

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: May 23, 2011

To: Lee Holloway, Chairman, Milwaukee County Board of Supervisors

From: Jerome J. Heer, Director of Audits

Subject: Proposed Resolution to Amend the Professional Services Contract between the Department of Audit 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 Department of Audit respectfully requests an amendment to the professional services contract between Milwaukee County (represented by the Department of Audit) 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 renewed a professional service contract with Baker Tilly to conduct the annual countywide financial statement audit, single audit, and other audit services required by regulatory agencies, for the year ended December 31, 2010. Baker Tilly is on track to achieve a DBE participation level of 34% and will commit to meet or exceed County DBE goals in regard to the contract amendment.

In 2010, the State of Wisconsin expanded its oversight of DFC's operation of a Care Management Organization (CMO) under the State's Family Care Program. Previously, State oversight of DFC involved solely the Department of Health Services. It now includes the Office of the Commissioner of Insurance (OCI), which subjects DFC to the specific audit requirements codified under Section Ins 57 of the Wisconsin Administrative Code. In order for DFC to meet the new regulatory requirements additional audit services will need to be performed by Baker Tilly.

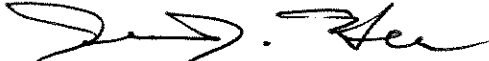
RECOMMENDATION

To meet State requirements imposed on DFC in an efficient and economical manner, the Director of Audits and the Interim Director of the Department of Family Care respectfully request 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 \$35,000) will be paid by the DFC using State Family Care Program funding.

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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: Supervisor Johnny Thomas, Chair, Committee on Finance and Audit
Chris Abele, Milwaukee County Executive
Maria Ledger, Interim Director, Department of Family Care
Scott Manske, Controller, Department of Administrative Services
Terrence Cooley, Chief of Staff, County Board Staff
Steve Cady, Research Analyst, County Board Staff
Carol Mueller, Chief Committee Clerk
CJ Pahl, Interim Fiscal & Budget Administrator, Department of Administrative Services
Davida Amenta, Fiscal & Management Analyst, Department of Administrative Services
John Knepel, Partner, Baker Tilly Virchow, Krause, LLP