

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: July 1, 2015

To: Scott B. Manske, Comptroller
Chris Abele, Milwaukee County Executive
Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

From: Jerome J. Heer, Director of Audits

Subject: Baker Tilly Report on Risk Management

The enclosed report was prepared by Baker Tilly under a contract with the Comptroller's Audit Services Division. It presents an assessment of Milwaukee County's risk management program. The report approaches risk management in the broadest sense as it affects all County programs. It is not focused solely on insurance and loss prevention as the term is more narrowly applied within County government.

We retained Baker Tilly to conduct this review in response to questions raised over the past several years by both Executive and Legislative officials. One recent example that illustrates these concerns was the 2013 Courthouse electrical fire. The absence of an effective continuity of operations plan and questions about deferred property maintenance prompted interest in the County's ability to be more proactive in the face of the risks associated with County operations.

As Baker Tilly has pointed out, Milwaukee County is in the initial phase of building an effective risk management program. While some Departments and Divisions are further along in this process, others are in need of greater improvement. More detailed assessments of several key administrative and operational agencies are presented in the report. It is important to note that assessment at a lower level of risk management readiness is not a good indicator of the performance of management and staff. Differences across the County are more likely rooted in decisions that have been made about resources and priorities. In many instances the constraints impacting risk management are budgetary, external or both. Our goal in presenting this information is not to critique management. Rather, it is to offer suggestions that can, hopefully, enhance County government's ability to address challenges proactively.

If you have any questions, please call me at 278-5185.



Jerome J. Heer

JJH/cah

cc: Milwaukee County Board of Supervisors
Milwaukee County Department Heads
Baker Tilly Virchow Krause, LLP