



Management
City of Ripon, Wisconsin

In planning and performing our audit of the financial statements of City of Ripon, Wisconsin, as of and for the year ended December 31, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the entity'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. A separate communication dated October 29, 2025, contains our written communication of material weaknesses in the entity's internal control. This letter does not affect our report on the financial statements dated October 29, 2025, nor our internal control communication dated October 29, 2025.

Policies and Procedures Manual/Segregation of Duties

A key component of internal controls are the policies and procedures that help ensure that management's directives are being carried out.

We have documented in our workpapers your internal control procedures as required by auditing standards. Like most Wisconsin municipalities, the documentation of the City's policies and procedures could be strengthened. Although we do not consider the improvement needed in the City's documentation to be a significant deficiency in internal control, we recommend that the City take steps to strengthen the documentation of its financial policies and procedures.

The updated documentation, preferably in the form of a manual, should include all procedures performed by City personnel related to all financial systems of the City, including procedures completed by City departments. The manual should also document each operation of the accounting system (cash/treasury, review of opening and closing bank accounts, review of vendors, payroll, disbursements, purchasing, credit cards, journal entries, capital assets, debt transactions, review of utility billing, timely review of journal entries, information technology and financial reporting) and an explanation of how all the information is integrated.

An updated, comprehensive manual would serve the City as follows:

1. Coordinate financial management among the various City departments.
2. Establish responsibility at all levels of management and provide necessary authority and controls to permit discharge of those responsibilities.
3. Provide managers and employees a handbook of the approved financial management policies, procedures, forms and reports for guidance, instruction and reporting.
4. Simplify administrative and operating practices by standardizing procedures and reporting.
5. Provide a flexible way to implement and communicate changes and improvements as they arise.

6. Provide written instructions for the purpose of developing a thorough understanding of each assignment and to promote improvement of existing practices and compliance with established legal and management policies.

Credit Cards

During our audit, we also observed that there is a lack of supporting documentation for credit card transactions. Specifically, original itemized receipts and detailed documentation are not consistently maintained for expenses incurred using City credit cards, in particular reoccurring monthly charges for subscriptions and postage, etc. The absence of supporting documentation for credit card transactions increases the risk of unauthorized or inappropriate expenses being incurred and not detected. It also complicates the process of verifying the legitimacy and business purpose of the expenses, which can impact the accuracy of financial reporting and compliance with City policies. We recommend establishing a policy that all credit card transactions are supported by original itemized receipts and matched up to the credit card invoice monthly. Attaching the receipts to the credit card statement will also ensure that the Board can adequately and appropriately approve purchases on the credit card.

Gift Card Management

During our audit, we also observed that the issuance and redemption of gift cards within the library department lack consistent oversight. Specifically, these activities are not regularly tracked, reconciled, or reviewed by anyone other than the individual responsible for purchasing and distributing the cards. This absence of independent review increases the risk of mismanagement or misuse. We recommend that management implement a formal gift card policy that includes clear documentation standards for issuance, recipient tracking, and reconciliation. Additionally, controls should be established to ensure that all gift card purchases are properly approved, logged, and subject to review by someone independent of the disbursement process.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various entity personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, City Council, and others within the entity, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
October 29, 2025