


Audit of Milwaukee Public Library Financial Administration

City of Milwaukee
Internal Audit Division
June 2025



Agenda

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- Overview
 - Scope & Objectives
 - Procedures
 - Conclusion
 - Findings & Recommendations

Overview

The Milwaukee Public Library (MPL) is a department of the City of Milwaukee and it is the largest public library system in Wisconsin. It consists of a central library and 13 branches, all part of the Milwaukee County Federated Library System. It is a source of knowledge, empowerment, and enrichment offered to every citizen walking through its doors - for more than 2 million annual visitors.

Total MPL expenses for the 2024 scope of this audit were: \$157,537.21, or:

- Petty cash, no transactions
- \$5,249.83 gas cards transactions
- \$5,743.38, travel expenditures
- \$146,544.40 ProCard transactions

Scope & Objectives

Audit Scope

- The scope of the audit included Milwaukee Public Library (MPL) petty cash, Pro-Card and gas card activities as well as travel expenses for the period 1/1/2024 through 12/31/2024.

Audit Objectives

- Evaluate the adequacy of internal controls, policies, procedures and processes over the petty cash, Pro-Card, gas card activities, and travel expenses.
- Ensure the appropriateness of card issuance, purchases, compliance with purchasing and travel guidelines, and review of purchases and travel orders.
- Evaluate timely and accurate recording of journal entries in the Financial Management System (FMIS).

Audit Procedures

Process Understanding

- Interviews
- Walkthroughs
- Conducted site visit of City gas station
- Observed the MPL annual petty cash count

Testing of Controls

- Verified quarterly Interdepartmental Requisition & Invoice (IRI) reports submitted by DPW related to gas consumption
- Validated appropriateness of travel expense calculations and ProCard transactions

Control Evaluation

- Inspected petty cash, ProCard, gas card and travel expense invoices, receipts and other documents
- Tested specific controls to ensure their design and operational effectiveness

Audit Conclusion

The audit concluded that internal controls over MPL finance administration processes are adequately designed to support operational objectives. While a few low-risk control deficiencies were identified, they do not significantly impact the integrity or reliability of financial administration processes.

Finding #1: Travel Expenses

► Findings:

- ❖ In three instances, out-of-state travel requests were not formally approved by the Library Director, as required by MPL policy.
- ❖ In one instance, reimbursement documentation was submitted 40 days after the conclusion of the conference, exceeding the 15-day deadline.
- ❖ In one instance, the final hotel invoice was missing; only the booking confirmation submitted.

► **Risk:** Failure to follow established policies and procedures may result in potential fraud due to unauthorized travel expenses.

► **Risk Rating:** Low

► **Recommendation:** MPL Travel Policy should be updated to reflect acceptable approvals for out-of-state travel, acceptable forms of hotel invoices to provide clear and consistent guidance. The updated policy should be shared with employees to ensure proper execution.

Thank you

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