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Office of the Comptroller
August 13, 2018

Honorable Tom Barrett, Mayor
The Members of the Common Council
City of Milwaukee
Milwaukee, WI 53202

Dear Mayor and Council Members:

Pursuant to City of Milwaukee Charter, Chapter 3-16.5 (3-a-2), the Internal Audit Division (IAD) is required to provide a semi-annual report of audit activities including, but not limited to, on-going audits, pending audits and possible subjects for future audits.

The IAD has prepared this report summarizing all of its work products including audits, projects and investigations completed and issued in 2018, current audits, projects in progress and their anticipated report issuance dates, and a list of potential audits slated for late 2018 and beyond.

Reports Issued in 2018

As of August 13, 2018 nine audit, project or investigation-based reports have been issued as follows:

Audit/Project Title	Report Release Date
Fraud, Waste and Abuse Hotline Report for Year-End December 31, 2017	02/05/18
Audit of Citizen Relationship Management (CRM) Application Controls	02/06/18
Report of Audit Recommendation Follow-Up 2018	03/06/18
Audit of Public Record Requests and Controls	04/16/18
Audit of Tax-Foreclosed Real Estate Sales to Non-Profit Organizations	05/29/18
Audit of ITMD Data Center Controls	06/13/18
City-wide Information Technology Risk Assessment – Consultant assisted	06/26/18
Administrative Review Appeals Board – RFP 14749 – Investigation	06/29/18
Audit of City Treasurer Cash Controls	07/19/18



Audits and Projects in Progress with Completion and Report Issuance Pending

All audits, and their estimated issuance dates, are potentially subject to change as they are dependent upon various factors and external input:

Audit/Project Initiation Date	Audit/Project Title	Current Status	Report Issuance Target	Comments
10/14/15	Audit of Milwaukee Police Department Overtime	Finding and remediation discussions	Q4 2018	Pending follow-up from MPD management
08/11/16	Audit of DER Compliance with FMLA	Finding and remediation discussions	TBD*	Pending follow-up from DER management
10/31/16	Audit of Port of Milwaukee: Maintenance, Monitoring, Tracking of Capital Assets	Fieldwork, testing	TBD	Pending restructure of audit into three parts
06/20/18	Audit of Municipal Court Data Center Controls	Fieldwork, testing	Q3 2018	-
8/1/2018	Audit of Election Commission Voter Registration Controls	Fieldwork, testing	Q4 2018	-
Q3 2018	Audit of City-wide Procard Processes and Controls	Planning	Q4 2018	-
Q4 2018	Network Security – Penetration Testing and Scanning	RFP evaluation process	Q1 2019	Consultant assisted
Q4 2018	Audit of Land Management System: Implementation, Change Control, and Follow-up	Planning	Q2 2019	-
Q4 2018	Follow-up Review: MHD Childhood Lead Poisoning Prevention Program	RFP development process	TBD	Consultant assisted
Q4 2018	Annual Audit Work Plan	Planning and development	Q4 2018	Pending survey completion
Q4 2018	Audit Division Peer Review	Planning	Q4 2018	-
Q1 2019	Milwaukee Water Works Additives and Corrosion Control-Lead Mitigation	RFP development process	TBD	Consultant assisted

* To be determined

Potential Audits and Projects under Consideration with Planning and Development Pending

The following table summarizes potential audits or projects slated for late 2018 or 2019 and was developed from the 2017 Annual Audit Work Plan, the 2018 IT Risk Assessment and risks identified throughout 2018:

Audit/Project Title	Departments
Enterprise-wide Audit of Policies and Procedures	All
Audit of Seized Assets - Maintenance and Disposal	MPD
Audit of Cloud Computing Services	ITMD, and as applicable
Audit of Procurement Services – Compliance and Processing Controls (RFP, Bids, etc.)	DOA
Audit of Hiring Practices – Controls, Compliance, Best Practice	DER
Application Audit – MUNIS Tax Collection System	ITMD and Treasury
Application Audit – Computer Assisted Mass Appraisal System (CAMA)	ITMD and Assessors

Annual Audit Work Plan 2018

The basis of this year's annual audit work plan will be the IT Risk Assessment completed in June 2018; the enterprise-wide risk and control self-assessment completed via survey in late 2018; and audit requests received in response to the communications sent out annually to the Mayor, the Common Council, and City departments.

All auditable areas of the City will be ranked, based on overall risk as determined by the enterprise-wide risk and control self-assessment. The results of this assessment will serve as a basis for the initial development of the annual audit plan for 2018 and beyond. The IAD will communicate the results of this project to the Common Council, following its completion.

Internal Audit Division Peer Review 2018

To maintain compliance with Generally Accepted Government Auditing Standards (known as “the Yellow Book”), the IAD is required to have an external peer review conducted of its operations. The peer review is conducted by a select group of other government auditors and is generally performed under the guidance of the Association of Local Government Auditors (ALGA). The City's IAD is an active member of ALGA.

This independent review serves as a safeguard to ensure that City audit activities comply with government audit standards; that the IAD continues to produce high quality audits and maintains its independence; and that the IAD utilizes highly competent auditors. It is anticipated that the preparation for, and completion of, the 2018 IAD peer review will require up to 650 hours. The peer review is tentatively scheduled for the fourth quarter of 2018 and will include a one-week visit by three ALGA reviewers.

Audit Recommendation Follow-up 2018

In addition to the information noted in this report, follow-up on recommendations from past audits is ongoing. The implementation status of any open recommendations from the 2018 audits, and audits issued prior to 2018, will be summarized as part of the Report of Audit Recommendation Follow-up 2018 to be released in the first quarter 2019.

Internal Audit looks forward to discussing the contents of this report with you.

Sincerely,



Adam Figon, MBA, CRMA
Audit Manager

cc: Martin Matson, Comptroller
AF: kp/bd