

**COUNTY OF MILWAUKEE**  
**Inter-Office Communication**

**Date:** October 24, 2019  
**To:** Supervisor Theodore Lipscomb, Sr., Chairman, Milwaukee County Board of Supervisors  
Supervisor James 'Luigi' Schmitt, Chair, Committee on Finance and Audit  
**From:** Jennifer L. Folliard, Director of Audits, Office of the Comptroller  
**Subject:** Status Update on Register of Deeds Audit Work

**Background**

This status update on our Division's Register of Deeds audit work was prepared at the request of the Chairman of the Board to provide the Committee on Finance and Audit with information as they contemplate action items related to the Register of Deeds, including the Fund Transfer 'E 3' included in File No. 19-792.

**Discussion**

The investigation into the alleged activities performed under the former Register of Deeds is ongoing and not led by our office. Unfortunately, there are no updates to share at this time.

Our performance audit, which we initiated, following County Board approval of File No. 19-486 is also ongoing. As required by State Stat. 59.255(2)(i), we follow Government Auditing Standards issued by the Comptroller General of the United States in performing all of our performance audit work.

While the length of time it takes to complete a performance audit varies, the audit work we undertake typically takes several months to complete start-to-finish. It is our office's goal that our performance audit work is completed in a timely manner; however, specific timelines vary depending on a number of factors including: audit objectives, audit scope, overall complexity of the project and/or the environment in which work is being performed, expertise needed for analysis, availability and format of records, availability of audit staff, and auditee cooperation.

For the Register of Deeds project, we have several complicating factors, described below.

- Scope: Given the information reported regarding the alleged activities of the former Register of Deeds, our audit scope is 2010-present, which is longer than our typical 3-5 year review periods.
- Complexity of project/environment: Performing audit work while an investigation of the office/subject matter is ongoing is difficult. In this particular situation, we currently plan to share our findings and draft report with investigators prior to publication, as allowed by our Standards.
- Availability/format of records: Given the ongoing investigation, it's possible that it may be difficult to obtain records we seek to do our work.
- Objectives: We have developed audit objectives, based on both the Chairman's memo dated April 25, 2019, and Adopted Resolution File No. 19-486 (see attached). Our standards require that we remain flexible to the possibility of needing to expand the objectives of our review based on what we see in the field.

Absent from the list of complicating factors are: expertise needed for analysis, availability of audit staff, and auditee cooperation as none of these are anticipated to be issues for this project at this time. Adopted resolution 19-486 did include authorization to hire a Forensic Accountant, as needed.

Given our staff make-up and expertise, to date we have not pursued hiring a Forensic Accountant. We will return to the Board in the future should our needs change. An audit team was assigned to the project in May 2019, prior to adoption of the resolution, though work on the project did not formally begin until after passage. Finally, we did meet with the current Register of Deeds, the Deputy Register of Deeds, and the Register of Deeds Coordinator on October 3, 2019, prior to scheduling fieldwork on site. At that time, we were assured of the office's cooperation with our work; continued cooperation throughout the project is needed in order to meet our deadlines.

We will continue to work through various strategies to get policymakers needed information in a timely matter. At this point, we anticipate providing a report in late spring 2020. We will return with another update should the factors mentioned above result in a shift to our desired timeline.

### **Concluding Remarks**

We acknowledge that this situation is a difficult one for all County officials as they continue to make decisions and recommendations with the information available at the time. In order to maintain our independence, which is critical to the work that we do, we cannot make management decisions, including weighing in on the appropriateness of vendor selection.

With that said, we did recently review the new draft contractual agreements with Fidar, as requested by the Comptroller due to the ongoing investigation, performance audit, and overall contract compliance work our office has done recently. The agreement contains strong audit language and is more thorough than many we have reviewed during recent audit work.

As always, an agreement is only effective to the extent that performance under its terms is closely monitored by County officials. In light of continued unanswered questions due to the open investigation, the County likely wants to position itself to provide enhanced vendor management in this particular situation.

We hope this overview is helpful as you contemplate this and future policy decisions.



Jennifer L. Folliard

JLF/cah

### **Attachments**

- cc: Israel Ramón, Milwaukee County Register of Deeds  
Scott B. Manske, CPA, Milwaukee County Comptroller  
Members, Milwaukee County Board of Supervisors  
Chris Abele, Milwaukee County Executive  
Raisa Kolton, Chief of Staff, Milwaukee County Executive  
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors  
Margaret Daun, Milwaukee County Corporation Counsel  
Steve Cady, Research and Policy Director, Office of the Comptroller  
Janelle Jenson, Legislative Services Division Manager, Office of the County Clerk