

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: November 8, 2023
To: Chairwoman Marcelia Nicholson
From: Jennifer L. Folliard, Director of Audits
Subject: 2021 and 2022 Single Audit Reports

Milwaukee County's external audit firms of Baker Tilly and Coleman & Williams presented the 2022 annual countywide audit packet of reports (File No. 23-800) at the Audit Committee meeting on September 13, 2023. However, as noted in our transmittal memo for the report packet, and subsequently at the Audit Committee meeting, additional work was required to complete the 2022 Single Audit Report and that it would instead be submitted for the December 2023 committee meeting cycle.

In addition, the County was required to reissue its 2021 Single Audit report since the previous report was missing a major grant. The reissuance of the 2021 Single Audit report occurred in September 2023.

The Office of the Comptroller currently provides training on an annual basis regarding the financial audit and the SEFA (Schedule of Expenditures of Federal Awards) audit, and it will provide additional training to departments in 2023 in preparation for the 2023 SEFA Audit of grants. In addition, the Comptroller's Office will continue to utilize procedures adopted for the 2022 SEFA audit to identify 2023 grants that may not have been reported.

2022 Single Audit Report:

The 2022 Single Audit Report is now complete. It consists of schedules of the County's Federal and State awards for the year ended December 31, 2022, and the related compliance reports and opinion. The CPA firm of Coleman & Williams conducted the County's Single Audit.

The results reported by Coleman & Williams are as follows:

a. Opinions issued:

The schedules of federal and state awards are fairly presented in accordance with accounting principles generally accepted in the United States of America and applicable Federal and State standards.

The County complied in all material respects with applicable compliance requirements that could have a direct and material effect on each of its major federal and major state programs.

b. A material internal control weakness relating to the omission of programs in the preparation of the Schedule of Expenditures of Federal Awards was repeated from 2021, as described below. Just before the issuance of the 2022 Single Audit report, a major grant was found to not have been included in our 2022 Single Audit reporting. The report was held until further research could be completed of any additional grants that may not have been reported.

c. No instances of findings or questioned costs associated with Federal or State instances of noncompliance were identified.

2021 Single Audit Report:

As also stated at the September 2023 Audit Committee meeting, the 2021 Single Audit Report, originally submitted in September 2022, was to be reissued in 2023 due to the inadvertent omission of a Federal grant in the Report's Schedule of Expenditures of Federal Awards (SEFA). The updated report was reissued in September 2023.

The omission of a Federal grant in the original 2021 Single Audit Report was due to a department that does not typically administer grants receiving a grant in 2021 and not reporting this grant to the Comptroller's Office. This was discovered by the Comptroller's Office earlier this year and reported to the external auditors. While the external auditors reviewed the County's use of the grant and found it in compliance with grant requirements, due to its omission from the SEFA, a material weakness in internal control finding was added to the reissued 2021 Single Audit Report.

The results reported by Coleman & Williams are as follows:

a. Opinions issued:

The schedules of federal and state awards are fairly presented in accordance with accounting principles generally accepted in the United States of America and applicable Federal and State standards.

The County complied in all material respects with applicable compliance requirements that could have a direct and material effect on each of its major federal and major state programs.

b. A material internal control weakness relating to the omission of programs in the preparation of the Schedule of Expenditures of Federal Awards was noted for 2021, as described above.

c. A significant deficiency over internal control was identified and reported. The finding was related to bank reconciliations not being completed on a timely basis. This was discussed when the original 2021 Single Audit was issued and was not repeated in the 2022 Single Audit.

d. No instances of findings or questioned costs associated with Federal or State instances of noncompliance were identified.

The 2022 Single Audit Report is attached and the reissued 2021 Single Audit Report is accessible via the following link:

[2021SingleAuditReport.pdf \(milwaukee.gov\)](#)

Please refer this to the Audit Committee as an informational item.



Jennifer L. Folliard

JLF/PAG/cah

Attachment

cc: Scott B. Manske, CPA, Milwaukee County Comptroller
Milwaukee County Board of Supervisors
David Crowley, Milwaukee County Executive
Aaron Hertzberg, Director, Department of Administrative Services
Joseph Lamers, Director, Office of Strategy, Budget and Performance
Kelly Bablitch, Chief of Staff, County Board Staff
Steve Cady, Research & Policy Director, Office of the Comptroller
Ciara Miller, Research Analyst, Office of the Comptroller
Janelle Jensen, Legislative Services Division Manager, Office of the County Clerk
Allyson Smith, Committee Coordinator, Office of the Milwaukee County Clerk