



**Report of Audit Finding
Follow-Up for the Year
Ended 12/31/2024**

Bill Christianson
City Comptroller

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City of Milwaukee

March 2025

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Bill Christianson, CPFO
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Charles Roedel, CPA, CIA
Deputy Comptroller

Toni Biscobing
Special Deputy Comptroller

Richard Bare, CPA
Special Deputy Comptroller

March 25, 2025

Honorable Cavalier Johnson, Mayor
The Members of the Common Council

Dear Mayor and Council Members:

Per City Charter 3-16.5, which defines the Internal Audit Division's periodic reporting requirements, the Internal Audit Division has a responsibility to monitor and follow up on audit findings to ensure audit findings are addressed and to aid in planning future audits. The enclosed report includes a summary of audit activities followed by a detailed account of follow-up procedures and results for the year ending December 31, 2024.

The scope for this year's follow-up activities included all findings issued from January through the October 30, 2024 Finance & Personnel Committee meeting. In preparation for the Report of Audit Finding Follow-Up 2024, audits completed after the October 30, 2024 Finance & Personnel Committee meeting will carry over to the Report of Audit Finding Follow-Up 2025. In addition, findings issued since 2019 have been included in this report with the exception of best practice reviews.

Implementation status is determined via updates and information provided by department management, as well as test procedures performed by the Internal Audit Division. Based on management's assertions and the results of the performed validation procedures, 32 audit findings were closed in 2024 with 27 audit findings remaining open. The Internal Audit Division will monitor all open audit findings through resolution.

Appreciation is expressed to City Management for the cooperation extended to the Internal Audit Division and for the information provided and used to prepare this report.

Sincerely,

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

Adriana Molina
Audit Manager, CPA

AMM: alg

Overview

This report includes information on the Internal Audit Division's follow-up activities and management's accomplishments through the year ended December 31, 2024. The intent of this report is to keep the Finance and Personnel Committee informed regarding the status of audit finding remediation. Provided is a summary of data, recommendations, and status updates for all findings open as of December 31, 2024. City leadership and management have made notable progress to remediate the open audit findings.

I. Follow-up Activity and Results

Finding Status Summary

In 2024, the Internal Audit Division issued a total of five audit reports. The Audit of the Office of Violence Prevention was issued in the last quarter of 2024. Internal Audit will follow up on remediation activities at the end of 2025, allowing sufficient time for the department to address the findings. Follow-up information has been collected for four reports, which resulted in 19 findings for 2024.

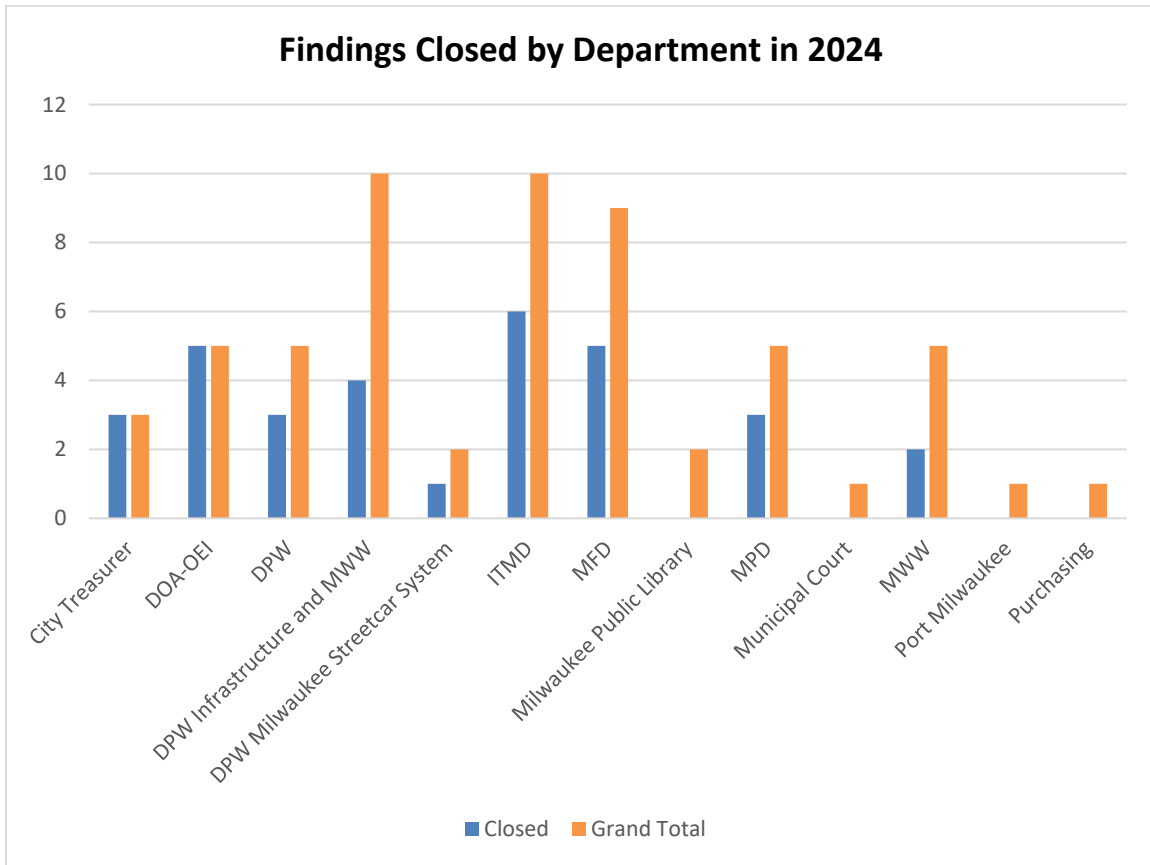
As shown in Table 1, 40 additional open findings from audit reports issued between 2019 and 2023 brought the total to 59 open findings scheduled for follow-up monitoring in 2024. Based on management's assertions and Internal Audit Division validation procedures, 32 of 59 findings were closed as of December 31, 2024.

Table 1 – Summary of Audit Finding Status as of December 31, 2024

Audit Year	Finding Disposition			
	Total	Closed	Open as of 12/31/2024	Percentage Closed
2019	1	0	1	0%
2020	1	0	1	0%
2021	7	4	3	57%
2022	2	0	2	0%
2023	29	19	10	66%
2024	19	9	10	47%
Total	59	32	27	54%

The 59 total findings followed-up on by the 32 total findings closed is broken out by department in Chart 1 below.

**Chart 1 –
Closed Status to Total Recommendations (by department) as of December, 2024**



Implementation Status

The remediation status of all audit findings is monitored and periodically updated throughout their lifecycle. The finding remediation is classified as follows:

1. No Progress or Insignificant Progress
2. In Progress
3. Fully Implemented
4. Management Accepts Risk

The remediation status for all 59 open findings is illustrated in Chart 2 on a percent to total basis. The remediation status for all open findings is also broken up by department illustrated in Chart 3.

Chart 2 – Status of All Recommendations as of December 31, 2024

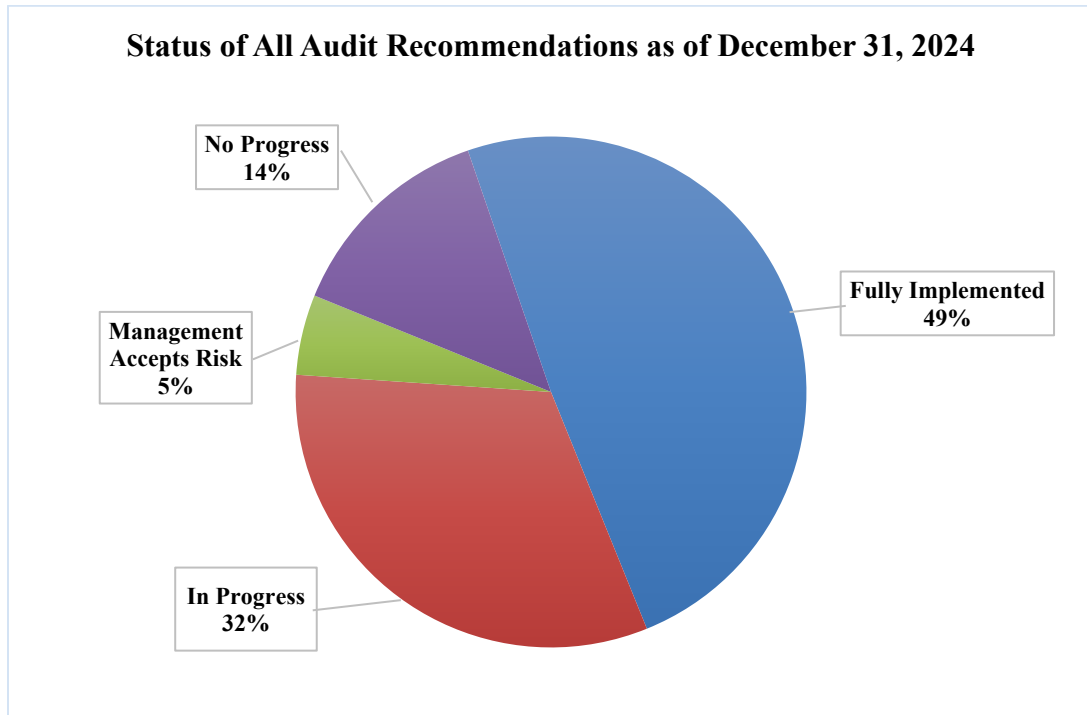
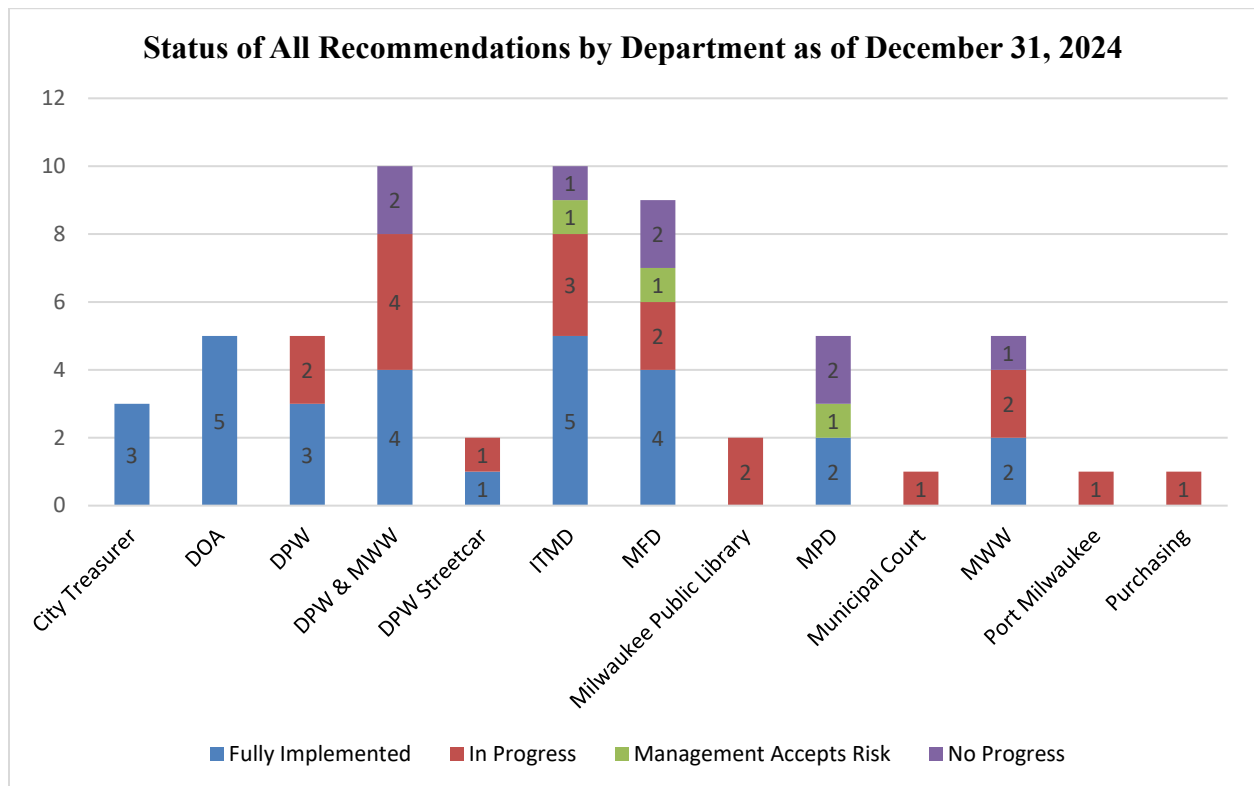


Chart 3 – Status of All Recommendations (by Department) as of December 31, 2024



Summary of Results

The remediation of 18 out of 27 open findings as of December 31, 2024 is past management's initial target completion date. Though management has worked expeditiously to remediate findings in 2024, many remain open due to the following:

- Multiple departments have open findings related to City-wide IT requirements;
- Many In Progress findings are in final stages of approval or implementation;
- Some findings that are In Progress or No Progress await the implementation of Workday to fully remediate the findings.

Internal Audit expresses appreciation for the efforts demonstrated by department management in 2024, which resulted in many open findings progressing towards remediation.

II. Audit Follow-up Standards and Procedures

Reporting Requirements

The Internal Audit Division conducts performance audits and renders audit recommendations to improve the design and operational effectiveness of internal controls over City activities. The Internal Audit Division recommends actions to correct deficiencies and other findings identified during the audit, as well as to improve programs and operations when the potential for improvement in programs, operations, and performance is substantiated by the audit procedures and conclusions. In accordance with Charter Ordinance 3-16.5, the Internal Audit Division is required to submit an annual report of the success or failure of previously audited departments in implementing the recommendations of their audits.

Generally Accepted Government Auditing Standards

Generally Accepted Government Auditing Standards as promulgated by the Government Accountability Office (GAO)¹ – Comptroller General of the United States, commonly referred to as the *Yellow Book*, provides a framework for conducting high quality audits with competence, integrity, objectivity, and independence. The *Yellow Book* establishes follow-up as an integral part of the Internal Audit Division's due professional care, as follows:

¹ GAO, Government Auditing Standards, GAO-21-368G (Washington, D.C.: December 2018).

- Management of the audited entity is primarily responsible for directing action on and implementing recommendations;
- Government auditors should have a process that enables them to track the status of management's actions on significant or material findings and recommendations from their prior audits; and
- Due professional care also includes follow-up on known findings and recommendations from previous audits that could have an effect on the current audit objectives, in order to determine whether prompt and appropriate corrective actions have been taken.

The Internal Audit Division believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the follow-up review objectives.

Risk Assessment

Risk can be viewed as anything that prevents the organization from achieving its objectives, and that generally may be mitigated through internal controls. The risk exposure created by open audit findings remains until corrective action has been taken.

The Internal Audit Division identified the various types and levels of risks associated with the 27 total remaining open findings (See Appendix A), and assigned each a risk rating of High, Medium or Low when each audit was concluded. The rating is based on the impact and likelihood of occurrence the risk posed via the identified finding. Additionally, Internal Audit has disclosed in Appendix B the three findings that the department has marked as "Management Accepts Risks."

Appendix A
Open Audit Finding Categories and Risks
(As of December 31, 2024)

Year	Department	Audit Title	Finding Category	Risk Rating
2019	MPD	Audit of the Milwaukee Fire Department Data Center Controls	Confidential	High
2020	Port Milwaukee	Audit of Port Milwaukee Capital Assets	Policy and Procedure	Low
2021	Milwaukee Public Library	Audit of Data Center Controls Audit - Library	Confidential	High
2021	Milwaukee Public Library	Audit of Data Center Controls Audit - Library	Confidential	Medium
2021	DPW	DPW Badge Access Review	Access Monitoring	Low
2022	Municipal Court	Audit of Municipal Court Case Filings	Confidential	Medium
2022	Purchasing	Audit of CAMA Vendor Management	Policy and Procedure	Medium
2023	ITMD	Audit of Public Safety IT Disaster Recovery	Confidential	Medium
2023	MFD	Audit of Public Safety IT Disaster Recovery	Confidential	Low
2023	MFD	Audit of Public Safety IT Disaster Recovery	Confidential	Low
2023	MPD	Audit of Public Safety IT Disaster Recovery	Confidential	Medium
2023	DPW Streetcar	Audit of Milwaukee Streetcar Safety	Semiannual Inspection	Medium
2023	MFD	Audit of Milwaukee Fire Department Payroll Calculations	Operational Inefficiency	Low
2023	MFD	Audit of Milwaukee Fire Department Payroll Calculations	Operational Inefficiency	Low
2023	MWW	Milwaukee Water Works IT Disaster Recovery Assessment	Confidential	High
2023	MWW	Milwaukee Water Works IT Disaster Recovery Assessment	Confidential	Medium
2023	MWW	Milwaukee Water Works IT Disaster Recovery Assessment	Confidential	Medium
2024	DPW	Audit of RPP for DPW Contracts	Management Reporting	Low
2024	ITMD	City of Milwaukee Cybersecurity & Governance Report	Confidential	High
2024	ITMD	City of Milwaukee Cybersecurity & Governance Report	Confidential	High
2024	ITMD	City of Milwaukee Cybersecurity & Governance Report	Confidential	Medium
2024	DPW Infrastructure/MWW	Audit of the Department of Public Works Infrastructure and Milwaukee Water Works Inventory	Periodic Review	High
2024	DPW Infrastructure/MWW	Audit of the Department of Public Works Infrastructure and Milwaukee Water Works Inventory	Account Reconciliation Segregation of Duties	High

Appendix A
Open Audit Finding Categories and Risks
(As of December 31, 2024)

Year	Department	Audit Title	Finding Category	Risk Rating
2024	DPW Infrastructure/MWW	Audit of the Department of Public Works Infrastructure and Milwaukee Water Works Inventory	Inventory Price and Carrying Value Monitoring	Medium
2024	DPW Infrastructure/MWW	Audit of the Department of Public Works Infrastructure and Milwaukee Water Works Inventory	Policies and Procedure	Medium
2024	DPW Infrastructure/MWW	Audit of the Department of Public Works Infrastructure and Milwaukee Water Works Inventory	Management Reporting	Low
2024	DPW Infrastructure/MWW	Audit of the Department of Public Works Infrastructure and Milwaukee Water Works Inventory	Transaction Processes – Returned Goods	Low

Appendix B

Audit Risks Accepted by Management (As of December 31, 2024)

Year	Department	Audit Title	Finding Summary	Risk Rating	Implementation Status
2023	MPD	Audit of Public Safety IT Disaster Recovery	Confidential	Low	Management Accepts Risk
2023	MFD	Audit of Milwaukee Fire Department Payroll Calculations	Periodic Review	Low	Management Accepts Risk
2024	ITMD	City of Milwaukee Cybersecurity & Governance Report	Confidential	Low	Management Accepts Risk



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March 25, 2025

Honorable Mayor Cavalier Johnson
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Dear Mayor and Council Members:

With this letter, the Office of the City Comptroller acknowledges receipt of the preceding report, which summarizes the annual audit recommendation follow-up activities for the year ending December 31, 2024. I have read the report and support the activities detailed within.

As the City Comptroller, I was not involved in any portion of the work conducted in connection with the Report of Audit Finding Follow-Up for the Year Ended 12/31/2024. At all times, the Internal Audit Division worked autonomously in order to carry out follow-up activities.

Sincerely,

A handwritten signature in blue ink that reads 'Bill Christianson'.

Bill Christianson, CPFO
Comptroller