

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

Date: August 15, 2024

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

From: Jennifer Folliard, Director of Audits, Audit Services Division

Subject: From the Director of Audits, providing an informational packet of reports from 2023 countywide audit services prepared by the County's External Auditors

File Type: Informational Report

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**REQUEST**

This report is for informational purposes. There is no request at this time.

**POLICY**

The Audit Service Division (ASD) conducts performance audits which provide elected officials and County management with an objective, third-party analysis of their operations to help them improve performance, reduce costs, and make informed data-driven decisions. ASD also manages the contract with an external CPA firm for the annual audit of Milwaukee County's financial statements and other audit services. ASD's performance audit duties are defined in s. 59.255(2)(i), Wis. Stats. and along with the responsibility to supervise the annual audit of the County's financial statements, described in Section 34.09 of the Milwaukee County Code of General Ordinances.

Wisconsin State Statutes:	59.255(2)(i)
Milwaukee County Code of General Ordinances:	34.09

**BACKGROUND**

The Milwaukee County Board of Supervisors adopted a resolution on December 21, 2001 approving a policy of seeking new proposals every five years from auditing firms for the annual audit of Milwaukee County. Following the 2020 issuance of a request for proposals for countywide audit services, the CPA firm of Baker Tilly US, LLP (Baker Tilly) was the successful proposer and awarded a five-year contract plus a one-year renewal option at Milwaukee County's discretion. The contract requires the provision of annual countywide audit services covering the years 2020 - 2024, with 2025 being the period covered by the optional one-year renewal. Baker Tilly has subcontracted with the CPA firm of Coleman & Williams, Ltd with a commitment to attain a TBE goal of 34% of the contract amount.

As specified by the contract, a series of reports and documents are generated following the completion of each annual countywide services period. Below is a table of the most current year's items that provides the name of each report/document along with a brief description and notation as to firm that generated the report/document.

Report/Document	Description	Firm
Audit Summary Observations	Outline of key aspects of reports	BT
2023 Annual Comprehensive Financial Report	Compilation of annual financial statements, schedules, and supplementary information.	BT
2023 Single Audit Report *	Schedules of expenditures of Federal and State awards and compliance reports.	C&W
2023 Milwaukee Mitchell International Airport Schedule of Passenger Facilities Charges, Revenues and Expenditures	Schedules of PFC funds and compliance reports prepared in accordance with regulatory requirements.	C&W
2023 Transit System Agree Upon Procedures Specified by the FTA	Compliance reports and information prepared in accordance with FTA requirements.	C&W
2023 Communications to Those Charged with Governance and Management **	Opportunities for strengthening internal controls and improving operating efficiency. Includes recommendations and management responses.	BT
Reporting and Insights from the 2023 Audit	Matters required by professional standards to be reported to the Milwaukee County Board of Supervisors.	BT
<p>* Additional work is required to complete the 2023 Single Audit Report. Therefore, it will be submitted for the December 2024 committee meeting cycle.</p> <p>**To avoid disclosing potential County information systems vulnerabilities or system architecture publicly, we requested that Baker Tilly reference but not describe in its report, Communications to Those Charged with Governance and Management, an existing matter where recommendations to improve system internal controls were made to the Information Management Services Division.</p>		

Related File No's:	01-686, 21-771, 22-945, 23-800, 24-729
Associated File No's (Including Transfer Packets):	None
Previous Action Date(s):	File No. 20-883 was adopted on December 17, 2020 and signed by the County Executive on January 6, 2021. File No. 22-774 was adopted on July 28, 2022 and signed by the County Executive on August 31, 2022. Related items included as budget requests were approved with 2023 and 2024 budget adoptions.

### **ALIGNMENT TO STRATEGIC PLAN**

Describe how the item aligns to the objectives in the [strategic plan](#):

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

While the County's Audit Services Division performs work related to many of the County's Strategic Plan objectives, the Division's work in managing the contract with the County's external auditors to provide countywide audit services enhances the County's fiscal health and sustainability.

### **FISCAL EFFECT**

None

### **VIRTUAL MEETING INVITES**

Jennifer Folliard, Director of Audits  
Molly Pahl, Deputy Director of Audits  
Paul Grant, Audit Compliance Manager  
Paul Frantz, Partner, Baker Tilly US, LLP  
Michelle, Walter, Senior Manager, Baker Tilly US, LLP

William Coleman, President, Coleman & Williams, Ltd

**PREPARED BY:**

Paul Grant, Audit Compliance Manager

**APPROVED BY:**

Jennifer Folliard, Director of Audits

**ATTACHMENTS:**

Audit Summary Observations  
Annual Comprehensive Financial Report  
Reporting Insights From 2023 Audit  
Communication to Governance and Management  
Schedule of Passenger Facility Charges  
MCTS Transit Data Report

cc: Liz Sumner, Milwaukee County Comptroller  
Milwaukee County Board of Supervisors  
David Crowley, Milwaukee County Executive  
Aaron Hertzberg, Director, Department of Administrative Services  
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors  
Steve Cady, Research & Policy Director, Office of the Comptroller  
Janelle Jensen, Legislative Services Division Manager, Office of the Milwaukee County Clerk  
Ethan Masarik, Committee Coordinator, Office of the Milwaukee County Clerk