

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: February 15, 2024

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

From: Jennifer Folliard, Director of Audits, Office of the Comptroller

Subject: From the Director of Audits, submitting a resolution/ordinance to amend Section 34.09 of the Milwaukee County Code of General Ordinances.

File Type: Resolution/Ordinance

REQUEST

The Office of the Comptroller, Audit Services Division, requests the adoption of the proposed modifications to Section 34.09 of the Milwaukee County Code of General Ordinances (MCGO). The amended language aligns with a change to the Employee Retirement System annual financial statement audit, effective following implementation of 2023 Wisconsin Act 12, and seeks to clarify the Division’s right to audit language, particularly as it applies to County vendors.

POLICY

Wisconsin State Statutes:	13.94(1)(x)
Milwaukee County Code of General Ordinances:	34.09

BACKGROUND

Through independent, objective and timely analysis of information, the Milwaukee County Office of the Comptroller—Audit Services Division (ASD) assists both policymakers and program administrators in providing high-quality services in a manner that is honest, effective, and accountable to the citizens of Milwaukee County.

ASD administers the County’s contract with the external auditors to perform the annual countywide audit. The annual audit is comprised of several reports, including, historically, the annual financial audit of Milwaukee County’s Employee Retirement System (ERS). 2023 Wisconsin Act 12 created s. 13.94(1)(x), Wis. Stats., which requires the State Legislative Audit Bureau to annually conduct a financial audit of the retirement systems of Milwaukee County beginning with the 2023 audit. The proposed modification to Section 34.09(1)(c) MCGO seeks to align the ordinance with this new statutory requirement. While the change in state statute shifts the responsibility for the financial audit to the State Legislative Audit Bureau, ASD retains its ability to request records, investigate hotline allegations, and conduct performance audits of the

Department of Human Resources-Retirement Plan Services Division.

Section 34.09(2) MCGO also discusses the availability of records to the Comptroller. The County has long required the inclusion of an audit clause for agreements to safeguard the expenditure of public funds. In recent years, ASD worked with departments across the County to better communicate this requirement on behalf of the public. These efforts have led to inclusion of appropriate audit clause language in contracts. However, the current language in Ch. 34.09(2) MCGO was drafted at a time when the County had fewer contractual agreements. Our review of the original language finds it to be limiting and not reflective of actual practice. Therefore, ASD is seeking approval of modifications to clarify the ordinance to reflect the Division's rights and to better align with the standard County audit clause (included below for reference).

The Contractor, Lessee, or other party to the contract, its officers, directors, agents, partners and employees shall allow the County Audit Services Division and department contract administrators (collectively referred to as Designated Personnel) and any other party the Designated Personnel may name, with or without notice, to audit, examine and make copies of any and all records of the Contractor, Lessee, or other party to the contract, related to the terms and performance of the Contract for a period of up to three years following the date of last payment, the end date of this contract, or activity under this contract, whichever is later. Any subcontractors or other parties performing work on this Contract will be bound by the same terms and responsibilities as the Contractor. All subcontracts or other agreements for work performed on this Contract will include written notice that the subcontractors or other parties understand and will comply with the terms and responsibilities. The Contractor, Lessee, or other party to the contract, and any subcontractors understand and will abide by the requirements of Section [34.09](#) (Audit) and Section [34.095](#) (Investigations concerning fraud, waste, and abuse) of the Milwaukee County Code of General Ordinances.

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 routinely seeks to enhance the County's fiscal health and sustainability.

FISCAL EFFECT

This action, which aligns the ordinances to reflect current State law and County practices, has no direct fiscal effect.

VIRTUAL MEETING INVITES

Jennifer Folliard

Scott Manske

Molly Pahl

Paul Grant

PREPARED BY:

Jennifer Folliard, Director of Audits, Office of the Comptroller

ATTACHMENTS:

Resolution/Ordinance and Fiscal Note

cc: Scott B. Manske, CPA, Milwaukee County Comptroller
David Crowley, Milwaukee County Executive
Milwaukee County Board of Supervisors
Margaret Daun, Milwaukee County Corporation Counsel
Aaron Hertzberg, Director, Department of Administrative Services
Margo Franklin, Chief Human Resources Officer
Mary Jo Meyers, Chief of Staff, Milwaukee County Executive
Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Steve Cady, Research and Policy Director, Office of the Comptroller
Ciara Miller, 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