

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: April 17, 2025

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

From: Jennifer Folliard, Director of Audits

Subject: From the Director of Audits, an informational report on the Role and Accomplishments of the Office of the Comptroller—Audit Services Division.

File Type: Informational Report

REQUEST

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

Periodically, the Comptroller's Audit Services Division prepares this report describing our role and providing a catalogue of past reports. We hope this information is useful to those of you who serve on the Committee on Audit and Board members generally interested in audit issues.

POLICY

The duties and responsibilities of the Office of the Comptroller Audit Services Division are described in Wisconsin State Statute 59.255(2)(i) and Sections 34.09 and 34.095 of the Milwaukee County Code of General Ordinances.

Wisconsin State Statutes:	Wis Stats. 59.255(2)(i)
Milwaukee County Code of General Ordinances:	Sections 34.09 and 34.095

BACKGROUND

The Audit Services Division's Mission Statement is, as follows:

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**. **Attachment B** contains a functional description of the Division.

As an elected official, the Comptroller has complete independence to work with the

Director of Audits to deploy the Audit Services Division to conduct performance audits involving County departments and contracts. The County Ordinance governing audits and investigations (sections 34.09 and 34.095) is included as **Attachment C**.

Performance Audits

The Audit Services Division conducts performance audits which provide elected officials and government employees with an independent and 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 conducted by the Audit Services Division includes a wide range of diverse topics. Certain issues were straightforward while others covered topics that were complex and controversial. However, the common thread among all 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 to safeguard 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 Services Division 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, Ethics Board, and Federal 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.

Annual Financial Audit

The Audit Services Division also contracts with an outside CPA firm to perform the annual 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 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 bank reconciliation and compliance operations. The bank reconciliation function is an effective oversight tool for bank accounts under Division review. The 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.

ALIGNMENT TO STRATEGIC PLAN

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

- 1A: Reflect the full diversity of the County at every level of County government
- 1B: Create and nurture an inclusive culture across County government
- 1C: Increase the number of County contracts awarded to minority and women-owned businesses
- 2A: Determine what, where, and how we deliver services to advance health equity
- 2B: Break down silos across County government to maximize access to and quality of services offered
- 2C: Apply a racial equity lens to all decisions
- 3A: Invest "upstream" to address root causes of health disparities
- 3B: Enhance the County's fiscal health and sustainability
- 3C: Dismantle barriers to diverse and inclusive communities

Depending on the scope, audit reports produced by the Division can relate to many of the areas included in the County's Strategic Plan. Many traditional audits seek to enhance the County's fiscal health and sustainability.

Our office's efforts to evaluate equity are summarized below.

Efforts to Evaluate Equity

In 2019, Milwaukee County updated the County's vision to state, "By achieving racial equity, Milwaukee County is the healthiest county in Wisconsin." At the start of the 2020 Board of Supervisors' term, the Audit Committee was created by the County Board Chairwoman to focus the Board's oversight of administrative operations and the County's push for racial equity. Our Division supports this effort and has incorporated a Diversity, Equity, and Inclusion Evaluation step into our performance audit process. As our audit teams perform preliminary survey research as part of any new performance audit they evaluate the ways in which an equity analysis can be performed as part of the audit work. Our office takes this work very seriously and will continue to seek out ways in which we can help the County to evaluate efforts to fulfill its vision.

FISCAL EFFECT

N/A

VIRTUAL MEETING INVITES

Jennifer Folliard, Director of Audits

Molly Pahl, Deputy Director of Audits

PREPARED BY:

Jennifer Folliard, Director of Audits

ATTACHMENTS:

Attachment A: Recap of reports issued since 2010

Attachment B: Functional description of the Audit Services Division

Attachment C: The County Ordinances governing audits and investigations

cc: Liz Sumner, Milwaukee County Comptroller
Members, Milwaukee County Board of Supervisors
David Crowley, Milwaukee County Executive
Scott Brown, Corporation Counsel
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Mary Jo Meyers, Chief of Staff, Milwaukee County Executive
Stephen Cady, Research and Policy Director, Office of the Comptroller
Jane Geyer, Research Analyst, Office of the Comptroller
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk
Ethan Masarik, Committee Coordinator, Office of the County Clerk