

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

**Date:** February 20, 2012

**To:** Lee Holloway, Chairman, Milwaukee County Board of Supervisors

**From:** Jerome J. Heer, Director of Audits

**Subject:** Proposed Resolution to Amend the Professional Services Contract between the Department of Audit and Baker Tilly Virchow Krause, LLP

**REQUEST**

Per Section 1.13 of the Milwaukee County Administrative Manual, all contract extensions or amendments to provide additional reimbursement to the same vendor require County Board approval for each extension, unless the original contract, plus extensions, is less than \$50,000.

The Department of Audit respectfully requests an amendment to the professional services contract between Milwaukee County (represented by the Department of Audit) and Baker Tilly Virchow Krause, LLP (Baker Tilly), for the provision of additional audit services.

**BACKGROUND**

As previously authorized by the County Board, the Department of Audit renewed a professional services contract with Baker Tilly in 2012 to conduct the annual countywide financial statement audit, single audit, and other audit services required by regulatory agencies, for the year ended December 31, 2011. Baker Tilly is on track to achieve a DBE participation level of 34%.

In 2010, the State of Wisconsin expanded its oversight of the Department of Family Care's (DFC) operation of a Care Management Organization (CMO) under the State's Family Care Program. Previously, State oversight of DFC involved solely the Department of Health Services. It now includes the Office of the Commissioner of Insurance (OCI), which subjects DFC to the specific audit requirements codified under Section Ins 57 of the Wisconsin Administrative Code. In order for DFC to meet these regulatory requirements, additional audit services were acquired from Baker Tilly in 2011, and the additional audit services will be required in 2012 and subsequent years.

**RECOMMENDATION**

To comply with State OCI requirements imposed on DFC in an efficient and economical manner, the Director of Audits, with the concurrence of the Director of the Department of Family Care, respectfully requests approval to amend the professional services contract with Baker Tilly Virchow Krause, LLP for the procurement of additional audit services.

The cost of the contract amendment (not to exceed \$28,000) will be paid by DFC using State Family Care Program funding. Baker Tilly will commit to meet or exceed County DBE goals in regard to the contract amendment.

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The required resolution and fiscal note are attached for your consideration and referral to the appropriate standing committee(s) of the County Board of Supervisors.



Jerome J. Heer

JJH/PAG/cah

Attachments

cc: Supervisor Lynne DeBruin, Vice Chair, Committee on Finance and Audit  
Chris Abele, Milwaukee County Executive  
Maria Ledger, Director, Department of Family Care  
Scott Manske, Controller, Department of Administrative Services  
Terrence Cooley, Chief of Staff, County Board Staff  
Steve Cady, Research Analyst, County Board Staff  
Carol Mueller, Chief Committee Clerk  
John Knepel, Partner, Baker Tilly Virchow, Krause, LLP