

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

Date: April 18, 2024

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

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**REQUEST**

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

At the beginning of each new County Board term, 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 are new to elected office in Milwaukee County as well as to those of you who are returning to serve another term.

**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 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 and safeguarding 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.

The 2024 Adopted Budget was amended to include \$250,000 in an allocated contingency account for an external audit of the jail. In February 2024, the County Board approved File No. [24-113](#), which included a scope of work to be included in a Request for Proposals (RFP) to select an outside vendor to perform this work. The RFP process was initiated following passage and signing of this file and is ongoing. The Audit Services Division anticipates the RFP process to conclude in time for our office to return to the Board with an action file by the July meeting cycle.

## **Investigations and the Fraud Hotline**

Since 1994, the County's Audit office 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

Audit reports produced by the Division relate to many of the areas included in the County's Strategic Plan. 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, Acting 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  
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