



**Audit of Milwaukee Public Library
Financial Administration**

BILL CHRISTIANSON
City Comptroller

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May 2025

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Bill Christianson, CPFO
Comptroller

Charles Roedel, CPA, CIA
Deputy Comptroller

Toni Biscobing
Special Deputy Comptroller

Richard Bare, CPA
Special Deputy Comptroller

May 27, 2025

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 of Milwaukee Public Library (MPL) Financial Administration. The audit scope included MPL's petty cash, ProCard, gas card transactions, and travel expenditures from January 1, 2024 through December 31, 2024.

The primary focus of the audit was to evaluate whether the internal controls in place over the petty cash, ProCard, gas card, and travel expenditures are designed adequately and operating effectively. The audit objectives were as follows:

- Evaluate the adequacy of internal controls, policies, procedures, and processes related to petty cash, ProCard, gas card, and travel expenses.
- Assess the appropriateness of card issuance and purchases, compliance with purchasing and travel guidelines, and review of purchases and travel orders.
- Evaluate the timeliness and accuracy of journal entry recordings in the Financial Management System (FMIS).

The audit concluded that petty cash and ProCard transactions are properly accounted for and comply with the Department of Administration's (DOA) applicable procedures. Gas card transactions are properly accounted for based on the supporting documentation and the established processes by DPW and MPL. Travel expenses were in compliance with the City Travel Ordinance and MPL procedures. One low risk finding was identified.

Appreciation is expressed for the cooperation extended to the auditors by the personnel of the Milwaukee Public Library - Administrative Services Management.

Sincerely,

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

Adriana Molina, CPA
Audit Manager

AMM: bb



Why We Did This Audit

The audit was performed as part of the Internal Audit plan divisional Financial Administration audits due to the potential for fraud with non-compliance with employee travel expenses, ProCard, gas card usage and petty cash internal controls.

Objectives

The objective of the audit was to review and evaluate whether the internal controls in place over the petty cash, ProCard, gas card, and travel expenditures are adequately designed and operating effectively.

Background

Today, MPL is the public library system in Milwaukee. It consists of a central library and 13 branches, all part of the Milwaukee County Federated Library System. MPL is the largest public library system in Wisconsin. It is a source of knowledge, empowerment, and enrichment offered to every citizen walking through its doors - for more than 1 million annual visitors.

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

- Petty cash, no transactions
- \$5,249.83 Gas cards
- \$5,743.38, Travel expenditures
- \$146,544.40 ProCards

Audit Report Highlights

Audit of MPL Financial Administration

Overview

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.

Opportunities for Improvement

Travel Requests: In three instances, out-of-state travel requests were not formally approved by the Library Director, as required by MPL policy.

Timeliness: In one instance, reimbursement documentation was submitted 40 days after the conclusion of the conference, exceeding the City Policy 15-day deadline.

Invoices: In one instance, the final hotel invoice was missing; only the booking confirmation was submitted, as required by City Policy.

(Recommendation can be found in the Audit Conclusion and Recommendation section of this report.)

I. Audit Scope, Objectives, and Methodology

Scope

The scope included MPL petty cash, ProCard and gas card transactions, and travel expenditures from January 1, 2024 through December 31, 2024.

Objectives

The objectives of the audit were as follows:

- Evaluate the adequacy of internal controls, policies, procedures, and processes related to petty cash, ProCard, gas card, and travel expenses.
- Assess the appropriateness of card issuance and purchases, compliance with purchasing and travel guidelines, and review of purchases and travel orders.
- Evaluate the timeliness and accuracy of journal entry recordings in the Financial Management System (FMIS).

Methodology

The audit methodology included developing an understanding of the processes and controls over the MPL financial administration. The audit program was developed using criteria outlined by relevant City and MPL policies and procedures related to petty cash, ProCard, gas card, and travel expenses. The audit included the following sampling methodology:

- 50% of staff travel expenses funded from City Funds,
- 10% of ProCard Bank statements,
- 100% of all new ProCard applications,
- 100% of analytical review all gas card consumption

Sampling sized varied depending on the control activity.

Procedures

The following audit procedures were performed to evaluate the processes and controls related to the audit objectives:

- Process Understanding:
 - Conducted process walkthroughs.
 - Interviewed responsible MPL staff.
- Control Evaluation and Documentation:
 - Inspected petty cash, ProCard, gas card and travel expense documentation.
 - Tested specific controls to ensure their design and operational effectiveness.

- On-site Reviews:
 - Conducted site visit of City gas station.
 - Observed the MPL annual petty cash count as required by Purchasing Policy.
- Financial Review and Accuracy:
 - Verified quarterly Interdepartmental Requisition & Invoice – (IRI) reports submitted by DPW related to gas consumption.
 - Validated of travel expense calculations and ProCard transactions.

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

The Milwaukee Public Library (MPL) was established in 1847 when the Young Men's Association started a subscription library that collected dues from its members. Today, MPL is the public library system in Milwaukee. It consists of a central library and 13 branches, all part of the Milwaukee County Federated Library System. MPL is the largest public library system in Wisconsin. It is a source of knowledge, empowerment, and enrichment offered to every citizen walking through its doors - for more than 2 million annual visitors. The City Librarian, who is the department head, is appointed by the Mayor. Total MPL 2024 expenses for the scope of this audit were: \$157,537.21, or:

- Petty cash, no transactions
- \$5,249.83 Gas cards
- \$5,743.38, Travel expenditures
- \$146,544.40 ProCards

III. Audit Conclusions and Recommendations

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.

Travel Expenses

City of Milwaukee Travel Policy, City Travel Ordinance (subchapter 8 – Transportation and Travel) and MPL Travel Expense Procedure outline the roles and responsibilities of MPL staff in granting time off and/or expenses to attend conferences, workshops, or meetings. Among other provisions, the procedure specifies:

- All out-of-state travel requests require formal approval of the Library Director.
- Staff members must submit all required original receipts, Conference and Training Evaluation, and Statement of Expenses Incurred forms to the Business Office – Accounts Payable Department no later than 15 days following the end of the program.

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 was submitted.

Testing covered 50% of travel expenses using a non-statistical sample due to system limitations; therefore, results cannot be projected to the entire population.

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



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May 27, 2025

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 Milwaukee Public Library Financial Administration. 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



May 20, 2025

Adriana Molina, CPA
Audit Manager
City of Milwaukee Office of the Comptroller, Audit Division
200 East Wells Street Room 404
Milwaukee, WI 53202

Subject: Management's Response to Report on Audit of Milwaukee Public Library Financial Administration


Dear Ms. Molina,

We wish to express sincere appreciation for the expertise and professionalism demonstrated by the Audit Division throughout the recent audit of MPL's Financial Administration. Your thorough review of our practices surrounding petty cash, procurement cards, fuel cards, and travel expenses has provided valuable guidance and affirmed our shared commitment to sound fiscal stewardship.

We acknowledge and fully support the audit's recommendation to revise and share with employees MPL's travel procedure. We will conduct a comprehensive review of the current procedure and distribute a revised version to all MPL employees by June 30th, 2025. The revised procedure will reflect existing practices regarding required travel approvals, and will offer greater clarity around the documentation and submittal of expenses, helping to ensure that requirements are well-understood and consistently followed.

MPL's Business Finance Manager, Sarah Leszczynski, will be responsible for the implementation of the revised procedure and will be the point of contact for any follow-up. Thank you again for your support in strengthening our processes.

Sincerely,


Joan R. Johnson,
Milwaukee Public Library Director

