

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: June 21, 2022

To: Chairwoman Marcelia Nicholson

From: Jennifer L. Folliard, Director of Audits

Subject: Countywide Audit Services Contract – Amendment 1

Request

County Board approval is requested for approval of the attached resolution. The resolution authorizes the Audit Services Division to execute Amendment 1 to its countywide audit services agreement with Baker Tilly. Amendment 1 increases the contract year 2022 maximum by \$30,000, from \$361,078 to \$391,078, to compensate Baker Tilly for the Single Audit review of up to six additional programs associated with Covid-19 funding. The Amendment further provides for an update to the required professional auditing standards language associated with the services provided under the agreement.

Background

At its meeting in December 2020, the Milwaukee County Board of Supervisors approved a request from the Office of the Comptroller - Audit Services Division to enter into a professional services agreement with the CPA firm of Baker Tilly US, LLP (Baker Tilly) for the provision of annual countywide audit services (File No. 20-883). Baker Tilly was selected as recommended by the request for proposal (RFP) evaluation panel, following its review of a total of five proposals received via the RFP process.

As noted in my attached memo, dated November 12, 2020, an array of services is included in the agreement with Baker Tilly, which extends over five annual periods covering years ending December 31, 2020 – December 31, 2024, plus a one-year renewal option at the County's discretion. Among the services specified is the annual Single Audit of Federal and State awards received by the County. The annual Single Audit is performed by Coleman & Williams, LTD, a targeted business enterprise firm subcontracted by Baker Tilly to perform this work at a 34% participation goal of the overall contract.

Due to the impact of the Covid-19 pandemic, there has been a vast influx of federal Covid-19 related funding to the County. The receipt of this funding has brought with it increased scrutiny by funding agencies, requiring the review of additional programs as part of the County's annual Single Audit. To compensate Baker Tilly for the review of up to six additional programs, we negotiated with the firm to arrive at a pricing arrangement that will raise the contract maximum for 2022 by \$30,000 from \$361,078 to \$391,078. As a result, an amendment will be required to increase the contract. Respective departments have agreed to pay for the \$30,000 increase out of Covid-19 funds received within their existing budgets.

Covid-19 funding is expected to continue into future years. In these cases, further contract amendments will again be brought before the County Board, with funding of the additional program reviews being secured from affected departments through the annual budget process.

In addition to the need to amend the countywide audit services contract to compensate Baker Tilly for the review of additional programs, an amendment is needed to incorporate updated language required by professional auditing standards.

Chairwoman Marcelia Nicholson
June 21, 2022
Page Two

County Board approval is requested for approval of the attached resolution. The resolution authorizes the Audit Services Division to execute Amendment 1 to its countywide audit services agreement with Baker Tilly. Amendment 1 increases the contract year 2022 maximum by \$30,000, from \$361,078 to 391,078, to compensate Baker Tilly for the Single Audit review of up to six additional programs associated with Covid-19 funding. The Amendment further provides for an update to the required professional auditing standards language associated with the services provided under the agreement.

Please refer this request to the appropriate Committee(s).



Jennifer L. Folliard

JLF/PAG/cah

Attachments

cc: Scott B. Manske, CPA, Milwaukee County Comptroller
Supervisor, Liz Sumner, Chair, Committee on Finance
Supervisor Felesia A. Martin, Chair, Committee on Audit
David Crowley, Milwaukee County Executive
Shakita LaGrant, Director, Department of Health & Human Services
Donna Brown-Martin, Director, Department of Transportation
Brian Dranzik, Airport Director, Milwaukee Mitchell International Airport
Aaron Hertzberg, Director, Department of Administrative Services
Joseph Lamers, Budget Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board Staff
Steve Cady, Policy and Research Director, Office of the Comptroller
Janelle Jensen, Legislative Services Division Manager, Office of the Milwaukee County Clerk