

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: July 16, 2019

To: Chairman Theodore Lipscomb, Sr., Milwaukee County Board
Supervisor Jason Haas, Chair, Committee on Parks, Energy and Environment

From: Jennifer L. Folliard, Director of Audits

Subject: Agreement between Milwaukee County and Friends of Hales Corners Park & Pool

In February of 2019 we issued an audit *Hales Corners Park has benefited from the support of its Friends Group; however, a formal agreement with the organization is needed to achieve adherence to Chapter 13 of the Milwaukee County Ordinances.* We made 10 recommendations in the audit that we believed would help Milwaukee County improve its relationship with Friends of the Hales Corners Park and Pool, Inc.

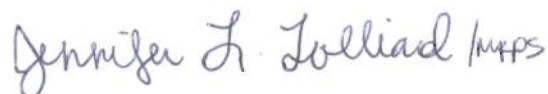
One of the recommendations was for Parks to enter into a formal agreement with the Friends of Hales Corners Park and Pool, Inc. County Board File No. 19-575 seeks approval of a new agreement between the two parties.

At your request, we conducted a review of the proposed agreement to determine if it addressed the recommendations contained in our audit. Of our 10 recommendations, six related to the proposed agreement. We have included an attachment that contains our review of recommendation versus the proposed agreement.

In our report we also noted a number of areas where internal controls could be strengthened by the Friends Group. While the proposed agreement requires the submission of policies and procedures as well as financial documents, at this point it is unclear to what extent the Friends Group has strengthened its internal controls.

Some of the concerns we noted in the audit relate to the monitoring of the relationship between Parks and their Friends group. Overall, we are pleased to see progress made via the execution of the agreement, but we continue to emphasize the need for monitoring by Parks of their agreements.

We would also suggest that Parks consider adding an ability for a shorter notice for termination versus the one year as noted in the agreement. Should there be issues with contract compliance or other concerns, it would be helpful to have an ability to terminate the agreement in less than the currently noted one year.



Jennifer L. Folliard

JLF/mrp

Attachment

cc: Members, Committee on Parks, Energy and Environment
Guy Smith, Director, Department of Parks, Recreation and Culture
Kelsey Evans, Committee Coordinator, Office of the County Clerk
Emily Peterson, Research Analyst, Office of the Comptroller

Recommendation for Hales Corners Friends		Agreement	Section	Concerns:
1	The Parks Department should work with the Friends Group to establish a prudent timeline to complete the project fundraising and/or discuss options that may include scaling back the project, and report the result of such efforts to the County Board and County Executive by mid-year 2019.	N/A		
2	Work with the Friends of Hales Corners Park and Pool to formally document that both parties understand and agree that should the Alyson Dudek International Ice Center - Outdoor Pavilion project not proceed, the Friends Group will provide the timely return of the County's \$75,000 grant.	N/A		
3	Ensure proper controls are in place going forward to prevent funds from being dispersed prior to project completion in all cases where applicants indicate in the PAMF program application that funds will be received after project completion.	N/A		
4	Update all PAMF program materials to clearly disclose that funds dispersed by Parks to the grantee prior to project completion are to be returned in a timely manner to the County should the project ultimately not proceed.	N/A		
5	Enter into a written agreement with the Friends Group following the requirements established in Chapter 13 of the Milwaukee County Code of General Ordinances. The agreement should be submitted to the County Board of Supervisors and the County Executive for review and approval and it should contain clear policies on open meetings, financial reporting, and Code of Ethics/Conflicts of interest requirements.	Yes	2.3, 2.4	Language on open meetings is weak, "The Friends recognize that the County Board endorses a policy of open meetings, open records, affirmative action, and a code of ethics. The Friends understand that the County Board expects Milwaukee County employees to understand and comply with such policies in working with friends' groups." Doesn't appear to hold Friends to the standard, only county employees.
6	Request submittal of periodic financial reports for the Friends Group	Yes	6.1-6.3	
7 a.	The written agreement with the Friends Group should also include the following elements: a. Language clarifying financial, volunteer, and operational support associated with the roles and responsibilities of each party.	Yes	3.3, 3.5	
b.	Language clarifying concerns related to proper storage, and protocol for volunteer activities.	Partial	3.4,3.5	Volunteer activities yes, but storage no.
8 a.	Document efforts made to strengthen internal controls with a special focus in the following areas: establishment of a conflict of interest policy; petty cash procedures; proper check approval; signature authority, and verification procedures; enhanced recordkeeping and donor receipt system.	Partial	6.2.6	Requires policies and procedures (but does not include processes) to be submitted and financial documents but no discussion on detailed items. Also, agreement calls for annual submittal of officers and directors but does not request notification of changes. Parks staff is working to provide examples of items to be included in the by laws of the Friends Group to fulfill the audit recommendations. Additional information regarding these items will be included in the six month follow-up on the implementation of the audit recommendations which will be submitted to the County Board for the October 2019 meeting cycle.
b.	Report changes implemented as a result of this work in forthcoming audit follow up reports to the Audit Services Division, which will be included for review by policymakers.	Yes		Submitting agreement is compliance with this recommendation.
9	Fully develop and issue the Handbook to include a copy of Chapter 13 and operational guidance specifically for friends groups.	Yes	2.7	Mentioned in the agreement, but copy not provided. Additional information regarding this item will be included in the six month follow-up on the implementation of the audit recommendations which will be submitted to the County Board for the October 2019 meeting cycle.
10	The Parks Department assign a County Coordinator for the Friends of Hales Corners Park and Pool.	Yes	2.8	