

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: April 17, 2020

To: Milwaukee County Executive
Milwaukee County Board of Supervisors

From: Jennifer Folliard, Director of Audits

Subject: Role and Accomplishments of the Office of the Comptroller—Audit Services Division

At the beginning of each new County Board term, the Comptroller's Audit Services Division has prepared this report describing our role and providing a catalogue of past reports. We hope this information is useful to those of you who are new to elected office in Milwaukee County as well as to those of you who are returning to serve another term.

Audit Services Division Mission Statement

Through independent, objective and timely analysis of information, the Audit Services Division assists both policy makers and program managers in providing high-quality services in a manner that is honest, efficient, effective and accountable to the citizens of Milwaukee County.

To assist in understanding Audit Services Division functions, we have prepared the enclosed recap of reports, issued since 2010. These reports are listed in **Attachment A**. Also enclosed is **Attachment B**, containing a functional description of the Division.

As an elected official, the Comptroller has complete independence in deploying the Audit Services Division to conduct performance audits involving County departments and contracts. The County Ordinance governing audits and investigations (section 34.09) is enclosed as **Attachment C**.

Performance Audits

The Audit Services Division conducts performance audits which provide elected officials and government employees with an objective third-party analysis of their operations to help them improve performance, reduce costs and make informed data-driven decisions. As seen in **Attachment A**, the scope of performance audits prepared by the Audit Services Division includes a wide range of diverse topics. Certain issues were straightforward such as an analysis of the Parks Lease and Concession operations while others covered topics that were complex and controversial such as the review of the inmate medical services provided at the Milwaukee County Jail and the House of Correction. However, the common thread among all of the performance audits was to improve programs and services to County residents by either being more effective in accomplishing program objectives, becoming more efficient, strengthening controls and safeguarding County assets, and/or complying with laws and regulations.

Reports issued since 2002 are available on the County's web site (<https://county.milwaukee.gov/EN/Comptroller/Reports>). We would be happy to provide you with copies of any reports issued prior to 2002. The Audit Services Division also facilitates management's preparation of periodic status reports after the completion of each performance audit to monitor the implementation of audit recommendations.

Investigations and the Fraud Hotline

Since 1994, the County's Audit office has maintained a hotline to receive and investigate allegations of fraud, waste and abuse in County government. The allegations have ranged from employee and elected official misconduct, theft, public assistance fraud, vendor fraud and counterfeit County checks. Our personnel have worked with the District Attorney's Office, the Office of the Sheriff and state agencies in investigating these allegations. Investigations have resulted in employee discipline, criminal prosecutions and recovery of County funds.

The Audit Services Division submits an annual report to the County Executive and County Board of Supervisors which summarizes the prior year's fraud-related activities.

In 2015, the County Executive and County Board of Supervisors created a County ordinance (section 34.095 – see Attachment C) which expanded and codified the Audit Services Division's authority and County stakeholders' responsibilities in an investigation. The Audit Services Division and the County Ethics Board entered into a relationship which allowed Division personnel to investigate alleged violations of the County Code of Ethics. Acting as agents of the Ethics Board for purposes of these investigations, Division personnel have access to confidential Ethics Board records.

Annual Financial Audit

The Audit Services Division also contracts with an outside CPA firm on an annual basis to perform the audit of the County's financial statements and the "Single Audit" of federal and state grants received by County departments. The ability to provide audited financial statements of Milwaukee County to bonding agencies and also provide required audited schedules of federal and state awards to grantor agencies are valuable components to the County's overall financial program. The Audit Services Division functions as a liaison between County departments and the CPA firm while continuously monitoring progress of the audits.

In addition to audits, other Division functions include the Division's bank reconciliation and contract compliance operations. The bank reconciliation function is an effective oversight tool for most checking accounts under Division control. The contract compliance function provides assistance with County oversight of private vendors' adherence to regulations such as the Minimum Wage Ordinance, where applicable. These functions also contribute to the County's overall effectiveness.

If you have any questions or need further information, I may be reached at 278-4830 or Jennifer.Folliard@milwaukeecountywi.gov.



Jennifer L. Folliard, Director of Audits

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Attachments

cc: Scott B. Manske, CPA, Milwaukee County Comptroller