

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: March 25, 2014

To: Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors

From: Jerome J. Heer, Director of Audits

Subject: Proposed Resolution to Amend the Professional Services Contract between the Audit Services Division 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 Audit Services Division respectfully requests an amendment to the professional services contract between Milwaukee County (represented by the Audit Services Division) 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 (now the Audit Services Division within the Office of the Comptroller) renewed a professional services contract with Baker Tilly in 2014 to conduct the annual countywide financial statement audit, single audit, and certain other audit services required by regulatory agencies, for the year ended December 31, 2013. Baker Tilly has committed to a DBE participation goal 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 vested solely with the Department of Health Services. However, since 2010, DFC is subject to additional oversight by the Office of the Commissioner of Insurance (OCI). Specifically, audit requirements codified under Section Ins 57 of the Wisconsin Administrative Code have been added. In 2011, 2012 and 2013 these regulatory requirements were met through the acquisition of additional audit services from Baker Tilly. These services are again being sought from the firm in 2014.


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.

Marina Dimitrijevic, Chairwoman, Milwaukee County Board of Supervisors
March 25, 2014
Page 2

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: Scott B. Manske, Milwaukee County Comptroller
Supervisor Willie Johnson, Jr., Co-Chair, Committee on Finance, Personnel & Audit
Supervisor David Cullen, Co-Chair, Committee on Finance, Personnel & Audit
Chris Abele, Milwaukee County Executive
Maria Ledger, Director, Department of Family Care
Kelly Bablitch, Chief of Staff, County Board Staff
Steve Cady, Director of Research, Office of the Comptroller
Janelle Jensen, Chief Committee Clerk, Office of the County Clerk
John Knepel, Partner, Baker Tilly Virchow, Krause, LLP