcile the subsidiary ledger to the general ledger to ensure accuracy	HIGH	Monica Hooper, Division Manager; Vacant, Fiscal Support Supervisor; Account Clerk Billing Staff - Carrie Bunker, Lisa Zimmer, Deb Grady				Netsmart will be here the week of April 17-20th to go through the month end process. This process will create a csv file which will then be imported into JD Edwards.	Netsmart was here May 31-June 2 and created a Macro to format the file from Netsmart into the format that JDE requires. This file still required manual intervention and we wanted the file to directly produce and drop into a secure location so manual manipulation is not possible. As of last week, IT requested this from Netsmart. As of today, I do not have an ETA for completion. Another note to mention is that there are reports to run and verify the upload from Netsmart to the GL that posted in JDE. These reports will be used to validate the upload to JDE before it is finalized and posted. This will also be saved in a binder for reconciliation purposes to refer back to.	A manual journal entry will need to be done until Netsmart has the custom import job completed. Netsmart has given us a estimate of completion to be end of November/early December of this year.	Based on the implementation of the new software, with a go-live date by March 1, 2017, workflow processes will be revised to reflect the functionality of the software. With full software implementation and workflow revision, the process will be documented in a policy and procedure.
6. Clients seen in Clinical Services are assessed for their ability to pay before services are provided. Some clients are determined to have 'no ability to pay' and therefore, the full charges for services are written off. However, in a group session, all clients regardless of their ability to pay are required to pay a specified amount for each session. Due to system limitations, the amount required to be paid has to be adjust manually each month for those clients with no ability to pay. (#6, Pg 6)	The future billing software should be able to account for variables in the ability to pay to prevent manual billing adjustments	MED	Monica Hooper, Division Manager; Vacant, Fiscal Support Supervisor					Netsmart is able to handle this past limitation. This is handled through the ability to pay workflow for Netsmart. This is setup as an auth and will be reviewed by fiscal on a yearly basis.	The agency is waiting for the Private Pay customization to be validated & tested in development before moving to Production. The system is setup to accommodate to the Uniform Fee Schedule provided by the State of WI.	
7. Medicaid, Medicare and private insurance bills are submitted electronically online. The current TCM system cannot produce a file that can be electronically uploaded to the online systems for Medicare, private insurance and certain Medicaid HMO's. The Department prepared the bills in these instances and then manually enters the billing information into the online system, with the exception of mental health and CSP (Community Support Program) services provided under Medicaid. (#7, Pg 6)	We recommend the Department investigate whether the future Clinical Services billing system can export a file than can then be uploaded for all types of insurance billing including Medicaid and Medicare which will remove the duplication of effort and increase efficiency relating to insurance billing. This would also reduce the risk of manual input errors in the online system.	MED	Monica Hooper, Division Manager; Vacant, Fiscal Support Supervisor; Account Clerk Billing Staff - Carrie Bunker, Lisa Zimmer, Deb Grady				Netsmart will be here the week of April 17-20th to go through the month end process. Claims will be submitted electronically for Medicaid/Medicare.	Claims were submitted electronically for Medicaid, Medicare, and PI for the month of March through FH and Zirmed. All claims from Netsmart will continue to be sent electronically and no longer use paper 1500 claim forms nor an online portal to manually enter the information.	No further action has been taken since the last meeting.	

BAKER TILLY
OPERATIONAL REVIEW

NUMBER/OBSERVATION	RECOMMENDATION	PRIORITY	STAFF IDENTIFIED FOR PROCESS IMPROVEMENT	ADDITIONAL STAFF, COUNTY, OTHER RESOURCES NEEDED	INITIAL STEPS IDENTIFIED FOR PROCESS IMPROVEMENT	UPDATE ON STEPS TAKEN as of July 18, 2016/ November 2, 2016	UPDATE ON STEPS TAKEN as of March 16, 2017	UPDATE ON STEPS TAKEN as of June 16, 2017	UPDATE ON STEPS TAKEN as of October 11, 2017	NEXT STEPS IN PROCESS IMPROVEMENT
8. Currently the write-offs for Clinical Services third party billing are an estimate recorded in the general ledger. No write-offs, including insurance contractual write-offs, have been entered into the Clinical Services billing system. This also contributes to the difficulties in reconciling the Clinical Services billing system to the general ledger (see Third Party Billing recommendation number five.) Aging reports are not able to be run from the Clinical Services billing system. While the Department does have a write-off policy, the Department's billing procedures are currently silent in relation to procedures on if, how, or when the have approval for amounts written off. (#8, Pg 7)	We recommend that the Department formalize a process for the approval of write-offs for inclusion in the Department's current write-off policy. We also recommend that aging reports be run periodically and write-offs completed on a regular basis, which will improve accuracy of the Department's Clinical Services' receivable and revenue balances. The reason for the write-off should be identified, documented, and approved by someone other than the employee determining the write-off in order to enhance internal controls. Write-offs should also be included as part of the reconciliation between the general ledger and the billing software.	HIGH	Becky Bell, Director; Monica Hooper, Division Manager; Vacant, Fiscal Support Supervisor Account Clerk Billing Staff - Carrie Bunker, Lisa Zimmer, Deb Grady	Julie Kolp, Finance Director - Consultation needed to support any process improvement policies and procedures to ensure they meet GFOA and other applicable accounting standards	Write offs in TCM are caught up as of March 1, 2016 to the limits of staff awareness. Write offs in the general ledger are behind, but we anticipate that all known write offs for 2015 will be recorded in the general ledger before year end close. This issue will also be addressed with implementation of Netsmart.		All TCM AR write offs have been posted for 2016. The Finance Department has been working closely with the DCHS staff to get this in control. The new system will have an aging report that can be used to ensure that write offs are done on a timely basis. Once an aging is available, an estimate can be used for doubtful accounts and will be incorporated.	Now that March claims have been ran, Fiscal will be able to utilize the Netsmart reports to keep on top of write offs. I will be working with Bill Wiley to use the same process and methodology that he does for Clearview to stay consistent. Once I have this completed, a policy and procedure will be created and utilized going forward.	HSHD as created policy F17-12 (Client Billing Month and Collection Process). As soon as a month has been able to be closed in Netsmart, HSHD will move forward with collections.	Based on the implementation of the new software, with a go-live date by March 1, 2017, workflow processes will be revised to reflect the functionality of the software. With full software implementation and workflow revision, the process will be documented in a policy and procedure.
9. The current process to record the monthly billing produced in Clinical Services into the general ledger is a manual process. The Fiscal and Support Services Supervisor reviews each entry in the billing system to determine the accounts and amounts and records them in the general ledger. This information is summarized in a spreadsheet which is then entered into the general ledger through a journal entry. (#9, Pg 7)	The Department should work with the County IT Department and the new software company to determine if there is an accurate report that can be used for the journal entries into the County's general ledger. This will increase Department efficiency and reduce the risk of errors. The new system should be able to generate a report that provides a summary of the monthly charges and collections by account number.	HIGH	Monica Hooper, Division Manager; Vacant, Fiscal Support Supervisor	Julie Kolp, Finance Director - Consultation needed to support any process improvement policies and procedures to ensure they meet GFOA and other applicable accounting standards	The monthly recording of billing in the general ledger is currently behind, but it is anticipated that all known billing for 2015 will be recorded in the general ledger before year end close.		With Netsmart, the monthly billing produced in Clinical Services can be imported into the general ledger. This was tested and was successfully exported to a CSV file and then imported into the accounting software. The Financial Staff will be walking through this in April when Netsmart is on-site with live transactions.	The file that comes out of Netsmart was initially put into a Macro. IT has reached out as of June 14th to develop an automatic file in summary that does not need to be manipulated or touch, and be imported into JDE. I do not have an ETA at this time.	Netsmart has given us an estimated completion date of end of November/early December of this year. HSHD as created policy F17-12 (Client Billing Month and Collection Process). This policy will be followed going forward.	Based on the implementation of the new software, with a go-live date by March 1, 2017, workflow processes will be revised to reflect the functionality of the software. With full software implementation and workflow revision, the process will be documented in a policy and procedure.
10. The Department has one primary fiscal staff (Account Clerk III) completing the billing with the assistance of a second Account Clerk III. Due to the Clinical Services billing issues, the two Account Clerks have put in significant overtime to complete the billing tasks. As of June 30, 2015, the two account clerks have been paid 54, 312 for overtime worked and have earned an additional 210 hours in comp time, which will likely get paid out if not used since only 24 comp time hours can be carried over the subsequent year. (#10, Pg 8)	The new software system should increase efficiency of the monthly billing process. Therefore, additional billing clerks may not be needed full-time. However, we recommend that when the new system is in place, the Department consider if additional fiscal staff should be trained on how to complete third party billing. Even if additional full-time billing clerks are not needed, having additional staff trained ensure that the current billing clerks have backup support and will help the Department segregate duties. This will reduce the burden on existing staff, as well as reducing overtime costs to the Department.	LOW	Becky Bell, Director; Monica Hooper, Division Manager; Vacant, Fiscal Support Supervisor				Since the last meeting, the Fiscal staff has filled the position of Division Manager, Fiscal Support Supervisor and Administrative Secretary. The intent is to look into what duties everyone is completing and assign the work appropriately. Also, the billing staff was doing some clinical staff work, and the two Division Managers are working together to separate duties.	Since the last meeting, the Fiscal Support Supervisor was vacated and a new candidate is set to start on June 26th. The Fiscal staff still continues to put in extra time but we are working through some lingering issues with Netsmart, and they are also trying to get caught up with the monthly billing. I work very closely with them to monitor the workload and have set priorities to make sure that we are getting billings completed.	The Department is currently in the process of hiring an additional Account Clerk III.	The training of additional billing staff and segregation of duties has already begun and will continue. Efficiencies gained in the new software should continue to reduce the need for overtime hours.
1. Clinical Services Billing: We noted internal control segregation of duties concern in the third party billing process for Clinical Services. The same Account Clerk III is preparing the bills, recording payments when received, occasionally determining the client's ability to pay, and preparing deposits to send to the Treasurer's Department. Most payments are made via check and through electronic payments; however, some actual cash is collected. (#1, Pg 3)	We recommend that the Department split duties or add oversight controls to enhance the Department's internal controls and to ensure accuracy and appropriateness of the billing and collections. Most critical is to separate the collection and custody of receipts with responsibility of bill preparation and billing system adjustments.	HIGH	Becky Bell, Director; Monica Hooper, Division Manager; Vacant, Fiscal Support Supervisor; Account Clerk Billing Staff - Carrie Bunker, Lisa Zimmer, Deb Grady	Julie Kolp, Finance Director - Consultation needed to support any process improvement policies and procedures to ensure they meet GFOA and other applicable accounting standards	1. Outline work flow currently in use; 2. Determine necessary segregation of duties and oversight controls needed; 3. Revise work flow to include necessary segregation of duties and oversight controls per recommendation; 4. Draft and implement policy and procedures needed to ensure process improvement to meet recommendation; 5. Develop ongoing evaluation and revision within policy/procedures to ensure ongoing process improvement and compliance with recommendation	There has been some more turnover in this area with one Account Clerk leaving on 4/27. This position was recently refilled with an LTE. / We have added a full time support staff intake position and a full time medical billing specialist position in the Clinical Services area. The intake position is filled and we are in the process of filling the Medical Billing Specialist position.	The department has made a change to the workflow. Three separate people are now part of this process to make sure that there is good internal control for segregation of duties. One individual opens the mail, another codes on the cash log, the third individual actually does the cash application.			Based on the implementation of the new software, with a go-live date by March 1, 2017 workflow processes will be revised to reflect the functionality of the software. With full software implementation and workflow revision, the process will be documented in a policy and procedure.

BUDGETING

NUMBER/OBSERVATION	RECOMMENDATION	PRIORITY	STAFF IDENTIFIED FOR PROCESS IMPROVEMENT	ADDITIONAL STAFF, COUNTY, OTHER RESOURCES NEEDED	INITIAL STEPS IDENTIFIED FOR PROCESS IMPROVEMENT	UPDATE ON STEPS TAKEN as of July 18, 2016/ November 2, 2016	UPDATE ON STEPS TAKEN as of March 16, 2017	UPDATE ON STEPS TAKEN as of June 16, 2017	UPDATE ON STEPS TAKEN as of October 11, 2017	NEXT STEPS IN PROCESS IMPROVEMENT
2. The timeframe between when the County Administrator reviews the budget and when the budget is finalized is relatively short. The budget is reviewed by the County Administrator during the course of the months of August and September and presented to the County Board in October. Additionally, we understand that the budget submitted to the County Administrator may reflect all items needed by the Department, prioritized as to their importance. The total budget may exceed the constraints and expenditure limitations communicated by the County Administrator as the start of the budget process. Based on the priority of the Department's budget requests, certain items may get eliminated from the budget. (#2, Pg 10)	We recommend that the original budget prepared by the Department reflect, as closely as possible, the actual budget that is likely to be approved by the County Administrator and County Board, which will improve the understanding of the budget constraints by all employees involved in the budget process, as well as reduce the need for late changes in the budget. We recommend that late changes to the budget be communicated to Department Managers and Supervisors.	LOW	Becky Bell, Director; Alyssa Schultz, Sheila Drays and Monica Hooper, Division Managers	James Mielke, County Administrator			Staff will work closely on creating the 2017 budget.	No further action has been taken since the last meeting.	The Director, Division Managers, and the County Administrator were actively involved in the 2018 budget process.	
5. All Division Managers and Supervisors receive monthly budget to actual reports for the programs they manage, however, there appear to be different levels of understanding of the reports among the program staff. Also, there are certain revenues that are only received once or twice a year and certain expenditures of the Department that are one time costs. The Department fiscal staff has offered some training and explanation of the budget, however, opportunities exist for additional training and understanding. (#5, Pg 12)	We recommend that the Department Fiscal staff consider offering additional training to all Division Managers and Supervisors on the budget to actual reports. We also recommend that the Department consider regular monthly or quarterly meetings to discuss budget to actual results, which will assist them in making informed decisions about the care and services provided to clients. These meetings will also aid the fiscal staff in understanding the needs of the program staff.	MED	Monica Hooper, Division Manager			/Supervisors and managers meeting s in the upcoming month will include a time for training and review of budget to actual financial reports.	New Division Manager is working closely with other Division Managers and/or Supervisors to help better the understanding of their budgets.	New Division Manager is working closely with other Division Managers and/or Supervisors to help better understand their budgets. Currently I chose one area to explain during the supervisor/manager meeting that is held bi-weekly. The next meeting, the area that was explained previously reiterates what was explained for me to judge if I feel they understand their budget. I have also had several meetings regarding the budgets with supervisors and given key tips to understanding the JDE reports supplied to them. With the help of Finance, I have also learned how to create individualized reports that have also been shared with supervisors/managers.	New Division Manager is working closely with other Division Managers and/or Supervisors to help better the understanding of their budgets.	Training was provided to Division Managers and Supervisors in the past 6 months and additional training will be provided on the monthly actual to budget reports.
1. The 2015 Budget was developed without significant input from program staff, including Division Managers and Supervisors. (#1, Pg 10)	We recommend that the Division Managers and Supervisors be included in the budget creation process of the Department. By including Program Division Managers and Supervisors, the budget will be more collaborative, which will allow both program and fiscal staff to make informed decisions about the programs and services offered.	MED	Becky Bell, Director; Alyssa Schultz, Sheila Drays and Monica Hooper, Division Managers	James Mielke, County Administrator		/Supervisors and Division Managers were again involved in the 2017 budget process as in the 2016 budget process. Supervisors and managers meeting s in the upcoming month will include a time for training and review of budget to actual financial reports.				The process of integrating Division Managers, Supervisors and staff in the budget process will be expanded in the 2017 budget formulation. Beginning with the budget timeline and instructions provided by the County Administrator, a specific process will be implemented and documented, followed by drafting a policy and procedure to capture the process.
3. Some governments will use a contingency account to allow funding of unexpected costs that arise during the year. The Department does not currently have a contingency budget. The County, however, does have a general contingency available for all departments. (#3, Pg 11)	Dodge County, is not unlike many other Counties that Bake Tilly surveyed in that the Human Services and Health Department does not budget for a contingency account. However, we see some value in this if the county wishes to pursue in future years' budgets. This will help the Department manage unexpected fluctuations in revenues or expenditures in any given year. As a control over the use of funds, a policy could be established requiring Administrator or Human Service Committee approval for use of the funds.	LOW	Becky Bell, Director; Monica Hooper, Division Manager	James Mielke, County Administrator; Julie Kolp, Finance Director; Dodge County Board of Supervisors;			3/21 Per Jim Mielke this will not happen based on the Dodge County Budget. He is aware of this and said that it can be closed out. The County has a contingency account but as a whole not per department.			

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4. Currently, the Human Services and Health Department has five (5) accounting departments within JD Edwards. Public Health, Unified, Social Services, Aging, and Nutrition. We understand that because of the County's agreement with the city of Watertown a certain department needs to be maintained separately to record Public Health Activity. We noted that two (2) departments (Social Services and Unified) contain business units of both the Clinical and Family Services Division Manager and the Community Support Services Division Manager. It is our understanding that the other three (3) departments (Public Health, Aging, and Nutrition) are managed by a single Division Manager and there is no overlap of business units within those Departments. (#4, Pg 11)	We recommend that the Social Services and Unified accounting departments be better aligned to the Division Managers responsible for the business units with the departments, which will increase the efficiency of the monthly budget to actual preparation as well as increase the understandability of the financial information presented to Division Managers and Supervisors.	HIGH	Becky Bell, Director, Monica Hooper, Division Manager	Julie Kolp, Finance Director - Consultation needed to support any process improvement policies and procedures to ensure they meet GFOA and other applicable accounting standards		This process is continuing on a monthly basis and Division Managers and Supervisors are expected to review the Actual to Budget reports.				Steps have been taken to realign the monthly actual to budget reports according to Divisions and supervisors areas of responsibility. Further modifications will be made if necessary.
6. Each month, the Fiscal and Support Services Division Manager runs approximately twenty (20) different budget to actual reports customized to each Division Manager and Supervisor. Currently, Division Managers and Supervisors do not have read-only access to JD Edwards and cannot produce their own budget to actual reports. (#6, Pg 13)	Other Wisconsin Counties surveyed as part of this project only produce one budget to actual report for distribution to program staff monthly or quarterly. We recommend that the fiscal staff concentrate on making one useful budget to actual report that can be distributed to all program Managers and Supervisors, which would result in a substantial time savings for the Fiscal and Support Services Division Manager each month. This may require a reorganization of business units (see budget recommendation under #4) and additional training to ensure Division Managers and Supervisors understand which business units they are responsible for. As an alternative to the Fiscal and Support Services Division Manager running a budget to actual report each month, we recommend that County consider allowing Division Managers and Supervisors read-only access to JD Edwards to produce their own budget to actual reports, as needed. This would result in time savings for fiscal staff and provide more timely information to program staff, which will assist them in making decisions.	MEDIUM	Monica Hooper, Division Manager	Julie Kolp, Finance Director - Consultation needed to support any process improvement policies and procedures to ensure they meet GFOA and other applicable accounting standards						Rearranging reports to meet this and #4 would be difficult in JD Edwards. It appears to have much greater potential in a new fiscal software. We have already taken steps to produce reports appropriate for program supervisors
7. Budget amendments are approved by the Human Services and Health Department Board, but the original budget for the Human Services Fund is not. Several Wisconsin Counties that Baker Tilly surveyed as part of this project have the Human Services and Health Department Board review and approve/recommend the original budget before being approved by the County Board. Similar to Dodge County, the Human Services Boards or committees of these Counties also approve budget amendments before the County Board as a whole. There also were several Counties that Baker Tilly surveyed that both the original budget and budget amendments go first to the finance or administrative committee before the full board. In one County surveyed, both the original budget and amendments to directly to the full board for approval. (#7 Pg 14)	We recommend that the County consider having the Human Services and Health Department Board review the original budget before it is approved by the County Board.	LOW	James Mielke, County Administrator, Dodge County Board of Supervisors; Human Services and Health Board	Julie Kolp, Finance Director - Consultation needed to support any process improvement policies and procedures to ensure they meet GFOA and other applicable accounting standards			No further updates at this time. 3/21 Per Jim Mielke the Health Department Board reviews and does not approve the budget. This was addressed in the creation/approval of the 2017 budget.			This will be initiated with the drafting and implementation of the 2017 budget.

GENERAL TOPICS

NUMBER/OBSERVATION	RECOMMENDATION	PRIORITY	STAFF IDENTIFIED FOR PROCESS IMPROVEMENT	ADDITIONAL STAFF, COUNTY, OTHER RESOURCES NEEDED	INITIAL STEPS IDENTIFIED FOR PROCESS IMPROVEMENT	UPDATE ON STEPS TAKEN as of July 18, 2016/ November 2, 2016	UPDATE ON STEPS TAKEN as of March 16, 2017	UPDATE ON STEPS TAKEN as of June 16, 2017	UPDATE ON STEPS TAKEN as of October 11, 2017	NEXT STEPS IN PROCESS IMPROVEMENT
2. There appears to be a general lack of cross-training and formal documentation of job responsibilities for a high percentage of employees, especially after the reorganization that the Department recently experienced. Many fiscal employees in the Department perform complex and multifaceted tasks on a daily basis. These tasks are completed using a variety of different tools and systems such as Word, Excel, JD Edwards, TCM and paper documentation. Most of these tasks need to be completed accurately and timely to comply with various grant requirements as well as to sustain operational activities. (#2, Pg 16)	We recommend a twofold approach to help mitigate the possible impact of an employee's absence. First, all employees should formally document their critical day to day activities in enough detail that someone unrelated to their duties would be able to perform them without significant challenges. Second, most positions should have a "back up" employee who is cross-trained to complete the tasks related to that specific position. It should also be noted that this should be a perpetual recommendation for whenever there is either a new procedure that needs to be completed or when employee turnover occurs.	MED	Monica Hooper, Division Manager; Vacant, Fiscal Support Supervisor, Identified fiscal staff	Julie Kolp, Finance Director - Consultation needed to support any process improvement policies and procedures to ensure they meet GFAO and other applicable accounting standards		/Some cross training has been instituted between the Account Clerks and Clinical Services intake position. The Fiscal Supervisor and Audit Compliance Officer have also done cross training. Once we are fully staffed we will proceed with further cross training and documentation of procedures and processes.		Some cross training has begun but this will be an on-going process. The ultimate goal is to have each employee's daily tasks documented and saved in one central location for anyone to find.	No change in action since the last meeting. The department has worked on documenting instructions and having them saved for all to use. This is and will be an ongoing process for the agency.	
3. The relationship between the Human Services and Health Department fiscal division and the program staff is an integral component to the operational efficiency of the Department, and there appears to be an opportunity to increase the communication between the two staff groups. Through discussion with both program staff and fiscal staff, we noted several examples of situations that would benefit from improved communications. Specific examples will not be shared in this report, but this was a consistent theme in many of our interviews. (#3, Pg 17)	We recommend education for both program staff and fiscal staff on the basics of what is important information to the other group. This will help foster communication between the two branches of the Department. There should also be a process in which the cost of a service is balanced with the care of a program participant, and this can be accomplished best through communication between fiscal and program staff to determine treatments and services that are both fiscally responsible and in the best interest of the client.	HIGH	Becky Bell, Director; Alyssa Schultz, Sheila Drays, Monica Hooper Division Managers; Vacant, Fiscal Support Supervisor				Communication is open between the Division Managers and the Fiscal Support. One Weekly meeting also takes place with the Director and all three Division Managers. Also bi-monthly there is a supervisor meeting in which the Division Manager for Fiscal Support works with the staff in understanding their needs and also trains them on the fiscal side of the operation.	No change in action since the last meeting.	No change in action since the last meeting.	
5. The Department holds funds for various individuals in banks and general ledger accounts called "rep payee" accounts. These accounts are set up for individuals who are not fully capable of managing their finances, such as Social Security Income and living expenses. The County directly receives the income of these individuals and places them into these accounts. The County is expected to assist the individual with money management, along with providing protection from financial abuse. These bank accounts are created using the County's employer identification number (EIN) and are under the County's control. We noticed that there are some rep payee accounts which are not being recorded on the County's general ledger or audited financial statements. (#5, Pg 18)	We suggest that the Department record the rep payee activity in the general ledger in an agency fund since the accounts are using the County's EIN and are under the Department's control.	LOW	Division Manager Monica Hooper, Vacant, Fiscal Support Supervisor, Staff	Julie Kolp, Finance Director - Consultation needed to support any process improvement policies and procedures to ensure they meet GFAO and other applicable accounting standards		/This issue will be explored further with the understanding there is a component of the ERP project designed to handle client banking.	Process has been defined and balances will be reported to Finance on a quarterly basis.			We have a good system in place for recording and tracking Representative Payee accounts - there are strict guidelines on comingling client funds with County Funds. We will review controls on these accounts.
1. Journal entries are an important accounting function as they are used to record transactions and can also be used to adjust the original postings when errors are identified. There are at least four (4) Department employees who have the access right capabilities to post journal entries in the accounting system, and there is no independent review of these entries that are posted. (#1, Pg 15)	In order to obtain adequate segregation of duties, journal entries posted to the general ledger accounting system should be reviewed and approved by someone other than the person preparing the entry. The approval should include a review of this supporting information used to develop the journal entry, and this review should be documented. We recommend that the Fiscal and Support Services Division Manager review all journal entries posted by other employees, and the journal entries posted by the Fiscal and Support Services Division Manager be reviewed by the Finance Department.	HIGH	Monica Hooper, Division Manager; Vacant, Fiscal Support Supervisor, Identified fiscal staff	Julie Kolp, Finance Director - Consultation needed to support any process improvement policies and procedures to ensure they meet GFAO and other applicable accounting standards		/Journal entries are prepared, discussed and reviewed with appropriate documentation to support the entries being scanned into file director.				The process for creating, reviewing, posting and approving journal entries will be modified to increase segregation of duties. Supporting documentation will be scanned into file director.