



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Supervisors
Eau Claire County, Wisconsin

We have audited, in accordance with the 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Eau Claire County, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Eau Claire County's basic financial statements, and have issued our report thereon dated July 22, 2024. The financial statements of the Friends of Beaver Creek Reserve, Inc., the discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting and other matters associated with this component unit.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eau Claire County's internal control over financial reporting (internal control) as a basis for designing 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 Eau Claire County's internal control. Accordingly, we do not express an opinion on the effectiveness of Eau Claire County's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We identified a deficiency in internal control, described in the

accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eau Claire 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 financial statements. 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*.

Eau Claire County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Eau Claire County's response to the findings identified in our audit. Eau Claire County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
July 22, 2024

**EAU CLAIRE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2023**

Section I - Financial Statement Findings

2023-001 Limited Segregation of Duties

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The available staff and the design of controls over significant audit areas and transaction cycles were not made during the period under audit to sufficiently mitigate the finding.

Criteria or specific requirement: Generally, a system of internal control contemplates separation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction.

Effect: The potential exists, due to lack of segregation of duties, that a financial statement misstatement or misappropriation of assets caused by error or fraud may not be detected or prevented by County staff.

Cause: The limited size of the County's staff responsible for accounting and financial reporting functions precludes a complete segregation of incompatible duties.

Repeat Finding: The finding is a repeat of a finding in the immediate prior year. Prior year finding number was 2022-001.

Recommendation: The County should continue to evaluate its staffing in order to segregate incompatible duties whenever possible.

Management's Response: The County continues to work to achieve segregation of duties whenever cost effective. The Financial Director is the official responsible for ensuring corrective action of the deficiency.