City of Milwaukee
Information Technology (IT) Risk Assessment - Summary of Recommendations
2019 Financial Audit

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May 8, 2020

Objectives and Scope

In planning and performing our audit of the financial statements of the City of Milwaukee, Wisconsin, as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered its internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of its internal control. Accordingly, we do not express an opinon on the effectiveness of the City of Milwaukee's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might exist. Our assessment was performed using a high-level and risk-based approach and is not indended to be an audit or review of the City of Milwaukee's information technology infrastructure.

This communication is intended solely for the information and use of the City of Milwaukee's management and is not intended to be, and should not be, used by anyone other than the specified party.

Recommendations

Reference No.	Control Area	Control Objective	Department	Finding	Recommendation
2019-01	User Access / Security	A periodic review of user access acts as a detective control in the event that the 'per user' processes are being inconsistently applied. This layered control approach mitigates the inherent risk that unauthorized access is obtained or retained by users, which may be exploited for unauthorized activity.	Water Works & Treasurer	A formal review of access rights was not completed during 2019 for enQuesta, iNovah, and Munis.	We recommend that a review of access rights is completed at least annually.
2019-02	Backup and Restoration	The purpose of a disaster recovery (DR) plan is to prepare the City in the event of disruptions affecting corporate local area networks (LAN), wide area networks (WAN), Internet access and wireless network services due to factors beyond our control (e.g., natural disasters or man-made events).	Water Works	The disaster recovery plan for Water Works has not been updated since 2014.	We recommend that the disaster recovery plan be updated to reflect current people and resources.

Reference No.	Control Area	Control Objective	Department	Finding	Recommendation
2019-03	Third-Party Service Providers	Organizations are responsible for knowing, monitoring and obtaining assurance of vendor procedures. Vendor controls (or lack thereof) may result in data breaches, loss of data, unauthorized financial activity and/or regulatory non-compliance.	Water Works & Treasurer	There was no SOC report obtained during 2019 for the enQuesta data host (Expedient). There was also no SOC report obtained/reviewed during 2019 for MUNIS (SaaS).	The City should obtain a SOC report or equivalent for all applications or systems hosted by a third-party service provider. This SOC report should be reviewed annually by management and any identified deficiencies within the SOC report should be evaluated. Management should review and assess the client control considerations identified within the report and retain documentation of this review.
2019-04	Access Monitoring / Security	Logical access should be monitored to identify potential access violations through the use of alerts or manual review of logs on a regular basis	Water Works	A formal and proactive review of network access or security logs was performed once during 2019 for Water Works.	We recommend that a proactive review of network access and security logs be completed more frequently. In addition, this review should be documented.

Management's written responses to these recommendations follow this report. No audit procedures have been applied to management's responses.

Office of the City Treasurer Response
May 26, 2020
Jim Klajbor, Deputy City Treasurer

The City Treasurer's Department (department) offers the following responses:

2019-01
The department is in the process of hiring a Business Systems Coordinator. This person will be responsible for performing a formal review of user access rights on an annual basis following the close of the current tax collection period each year.

2019-03
Tyler Technologies requires a non-disclosure agreement (DNA) be executed before it releases its SOC report. The City Attorney's Office has yet to approve executing the DNA.

Addendum