




REPORT OF AUDIT FINDING FOLLOW-UP FOR THE YEAR ENDED 12/31/2024

Internal Audit Division
April 2025

Agenda

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- Overview and Purpose of Follow-up
 - Executive Summary
 - Status of Audit Findings
 - Findings Closed by Department
 - Risk Ratings of Open Audit Findings and Next Steps

Overview & Purpose

Overview

- Report includes Internal Audit (IA) follow-up activities & management accomplishments through year ending December 31, 2024.

Charter 3-16.5

- IA is required to submit an annual report of audit activities to the F&P Committee regarding “the success or failure of previously-audited departments in implementing the recommendations of their audits.”

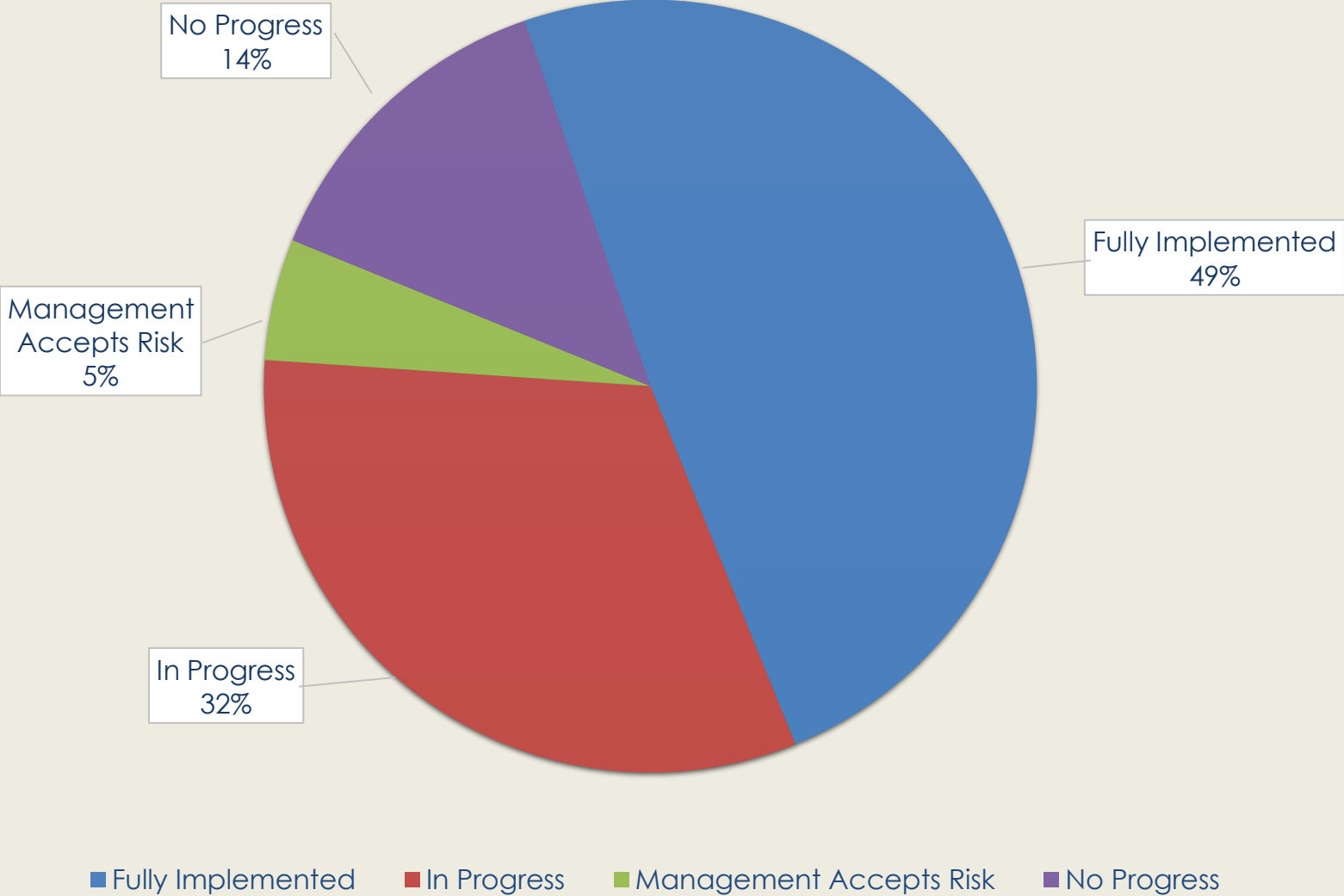
Status

- Implementation status is determined via updates and information provided by department management as well as test procedures performed by IA.

Executive Summary

- 59 findings issued between 2019 and 2024 were followed up on.
- 27 findings remain in open status.
- 81% of the findings had either full implementation of remediation or progress towards remediation by the end of 2024.

Status of All Audit Recommendations as of December 31, 2024

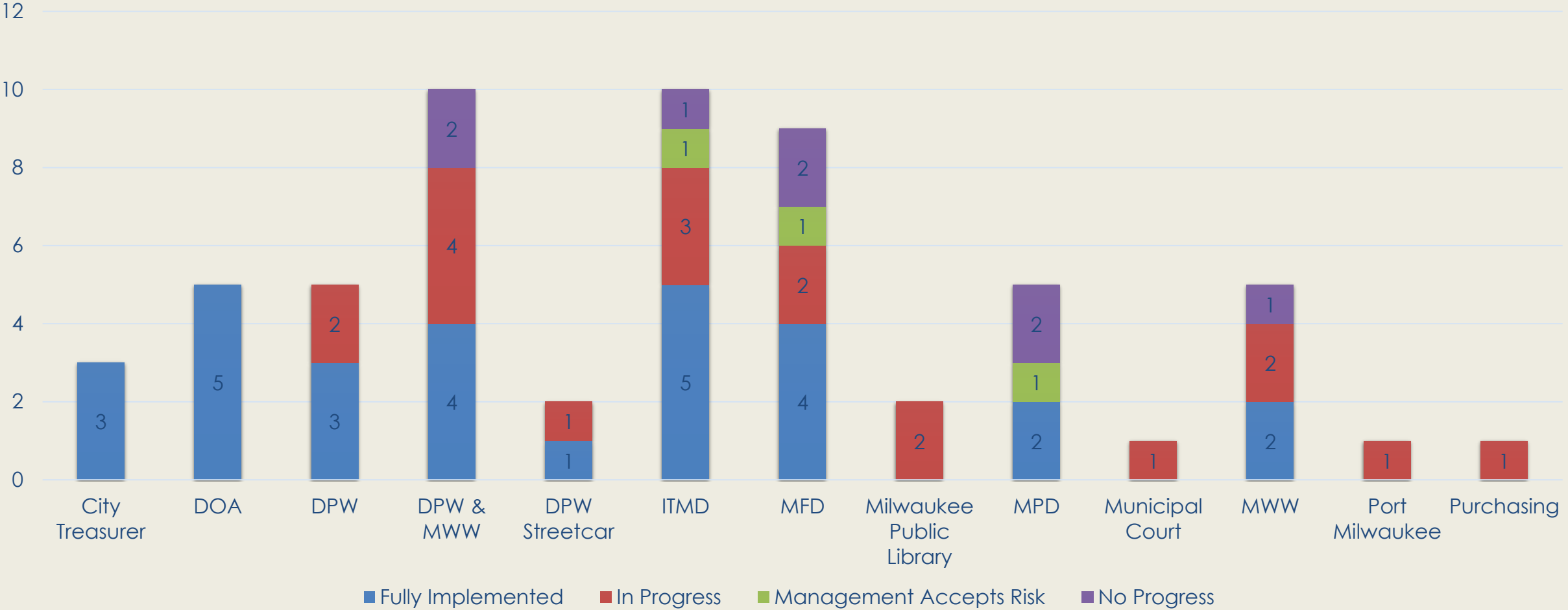


Status of Audit Findings

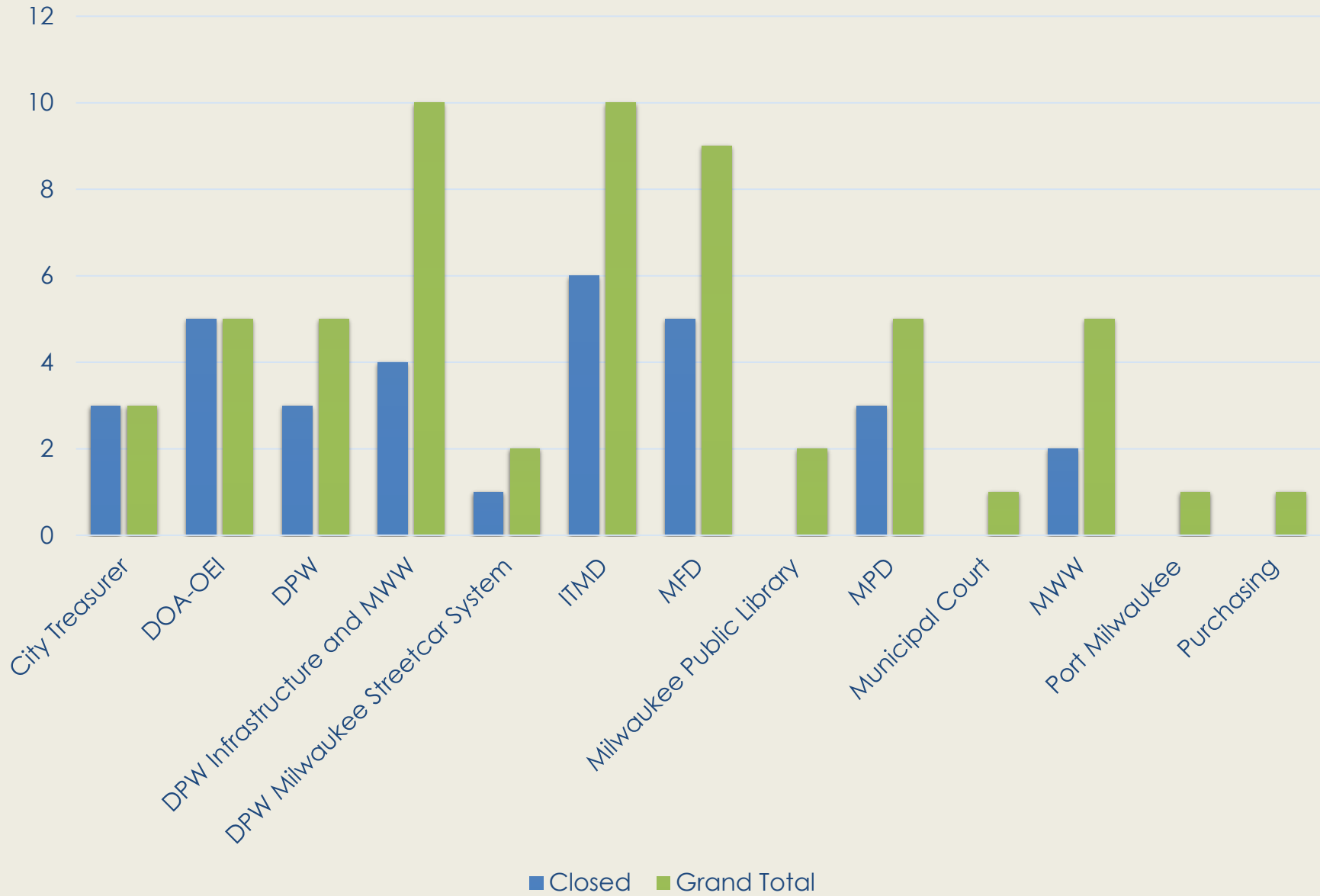
- 81% of findings were fully remediated or are in progress towards remediation.
- Management has either accepted the risk or insignificant progress has been made on the remediation of 19% of findings.

Status of Audit Findings by Department

Status of All Recommendations by Department as of December 31, 2024



Findings Closed by Department in 2024



Closed Status to Total Findings by Department

Closed status refers to full implementation of the recommendation made by Internal Audit related to a specific finding in the published Audit Report.

Open status refers to an audit finding that has not been fully implemented by the department after receiving the final Audit Report.

Risk Rating of Open Findings and Next Steps

- Risk rating of the 27 open findings:
 - 7 are rated high
 - 11 are rated medium
 - 9 are rated low
- 5 of the high risk open findings relate to IT and 2 relate to inventory
- Internal Audit will follow up with departments on findings issued in 2025, as well as any pending open findings at year-end, and report to the Finance and Personnel Committee around this time next year.



THANK YOU

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Addendum: Non-confidential No Progress Findings

Year	Audit Title	Finding Detail	Department Response from Audit Report	Status of Recommendation as of last Annual Follow-up	Risk Rating
2023	Audit of Milwaukee Fire Department Payroll Calculations	MFD performs manual calculations each payroll period for both the injury to sick leave conversion and recoupment of premium payment calculations. These are robust manual processes that appear to have the ability to be automated, based upon other similar calculations performed within the system.	Due to the limitations of the City's current payroll and time keeping systems and the complexity of the sworn members' 24-hour schedules, many of MFD's payroll entries and adjustments require manual dollar calculations prior to entry into the payroll system. The City has already begun the process to implement a new Financial and Human Capital Management system. MFD will continue to provide feedback into the process with the goal of minimizing the need for manual calculation and consolidating inputs from multiple systems.	Design and build of the Workday program is in process. It has yet to be determined how the system will handle these items. Should the system not handle this automatically, we will continue the manual processes	Low
2023	Audit of Milwaukee Fire Department Payroll Calculations	During discussions with MFD personnel, it was determined scheduling is recorded in the Telestaff application, is then manually entered into the time tracking application CityTime, before finally getting uploaded into PeopleSoft, the Human Capital Management application. The multiple applications used for timekeeping and payroll processing increases the risk of inaccurate information resulting from the numerous data transfers.	Due to the limitations of the City's current payroll and time keeping systems and the complexity of the sworn members' 24-hour schedules, many of MFD's payroll entries and adjustments require manual dollar calculations prior to entry into the payroll system. The City has already begun the process to implement a new Financial and Human Capital Management system. MFD will continue to provide feedback into the process with the goal of minimizing the need for manual calculation and consolidating inputs from multiple systems.	Design and build of the Workday program is in process. It has yet to be determined how the system will handle these items. Should the system not handle this automatically, we will continue the manual processes	Low

Addendum Continued: Non-confidential No Progress Findings

Year	Audit Title	Finding Detail	Department Response from Audit Report	Status of Recommendation as of last Annual Follow-up	Risk Rating
2024	Audit of the DPW Infrastructure and MWW Inventory	DPW Inventory Policies and City of Milwaukee procedures have not been updated for a significant amount of time and do not contain approvals by senior management of the department. The current policies and procedures were last revised in 2012 or prior.	Existing inventory-related policies and procedures will be reviewed by DPW staff over the next year to update and conform to industry standards. This review will have some necessary limitations due to the proposed replacement of current inventory management and accounting software, which is expected to go live by the end of 2025. Once the new software is in place, DPW will begin the process of establishing new procedures with a goal to put them into practice by 2026.	The policies will be reviewed again to implement procedures when the new Workday System is in place. It is our understanding that the new Workday will either have a go live date beginning in the fourth quarter of 2025 OR the third quarter of 2026. We are working diligently with the Workday consultants, once we have a command of the system the policies will be reviewed using the new program.	Medium
2024	Audit of the DPW Infrastructure and MWW Inventory	A system module for historical returned stock inventory transactions does not exist. DPW was unable to monitor or track returned inventory stock outside of the system.	DPW will ensure that a function to handle and track stock returns is a consideration in the solicitation process to replace the current FMIS software. If the replacement software is capable of such activity, a procedure will be established to perform reviews at specified intervals.	It is our understanding that the new Workday will either have a go live date beginning in the fourth quarter of 2025 OR the third quarter of 2026. We are working diligently with the Workday consultants to determine whether or not a customized report/query can be created for this purpose.	Low