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November 21, 2006

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

This letter is being 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, 2006.

#### **Conflict of Interest Policy**

*Recommendation:* Wegner LLP recommends that SWWDB use the sample conflict of interest policy published by the Internal Revenue Service (IRS), to ensure that its current policy is consistent with the policy provided by the IRS.

*Recommended Action:* SWWDB staff have reviewed the IRS sample conflict of interest policy and have compared it to the SWWDB Conflict of Interest (Policy No. B-501). All elements in the IRS sample are included in the current SWWDB policy. Although no policy changes are recommended at this time, procedures will be written to address the process by which a potential conflict of interest is handled. Internal Agency procedures will be written by March 1, 2006.

#### **Fundraising Expenses**

*Recommendation:* To have SWWDB examine its financial reporting to ensure that it can properly track fundraising expenses reportable on the annual Internal Revenue Form 990.

*Recommended Action:* SWWDB staff have reviewed the financial reporting and have confirmed that fundraising expenses are being recorded and tracked in the ORION financial system. No further action is necessary.

#### **Financial Reporting System**

*Recommendation:* Wegner, LLP recommends that the document destruction and whistle-blower policies be reviewed to ensure compliance with the applicable provisions of the Sarbanes-Oxley Act.



Recommended Action: Scott Haumersen, Partner in Wegner LLP, is scheduled to give a presentation to the Finance Committee on December 13, 2006 that will discuss in greater detail the Act and its impact on nonprofit organizations. Following the presentation, SWWDB staff will review the current Document Destruction (Policy No. C-301) and Whistle-blower (Policy No. B-512) policies to ensure compliance. Results and recommendations following this review, will be presented to the Finance Committee at their March 14, 2007 meeting.

The Southwest Wisconsin Workforce Development Board would like to thank Wegner LLP for their positive feedback and recommendations. The Wegner LLP staff continue to be helpful and were receptive to questions asked of them during the audit process.

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Sincerely,

Robert T. Borremans, Ed.D.  
Executive Director

cc: Finance Committee Members  
Wegner, LLP

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