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**Audit of the Office of Violence  
Prevention**

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City Comptroller

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*September 2024*

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**Bill Christlanson, CPFO**  
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September 10, 2024

Honorable, Mayor Cavalier Johnson  
The Members of the Common Council  
City of Milwaukee

Dear Mayor and Council Members:

The attached report summarizes the results of the Audit on the Office of Violence Prevention (OVP). The scope of the audit was to focus on the controls, processes, and performance of programs within the Office of Violence Prevention from January 1, 2023, through December 31, 2023.

The audit objectives were to review and evaluate the controls and performance of the OVP programs, recipients, and sub-recipients. Additionally, this audit reviewed the controls and processes on the usage of OVP funds.

The audit concluded the controls in place over the Office of Violence Prevention's programs, recipients, and sub-recipients were not adequately designed and were not operating effectively. This report identified six recommendations to improve the effectiveness of the current control environment.

Audit findings are discussed in the Audit Conclusions and Recommendations section of this report, and are followed by the management's response.

Appreciation is expressed for the cooperation extended to the auditors by the personnel of the Office of Violence Prevention, currently known as the Office of Community Wellness and Safety (OCWS), and Milwaukee Health Department.

Sincerely,

A handwritten signature in blue ink, appearing to read "Adriana Molina".

Adriana Molina  
Audit Manager

AMM:rigb



### Why We Did This Audit

The Wisconsin State Legislature enacted the 2023 Wisconsin Act 12 on June 20, 2023. Wisconsin Act 12, Section 45 states the following:

*The 1st class city shall obtain an independent audit of its office of violence prevention and shall submit the results of that audit to the legislature in the manner provided under s. 13.172 (2).*

Additionally, Alderwoman Coggs requested that Internal Audit conduct an audit of the Office of Violence Prevention and its programs.

### Objectives

The objective of the audit was to review and evaluate the controls and performance of the Office of Violence Prevention (OVP) programs, recipients, and sub-recipients. Additionally, this audit reviewed the controls and processes on the usage of OVP funds.

### Background

The Office of Violence Prevention, currently known as the Office of Community Wellness and Safety (OCWS), aims to decrease the prevalence and prevent violence in Milwaukee. Through the collaborative efforts with agencies, experts, and community resources, OVP addresses the following:

- Domestic Violence
- Sexual Assault
- Child Abuse
- Human Trafficking
- Gun Violence
- Children Witness to Violence
- Community Violence
- Interpersonal Violence, Intentional Injury, and Homicide

# Audit Report Highlights

## Audit on the Office of Violence Prevention

### Overview

The audit concluded the controls in place over the Office of Violence Prevention's programs, recipients, and sub-recipients were not adequately designed and were not operating effectively. This report identifies recommendations in the areas of Payment Processing, Budget Monitoring, and Program Schedule I of the Memorandum of Understanding (MOU) requirements.

Section III includes all six findings and recommendations.

### Top Opportunities for Improvement

*Payments:* 21 out of 30 selected vouchers were not processed in a timely manner.

*Budget Monitoring:* OVP did not monitor their available balance of grants, donations, and awards on a regular basis.

*Recipient and Sub-Recipient Performance Monitoring:* OVP management did not retain documented key performance indicator worksheets from recipients and sub-recipients.

**(Additional Findings and Recommendations can be found in the Audit Conclusions and Recommendations section of this report.)**

## I. Audit Scope, Objectives, and Methodology

### *Scope*

The scope included Office of Violence Prevention (OVP) programs from January 1, 2023, through December 31, 2023. OVP was a division under the Milwaukee Health Department (MHD) and is now a division under the Department of Administration (DOA) as of January 2024. Additionally, OVP is now known as the Office of Community Wellness and Safety (OCWS), but will be referred to as “OVP” throughout this audit report because of the audit scope period.

### *Objectives*

The objectives of the audit were to review and evaluate the following:

- The controls and performance of the OVP programs, recipients, and sub-recipients.
- The controls and processes on the usage of OVP funds.

### *Methodology*

Audit methodology included developing an understanding of the processes and controls over violence prevention projects and initiatives. The audit program was developed using criteria outlined by Milwaukee Health Department’s policies and procedures (OVP was under MHD during 2023), Purchasing Division’s policies and procedures, the Program Schedule I of the Memorandum of Understanding (MOU) requirements, and contracts with community partners.

### *Procedures*

The audit procedures developed to evaluate the processes and controls to meet the audit objectives included process walkthroughs, inspection of relevant control documentation, and the testing of controls.

### Payments

To verify that payments were paid within 30 days of receiving an invoice, Internal Audit selected a non-statistical random sample of 30 vouchers from different projects within the audit scope. A non-statistical sample was chosen due to system limitations and the inability to test the entire population. Internal Audit tested these vouchers to validate the City completed the payment within 30 days of receiving an invoice.

### Budget Monitoring

A government grant is a financial award provided by federal, state, or local government authorities to support beneficial projects. The City has several multi-year grants that fund various City programs and initiatives. In order to determine the OVP grants budget for 2023, Internal Audit obtained and reconciled records from OVP, Comptroller, and MHD.

### Performance Monitoring of the Recipients and Sub-Recipients

Internal Audit selected eight violence prevention projects budgeted during the audit scope period. Five of the eight projects had expenditures in 2023 and all five projects were reviewed for performance and outcome measures. Testing included a walkthrough of the monitoring process and review of sub-recipient monitoring output reports.

### Cost Reports

There were 21 active OVP contracts within the audit scope period. The list of 21 active contracts consisted of seven main purchasing contracts and 14 sub-award contracts. Internal Audit selected 14 contracts to test (all seven main purchasing contracts and seven sub-award contracts). To review the cost reporting process, Internal Audit selected seven sub-award contracts by using cluster sampling to group contracts based on dollar value due to considerations of time efficiency and practicality. The seven sub-award contracts were selected by taking the top four largest amounts, two mid-range, and one low amount contract. Within the list of 14 contracts, Internal Audit was able to review funds from City ARPA, State ARPA, and other grant organizations. The testing of those contracts included:

- Validating cost reports were submitted on time per contract language.
- Validating the supporting documentation submitted with the cost report was sufficient to support payment to recipient.

### Sponsorships

Internal Audit obtained all sponsorship invoices for 2023 and tested the full population. There were nine total sponsorships during the audit scope period. Testing included:

- Completing a walkthrough to gain an understanding of sponsorship criteria.
- Verifying that the sponsorship criteria was met and agreements were approved for appropriate use of City funds.
- Validating the City completed the payment within 30 days of receiving the invoice.

## Policies and Procedures

Internal Audit reviewed both OVP's and MHD's policy and procedure manuals since OVP was still under MHD during 2023. Testing of the manuals included:

- Verifying documentation of OVP administrative functions.
- Verify documentation of monitoring controls and evaluation performance for recipients and sub-recipients.

## *Compliance Statement*

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## **II. Organization and Fiscal Impact**

During the 2023 fiscal year, the Office of Violence Prevention (OVP) was under the Milwaukee Health Department (MHD). At the beginning of 2024, OVP moved to be under the Department of Administration (DOA). With the structural move to be under DOA, the Office of Community Wellness and Safety replaced the OVP name. The goal of OVP is to address violence within Milwaukee through a public health approach. The total operating budget for MHD during 2023 was \$16.4 million.<sup>1</sup> OVP was funded primarily by ARPA funding in 2023. The Common Council authorized the allocation of \$8,400,000 of State-awarded ARPA<sup>2</sup> and \$4,250,000 of City-awarded ARPA.<sup>3</sup>

## **III. Audit Conclusions and Recommendations**

The audit concluded the controls in place over the Office of Violence Prevention's programs, recipients, and sub-recipients were not adequately designed and were not operating effectively. This report identified six recommendations to improve the effectiveness of the current control environment. Internal Audit details the following six findings and recommendations to improve the control

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<sup>1</sup> City of Milwaukee. (2023). *2023 Adopted Budget Book* [PDF file]. Retrieved from <https://city.milwaukee.gov/doa/budget/Milwaukee-Budgets>

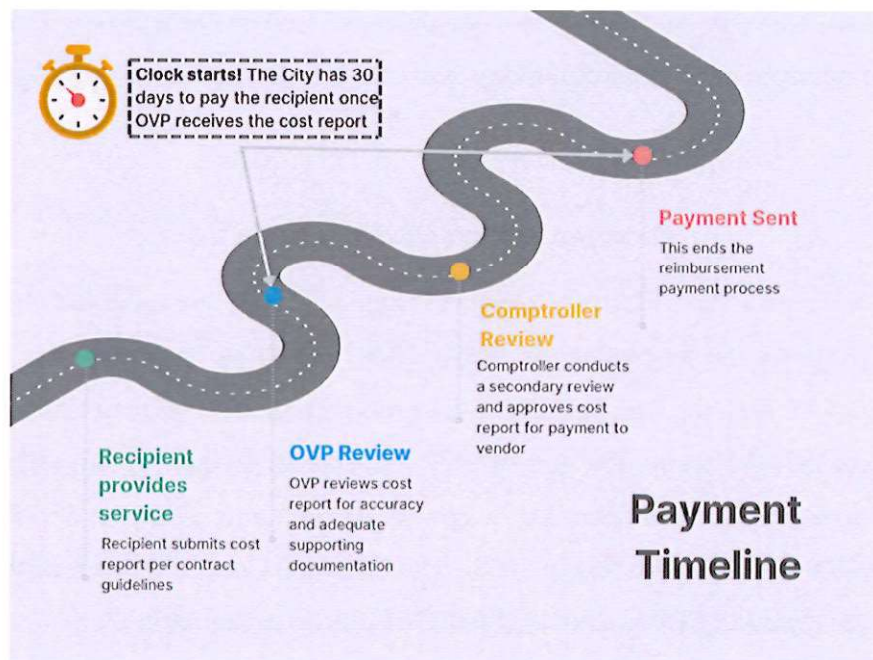
<sup>2</sup> Milwaukee Common Council File Number 211618. (2022, March 1). Legistar. Retrieved June 10, 2024, from <https://milwaukee.legistar.com/LegislationDetail.aspx?ID=5452765&GUID=1F841E98-9345-4ADE-B593-9CE50E1A94FA&Options=&Search=>

<sup>3</sup> City of Milwaukee. (n.d.). American Rescue Plan Act (ARPA). Retrieved June 9, 2024, from <https://city.milwaukee.gov/ARPA>

environment within the Office of Violence Prevention, now known as the Office of Community Wellness and Safety (OCWS).

### Payments

Each recipient has a contract with the City of Milwaukee that outlines the obligations of both the City and the recipient. For OVP, the recipients were the community organizations assisting OVP in carrying out the work to achieve OVP's goals. Many of the recipients do not have the back office expertise to submit all required documentation to receive payment. Per City policy, invoices will be paid within 30 days.<sup>4</sup> After 45 days, the City may pay a late fee of 1% rate per month.<sup>5</sup> The picture below provides a high-level glance at how the payment process works to reimburse the recipient.

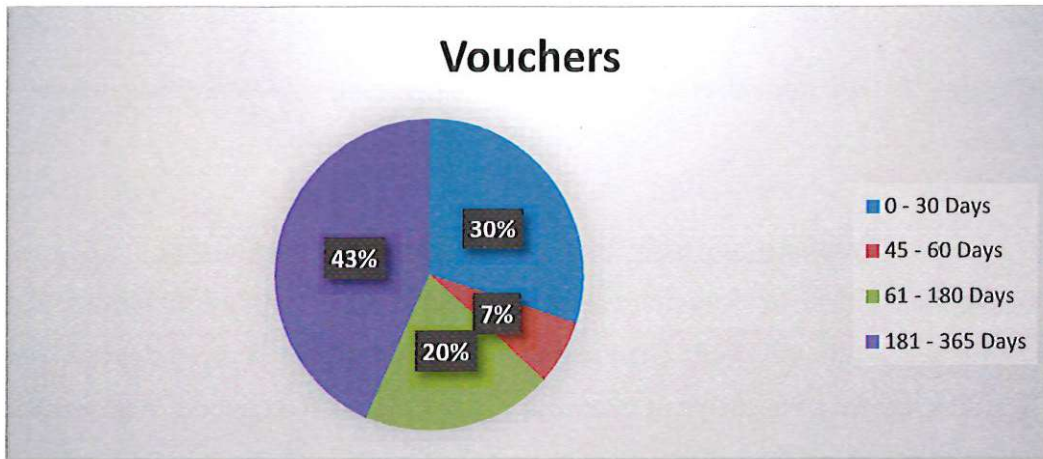


Finding 1: 21 out of 30 selected vouchers were processed after 30 days, which makes them non-compliant with City policy. Additionally, those 21 late vouchers were all processed after 45 days, which puts the City at risk for paying late fees at the rate of 1% per month.

Please note: Since this control was tested with a non-statistical sample, the above results should not be extrapolated to the entire population.

<sup>4</sup> City of Milwaukee. (January 2011). Payments. Retrieved June 10, 2024, from <https://city.milwaukee.gov/Purchasing/PP/Payments>

<sup>5</sup> City of Milwaukee. (January 2011.). Payments. Retrieved June 18, 2024, from <https://city.milwaukee.gov/Purchasing/PP/Payments>



Risk: Delayed processing of payments can damage relationships with recipients and could result in the City paying late fees. *Risk Rating: Medium*

Recommendation 1: OVP should create a procedure for processing of payments to ensure timely recipient payment. Additionally, OVP should train recipients on what supporting documentation is required to be submitted with their cost reports to avoid delay of reimbursement.

### Budget Monitoring

In 2023, MHD oversaw the OVP budget. Internal Audit reviewed OVP budget and expenditure data provided by OVP, MHD, and the Comptroller’s Office. Per the Government Finance Officers Association (GFOA), monitoring the budget is important to ensure that the financial, operational, and capital plans that were developed and approved for implementation as part of the budget processes are being implemented.<sup>6</sup> Due to the various sources of information, Internal Audit reconciled the OVP grants based on the evidence and supporting documentation provided by all three departments (MHD, OVP, and the Comptroller). Internal Audit did not identify any instances of overspending or non – compliance within the sample of projects reviewed.

Finding 2: OVP did not monitor their available balance of grants, donations, and awards.

Risk: Lack of monitoring of grants budget could lead overspending on projects and non-compliance with American Rescue Plan Act (ARPA) quarterly reporting requirements. *Risk Rating: Medium*

<sup>6</sup> Government Finance Officers Association. (2018, March 31). *Budget monitoring*. Retrieved June 21, 2024, from <https://www.gfoa.org/materials/budget-monitoring>

Recommendation 2: OVP should create a procedure and continually monitor the balance of OVP grants' budget.

### **Recipients and Sub-Recipients Performance Monitoring**

OVP management evaluates and monitors the performance goals and deliverables of each violence prevention program within the OVP. The Program Schedule I of the Memorandum of Understanding (MOU)<sup>7</sup> and the recipient/sub-recipient contracts require the OVP to submit performance indicator sheets. The performance indicator sheets describe the sub-recipient's progress toward achieving program objectives in the performance indicator form and with content specified by Wisconsin's Department of Administration. The lack of oversight on performance reporting was attributed to open position requisitions within the OVP. Internal Audit did not identify any instances of non-compliant expenditures in 2023 within the five projects reviewed.

Finding 3: OVP management did not retain documented key performance indicator worksheets from recipients and sub-recipients.

Risk: Reporting inconsistencies and lack of detailed information may lead to inaccurate reporting figures that could result in the loss of public trust and loss of federal and state funding. *Risk Rating: Medium*

Recommendation 3: OVP management should retain all performance indicator worksheets and supporting documentation received by sub-recipients in accordance with the Program Schedule I of the MOU and the recipient/sub-recipient contracts.

### **Cost Reports**

Each contract between the City and a recipient outlines how frequently the recipient needs to submit cost reports. These cost reports are required for the recipient to be reimbursed. Many of the recipients do not have the back office expertise to submit cost reports timely. Internal Audit tested 14 contracts and found that for submitting cost reports, 12 contracts required monthly submissions, one required

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<sup>7</sup> Milwaukee Common Council File Number 220526. (2022, July 28). Legistar. Retrieved June 13, 2024, from <https://milwaukee.legistar.com/LegislationDetail.aspx?ID=5739277&GUID=7E309CC8-6CC8-4E88-98DD-8C30A79C95C5&Options=&Search=>

quarterly submissions, and one had no specific requirement. Four of the 14 contracts did not have any charges to report.

Finding 4: Four out of 10 recipients did not provide cost reports by their contractual deadline.

Risk: A delay in receiving the cost report could lead to a delay in recipient reimbursement. *Risk Rating: Low*

Recommendation 4: OVP should create a tracking process to monitor the required frequency of recipients' cost reports for reimbursement.

### Sponsorships

Sponsorship is the provision of money, promotional placement, or other considerations compensated by the Milwaukee Health Department (MHD) to support an event, program, or campaign. MHD updated the Purchasing & Contracting Policy in November 2023 to require sponsorship agreements and define the sponsorship scope, cost, and deliverables for MHD sponsorships. Per City policy, invoices will be paid within 30 days. After 45 days, the City may pay a late fee of 1% rate per month.<sup>8</sup> Due to OVP staffing constraints, OVP management was unable to demonstrate that sponsorship validation of sponsorship agreements including scope, cost, and deliverables.

Finding 5: Sponsorship agreements were not provided for the nine total sponsored events that took place during 2023. Internal Audit noted that two of the nine sponsorships were prepaid and one was paid after 30 days.

Risk: The lack of sponsorship validation may increase the risk of OVP sponsoring events that are not aligned with their mission and/or goals. Additionally, prepayment may increase the risk of paying for an event that never occurs. *Risk Rating: Low*

Recommendation 5: OVP should document a Sponsorship policy and procedures to include verification and approval of sponsorships. OVP should retain all sponsorship agreements and all verification documents including sponsorship approval.

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<sup>8</sup> City of Milwaukee. (January 2011). Payments. Retrieved June 21, 2024, from <https://city.milwaukee.gov/Purchasing/PP/Payments>

## Policies and Procedures

Generally, operating divisions must develop, maintain, and enforce written policies and procedures that include internal controls, processes, roles, and responsibilities as defined by General Standards of Internal Control adopted under the Committee of Sponsoring Organizations (COSO) internal control framework. Policies and procedures define the control activities that should be taking place within an organization as part of the internal controls program. In 2023, OVP had various organizational and process changes.

Finding 6: OVP did not have a comprehensive policy that contained internal controls, processes, roles, and responsibilities. MHD did not have a sub-award Policy and the Grant Funding and Management Policy was not finalized or approved.

Internal Audit reviewed the 2024 Policy & Procedure Manual and noted it did not contain controls, processes, roles, and responsibilities for project evaluation and monitoring.

Risk: Lack of comprehensive policies and procedures may cause a weak control environment. *Risk Rating: Low*

Recommendation 6: OVP management should update the current Policy and Procedure Manual to contain detailed information regarding internal controls, processes, roles, and responsibilities for project evaluation, monitoring, and reporting. The revised manual should include the responsibilities of the overseeing department, DOA, and OVP for quarterly and annual reporting.

The revised manual should be approved by management. All approved changes should be communicated to relevant staff.



**Bill Christianson, CPFO**  
Comptroller

**Charles Roedel, CPA, CIA**  
Deputy Comptroller

**Toni Biscobing**  
Special Deputy Comptroller

**Richard Bare, CPA**  
Special Deputy Comptroller

September 10, 2024

Honorable Mayor Cavalier Johnson  
The Members of the Common Council  
City of Milwaukee

Dear Mayor and Council Members:

With this letter, the Office of the City Comptroller acknowledges receipt of the preceding report, which communicates the results of the Audit of the Office of Violence Prevention. I have read the report and support its conclusions. Implementation of the stated recommendations will help improve City processes.

As the City Comptroller, I was not involved in any portion of the work conducted in connection with the audit. At all times, the Audit Division worked autonomously in order to maintain the integrity, objectivity, and independence of the audit, both in fact and in appearance.

Sincerely,

A handwritten signature in black ink that reads "Bill Christianson".

Bill Christianson, CPFO  
Comptroller



September 20, 2024

Adriana Molina, CPA  
Audit Manager  
Office of the City Comptroller  
City Hall Room 404  
200 E Wells St  
Milwaukee, WI 53202

Ms. Molina:

Thank you for the time and effort taken in the audit of the Milwaukee Health Department's (MHD) 2023 financial and contract activity for the Office of Violence Prevention (OVP). Though the Office is no longer part of the Health Department, this audit was thorough and helpful for validating many of the policy and process changes MHD has made for grant and program management in recent years.

As noted in your report, OVP is now the Office of Community Wellness & Safety (OCWS), and part of the City's Department of Administration (DOA). Since the audit covered 2023 activity under the management of MHD, this response is delivered via the Health Department. MHD will specifically address findings 1, 4, 5, and 6. The Department of Administration will address findings 2 and 3, and any additional planned steps specific to DOA for findings 1, 4, 5, and 6.

***Finding 1:*** 21 out of 30 selected vouchers were processed after 30 days, which makes them non-compliant with City policy. Additionally, those 21 late vouchers were all processed after 45 days, which puts the City at risk for paying late fees at the rate of 1% per month.

***Recommendation 1:*** OVP should create a procedure for processing of payments to ensure timely recipient payment. Additionally, OVP should train recipients on what supporting documentation is required to be submitted with their cost reports to avoid delay of reimbursement.

The Health Department agrees with this finding. The tested transactions included a large number (18 of 30) of subrecipient cost report payments that required considerable additional work to request and receive complete documentation for reported expenses.

Cost reports are generally larger dollar amounts – the average cost report in the sample was \$24,165, as opposed to a 2023 average invoice value of \$4,465. Cost reports may include up to 70 pages of documentation and require a significant amount of validation. Those unique circumstances apply to a very small proportion of MHD's overall payable activity, and are addressed in Finding 4 as well.

To improve prompt payment, MHD has digitized as many parts of the invoice process as possible, and trained staff on invoicing practice and the MHD Invoice Payment policy and process. MHD is also measuring payables performance on a quarterly basis to assure

prompt payment within the City's 45-day maximum for payables. The MHD Finance team also communicates proactively internally and externally to assure payables are handled and processed timely and within all City accounting policies.

MHD is pleased to report that payable timing has significantly improved from the audit period, from 77.8% of 2023 invoices paid on time (net 30) to 86.9% on time through April of 2024. Average days to pay has improved for all payables from 26 days in 2023 to 20 days in 2024.

To further address this issue, OCWS will develop a streamlined payment processing procedure and provide targeted training for recipients on required documentation. The Office will also implement a centralized tracking system to monitor invoice status and ensure timely payments.

**Timeline:**

In September 2024, the focus will be on reviewing the current payment processing procedures and training materials to identify any gaps. In October 2024, new procedures will be developed along with updated training materials for recipients. Additionally, work will begin on designing a centralized tracking system for monitoring invoice status. By November 2024, these new procedures and training materials will be finalized, and the tracking system will be completed and tested.

In December 2024, the new procedures will be implemented, and training will be rolled out to recipients. The centralized tracking system will also be put into operation. In January 2025, the effectiveness of these changes will be monitored, and adjustments will be made as necessary based on performance. Finally, in February 2025, a comprehensive review will be conducted to assess the improvements and overall performance, culminating in a report to share with relevant stakeholders.

***Finding 2:*** *OVP did not monitor their available balance of grants, donations, and awards.*

***Recommendation 2:*** *OVP should create a procedure and continually monitor the balance of OVP grants' budget.*

The Office of Community Wellness & Safety (OCWS) acknowledges this finding. During the audit period, the office lacked a dedicated internal grant monitor and formal procedures for tracking grant balances. While OCWS did receive regular balance updates from MHD Finance and held standing meetings to review financial items with them, these measures proved insufficient for comprehensive monitoring of all grants, sponsorships, and awards. Since the audit period, OCWS has taken significant steps to address this issue. OCWS has hired a Grant Compliance Coordinator responsible for overseeing grant management. Additionally, the office is finalizing a procedure for monitoring grants and tracking balances, which will be shared with the relevant staff for accurate reporting.

To enhance budget management and grant oversight, OCWS will implement procedures that includes regular reconciliation of accounts and improved reporting mechanisms. Staff will receive training to ensure they adhere to these new procedures, ensuring more effective monitoring of available balances for grants, donations, and awards moving forward.

**Timeline:**

In response to Finding 2, OCWS has initiated a plan to enhance the monitoring of grants, donations, and awards. The Grant Compliance Coordinator, will oversee grant management. By September 2024, OCWS will finalize and implement a formal procedure for monitoring grant balances and tracking budgets.

In October 2024, the new procedures will be fully developed and shared with relevant staff. By November 2024, OCWS will implement regular account reconciliation and improved reporting mechanisms. Staff training on these new procedures will also take place to ensure effective adherence.

By December 2024, the new monitoring system will be operational, allowing for comprehensive tracking of grant, donation, and award balances. Ongoing monitoring and adjustments will be carried out through January 2025, with a final review and report on the effectiveness of these measures to be completed by February 2025.

***Finding 3:*** *OVP management did not retain documented key performance indicator worksheets from recipients and sub-recipients.*

***Recommendation 3:*** *OVP management should retain all performance indicator worksheets and supporting documentation received by sub-recipients in accordance with the Program Schedule I of the MOU and the recipient/sub-recipient contracts.*

OCWS agrees with this finding and acknowledges the critical importance of retaining comprehensive documentation of performance indicators and supporting materials. During the audit period, OCWS faced challenges due to understaffing, including the absence of a dedicated Grant Compliance Coordinator and open management positions. This limited the Office's ability to manage and retain performance documentation effectively.

To address this, OCWS will establish a centralized digital repository for all performance indicator worksheets and related documentation. The Office will also update documentation practices to ensure they meet MOU requirements and contractual obligations. This recommendation will be integrated into the OCWS Policy and Procedure Manual, and staff will receive training on the new procedures to improve documentation management and compliance moving forward.

**Timeline:**

In response to Finding 3, OCWS is taking steps to improve the retention of key performance indicator worksheets and supporting documentation. In September 2024, OCWS will establish a centralized digital repository for storing all performance indicator worksheets and related documents. This repository will be designed to ensure compliance with Program Schedule I of the MOU and recipient/sub-recipient contracts.

By October 2024, OCWS will update its documentation practices to align with MOU requirements and contractual obligations. These updated practices will be incorporated into the OCWS Policy and Procedure Manual. In November 2024, staff will receive training on the new procedures to enhance their ability to manage and retain performance documentation effectively.

By December 2024, the new documentation management system and procedures will be fully operational. OCWS will begin ongoing monitoring to ensure compliance and address any issues that arise. A review and assessment of the new system's effectiveness will be

conducted in January 2025, with a final report on improvements and compliance due by February 2025.

***Finding 4:*** Four out of 10 recipients did not provide cost reports by their contractual deadline.

***Recommendation 4:*** OVP should create a tracking process to monitor the required frequency of recipients' cost reports for reimbursement.

MHD agrees with this finding. As discussed earlier, cost reports for granted funds to subrecipients are require a higher level of time and effort to validate. Cost reports typically require 2-3 weeks for recipients to generate, similarly to the City's own grant reporting to funders. It is especially important given the nature of MHD's work and funded partnerships, to assure prompt payment.

To improve payment turnaround for recipients, MHD has successfully conducted pre-report conferences with recipients to streamline the reporting process and assure that cost reports are submitted timely and correctly the first time. MHD Finance has applied the same turnaround standards to cost reports, including a confirmation to recipients and MHD program staff when payments are vouchered and sent to the Comptroller.

In addition to implementing the MHD Grants Administration policy in 2024, as shared with the Internal Audit Division, MHD is developing and will implement a Subaward and Grantmaking policy and procedure by February 28, 2025. The policy will include reporting templates, and a form communication to recipients covering:

- Cost reimbursement process and timing
- Required documentation for costs and documentation standards
- Standardized timing for receipt, processing, and payment once complete reports are in hand
- Making ACH payment options better known and available to decrease payment timelines

In addition, OCWS will implement a tracking system to monitor the submission deadlines for cost reports. We will also develop and enforce clear guidelines for recipients on reporting requirements and deadlines. These procedures will be incorporated into the OCWS Policy and Procedure Manual to ensure consistency and compliance. Enhanced communication will be established to support timely submissions and minimize delays.

**Timeline:**

In response to Finding 4, OCWS will implement several measures to improve the monitoring and management of recipients' cost report submissions. By September 2024, OCWS will begin developing a tracking system to monitor the deadlines for cost report submissions. This system will help ensure that all required reports are submitted on time.

By October 2024, OCWS will create and finalize clear guidelines for recipients, outlining the reporting requirements and deadlines. These guidelines will be incorporated into the OCWS Policy and Procedure Manual. In parallel, OCWS will establish enhanced communication strategies to support timely submissions and reduce delays.

In November 2024, the new tracking system and reporting guidelines will be fully implemented. OCWS will also introduce the updated procedures and conduct training sessions to ensure that all staff and recipients are aware of the new requirements and processes.

By December 2024, OCWS will begin monitoring the effectiveness of the new tracking system and reporting guidelines. This will include reviewing submission timelines and addressing any issues that arise. A comprehensive assessment of the new procedures will be conducted in January 2025, with a final report on improvements and compliance due by February 2025.

***Finding 5:*** *Sponsorship agreements were not provided for the nine total sponsored events that took place during 2023. Internal Audit noted that two of the nine sponsorships were prepaid and one was paid after 30 days.*

***Recommendation 5:*** *OVP should document a Sponsorship policy and procedures to include verification and approval of sponsorships. OVP should retain all sponsorship agreements and all verification documents including sponsorship approval.*

MHD agrees with this finding. The MHD Purchasing Policy, effective November 1, 2023, specifically includes a procedure for any MHD programs participating in seeking or providing sponsorship for MHD events or programs as well as providing sponsorship of programs by MHD. The policy requires a sponsorship agreement be in place for MHD-paid sponsorships, and that sponsorship costs are post-paid on invoice.

In addition, OCWS has created a comprehensive sponsorship policy. This new policy includes detailed guidelines for the verification and approval of sponsorships. Additionally, a standardized sponsorship agreement form is now in use and must be completed and retained for all sponsorships. All sponsorship agreements and related verification documents are being properly documented and retained according to these new procedures. These changes are currently in effect and will ensure improved compliance and accountability for all future sponsorships.

**Timeline:**

To address Finding 5, OCWS will implement several measures to improve the documentation and management of sponsorship agreements. By September 2024, OCWS will finalize and document a comprehensive Sponsorship Policy and Procedures. This policy will include detailed guidelines for the verification and approval of sponsorships.

In October 2024, OCWS will implement a standardized sponsorship agreement form, which must be completed and retained for all sponsorships. By November 2024, OCWS will ensure that all sponsorship agreements and related verification documents are documented and stored according to the new procedures.

In December 2024, OCWS will begin using the new sponsorship policy and standardized forms for all new sponsorships. Training will be conducted for staff to ensure they understand and adhere to the new procedures.

By January 2025, OCWS will conduct an initial review to verify compliance with the new sponsorship policy and procedures. A comprehensive evaluation will follow in February 2025

to assess the effectiveness of these changes and ensure improved compliance and accountability for all future sponsorships.

***Finding 6:*** *OVP did not have a comprehensive policy that contained internal controls, processes, roles, and responsibilities. MHD did not have a sub-award Policy and the Grant Funding and Management Policy was not finalized or approved.*

*Internal Audit reviewed the 2024 Policy & Procedure Manual and noted it did not contain controls, processes, roles, and responsibilities for project evaluation and monitoring.*

***Recommendation 6:*** *OVP management should update the current Policy and Procedure Manual to contain detailed information regarding internal controls, processes, roles, and responsibilities for project evaluation, monitoring, and reporting. The revised manual should include the responsibilities of the overseeing department, DOA, and OVP for quarterly and annual reporting.*

MHD agrees with this finding. The MHD Grants Administration policy previously mentioned has been completed and implemented in June 2024, and the MHD Subaward and Grantmaking Policy will be completed and implemented in early 2025.

Additionally, OCWS acknowledges the need for a comprehensive policy that includes detailed internal controls, processes, roles, and responsibilities. We are actively working on updating our Policy and Procedure Manual to incorporate these critical elements. The revised manual will address internal controls, project evaluation, monitoring, and reporting responsibilities for OCWS. These updates are currently underway and will be implemented progressively to enhance our management and oversight capabilities.

**Timeline:**

To address Finding 6, OCWS will undertake the following actions to update and enhance its Policy and Procedure Manual:

September 2024: Begin drafting updates to the Policy and Procedure Manual to include detailed internal controls, processes, roles, and responsibilities related to project evaluation, monitoring, and reporting.

October 2024: Incorporate responsibilities for quarterly and annual reporting, including the roles of the overseeing department, DOA, and OCWS, into the revised manual.

November 2024: Review and finalize the updated manual, ensuring it addresses all necessary elements and aligns with City of Milwaukee Grants Administration Policy.

December 2024: Implement the revised Policy and Procedure Manual, distributing it to all relevant staff and stakeholders. Conduct training sessions to ensure understanding and adherence to the new policies.

January 2025: Begin monitoring the implementation of the new policies, focusing on compliance and effectiveness in project evaluation and reporting.