

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: April 3, 2023

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Jennifer L. Folliard, Director of Audits

Subject: A Request from the Director of Audits for Passive Review of Amendment 3 of a Professional Services Agreement that Exceeds \$100,000 but is less than \$300,000 for assistance with Milwaukee County's Annual Consolidated Financial Report for the Year Ended December 31, 2022

File Type: Passive Review

Request

The Director of Audits is requesting passive review of the third amendment to a professional service agreement with Baker Tilly US, LLP for assistance with the 2022 Annual Comprehensive Financial Report (ACFR) and other related financial assistance as requested by the Milwaukee County Comptroller. The amendment will extend the contract to December 31, 2023 and increase the contract maximum by \$70,000 from \$97,000 to \$167,000.

Policy

Implementation of Wisconsin Statutes 59.21(31) with respect to purchase of professional services agreements (under Milwaukee General Ordinance Chapter 56) requires County Board review to award the initial agreement, or fee extensions(s) to the original agreement, when the total contractual fee exceeds \$100,000 but is less than \$300,000.

Wisconsin State Statutes:	Wis Stats 59.21(31) Wis Stats 59.255(2)(a)
Milwaukee County Code of General Ordinances:	MCGO Chapter 56
Specific Adopted Budget:	2023 Adopted Budget

Background

In March of 2021 the Audit Services Division contracted with the firm of Baker Tilly US, LLP to provide assistance with the 2020 ACFR and other financial assistance as requested by the Comptroller, in an amount not to exceed \$70,000. Amendment 1, effective January 1, 2022, extended the term of the contract to December 31, 2022. Amendment 2, effective May 1, 2022, increased the contract maximum \$27,000 from \$70,000 to \$97,000 and lowered the TBE level of participation from 17% to 3%. However, the actual TBE level of participation was 8.1%. Additionally, Baker Tilly achieved TBE participation of 75% on the 2022 amendment to the Countywide Audit Services agreement, for the required review of additional programs resulting from Covid funding. The previous Amendments 1 and 2, noted above, enabled the Comptroller to utilize Baker Tilly for assistance with the 2021 ACFR and other related financial assistance.

The current requested Amendment 3 would increase the contract maximum \$70,000 from \$97,000 to \$167,000 and allow for utilization of Baker Tilly for assistance with the 2022 ACFR and other related financial assistance as requested by the Comptroller.

Alignment to the Strategic Plan:

This item aligns to the following objectives in the strategic plan:

2C: Apply a racial equity lens to all decisions

3B: Enhance the County's fiscal health and sustainability

Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors
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The Office of the Comptroller prepares annual financial reports of the government and government agencies. These annual financial reports are the primary component of the Annual Comprehensive Financial Report (ACFR). The County's ACFR is the key document used by investors, creditors, federal and state funding sources, and citizens to determine the County's financial status. Therefore, publication of the ACFR enables the County to borrow funds, obtain federal and state funding, and remain accountable to citizens, significantly contributing to the County's fiscal health and sustainability.

Fiscal Effect

Fiscal Note is attached.

Terms

The term of Amendment 3 will extend the ACFR assistance contract through December 31, 2023.

Virtual Meeting Invites

Jennifer Folliard, Director of Audits
Scott Manske, CPA, Milwaukee County Comptroller
Paul Grant, Audit Compliance Manager

Prepared By:

Paul Grant, Audit Compliance Manager

Approved By:



Jennifer Folliard, Director of Audits

Attachments:

Fiscal Note

cc: Scott B. Manske, CPA, Milwaukee County Comptroller
Supervisor, Liz Sumner, Chair, Committee on Finance
David Crowley, Milwaukee County Executive
Aaron Hertzberg, Director, Department of Administrative Services
Joseph Lamers, Budget Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board Staff
Steve Cady, Policy and Research Director, Office of the Comptroller
Janelle Jensen, Legislative Services Division Manager, Office of the Milwaukee County Clerk
Shanin Brown, Committee Coordinator, Office of the County Clerk