COUNTY OF MILWAUKEE
Inter-Office Communication

Date: October 11, 2011

To: Johnny Thomas, Chair, Committee on Finance and Audit

From: Jerome J. Heer, Director of Audits

Subject: Follow-up Report on Countywide Audit Issues (File No. INF 11-421)

The 2010 annual countywide audit reports were presented to the Committee on Finance and Audit at its meeting on September 22, 2011. In its discussion of this item, the Committee requested a follow-up report from the Department of Audit on the importance of the longer term issues noted in the Single Audit Report and the Report on Internal Control.

The following table shows the number of findings of noncompliance noted by the external auditors in the Single Audit Report each year from 2007-2010.

Single Audit Report Findings			
2007	2008	2009	2010
8	5	8	7

Of the seven findings reported in 2010, six were repeated for two years or more. However, as noted by the external auditors in the 2010 report, none of the findings are material to the basic financial statements nor do they constitute a material weakness or significant deficiency in relation to the major Federal or State programs.

The number of recommendations made by the external auditors in its Report on Internal Controls each year from 2007-2010 is summarized in the following table.

Report on Internal Control Recommendations			
2007	2008	2009	2010
31	20	16	14

Of the fourteen recommendations made in the 2010 report, seven were repeated for at least two years. According to the external auditors, the recommendations are presented as opportunities for strengthening internal control and improving operating efficiency.

We will continue to work with the external auditors to ensure management of affected departments is reminded of its responsibility to address these issues.

This follow-up report is informational.

Jerome J. Heer

JJH/PAG/cah

cc: Finance and Audit Committee Members
Chris Abele, Milwaukee County Executive
Terrence Cooley, Chief of Staff, County Board Staff
Steve Cady, Research Analyst, County Board Staff
Carol Mueller, Chief Committee Clerk, County Board Staff