AUDIT OF CDGA AWARD PROCESS

Internal Audit | September 2025

AGENDA

- Scope & Objective
- Procedures
- Conclusion
- Finding and Recommendation

SCOPE & OBJECTIVES

SCOPE

The scope of this audit includes entities that received CDGA funds from January 1, 2024 through November 30, 2024.

OBJECTIVES

- Review and evaluate the application and award selection process for entities applying for grant funds from CDGA in accordance with relevant policies
- Determine if the timeliness of the initial disbursement of funds is in accordance with relevant policies

PROCEDURES

1

Interviews and walkthroughs

2

Review of relevant documentation

3

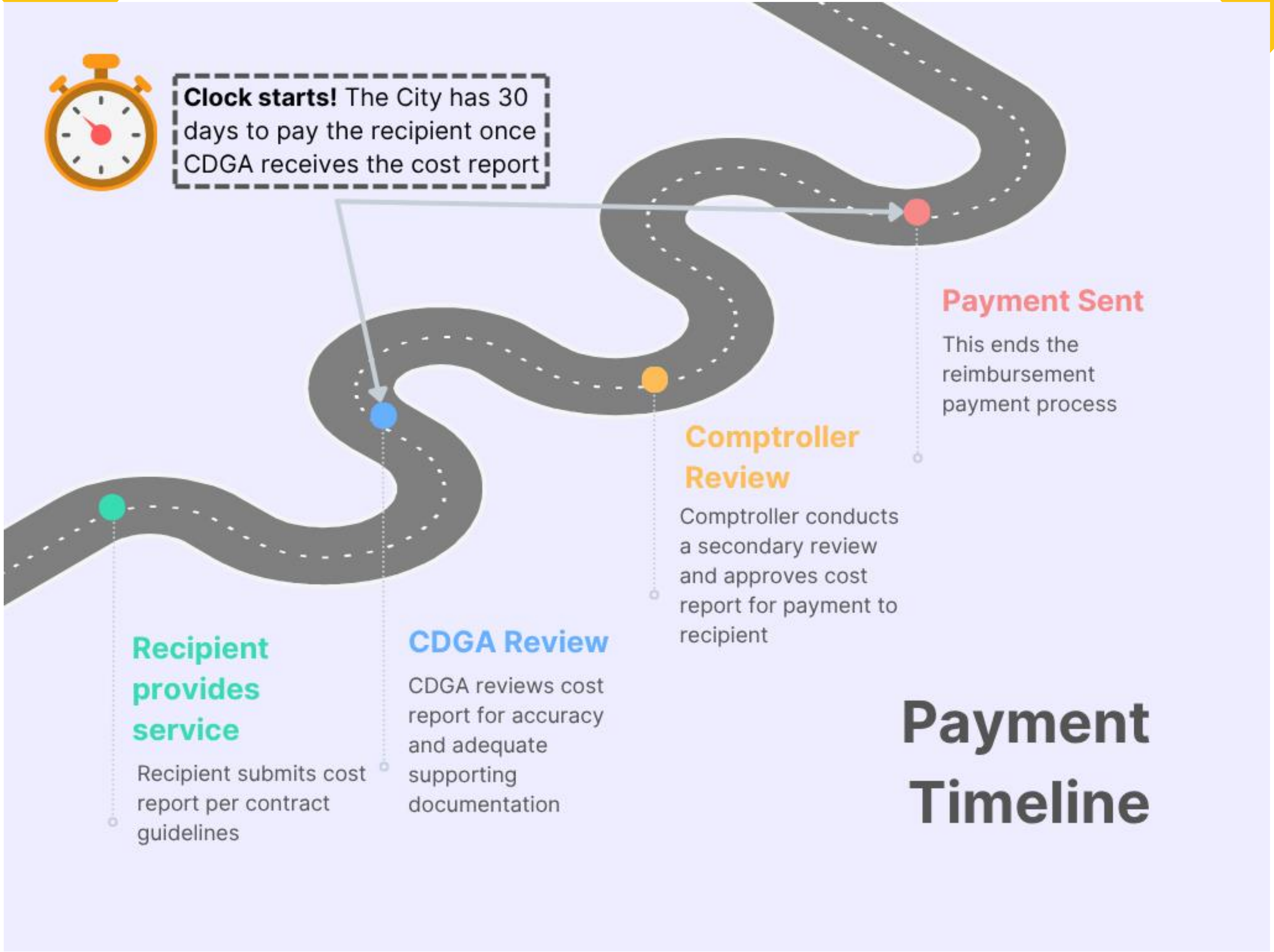
Testing of the following controls:

- Application and applicants
- Cost reports
- Hearing Meetings

FUNDING DECISION PROCESS

1. Public meetings are held
2. Application is submitted via Neighborly
3. CDGA score applications and propose where to award funds
4. Review by Community & Economic Development Committee
5. Common Council and Mayor review and approve

Final submission to HUD


Clock starts! The City has 30 days to pay the recipient once CDGA receives the cost report
Payment Sent
This ends the reimbursement payment process
Comptroller Review
Comptroller conducts a secondary review and approves cost report for payment to recipient
Recipient provides service
Recipient submits cost report per contract guidelines
CDGA Review
CDGA reviews cost report for accuracy and adequate supporting documentation
Payment Timeline

CONCLUSION

CONCLUSION

This audit concluded that the controls in place over the Community Development Grants Administration Award Process were adequately designed and operated effectively. This report identified one low-risk recommendation to improve the effectiveness of the current control environment. Additionally, initial disbursement of funds is performed in accordance with relevant City policies and procedures.

Opportunity for Improvement

FINDING

Organizations are not submitting cost reports within 10 days. Out of 22 randomly selected contracts, 16 did not submit their cost reports on time/per contractual language. The remaining 6 were exempt from testing. However, all 16 vendors were paid within 30 days by the City.

RECOMMENDATION

CDGA should create a tracking system to monitor frequency of recipient cost reports to ensure timely submission for repayment.

THANK YOU

Adriana Molina, CPA
Adriana.Molina@milwaukee.gov