



Audit of the Residents Preference Program for DPW Contracts

City of Milwaukee

Internal Audit Division

November 2023

Agenda

- Scope & Objective
- Procedures
- Conclusion
- Findings

Audit Scope and Objectives

Scope

DPW contracts closed from January 1, 2020 through December 31, 2022.

Objective

Determine if DPW, contractors, and sub-contractors comply with MCO 309 related to participation of City residents and apprenticeship.

Audit Procedures

Audit activities consisted of:

- Process walkthroughs
- Testing of controls



Audit Conclusion

The majority of the controls are operating effectively.

Two controls that could be improved to increase compliance and efficiency:

- utilizing a local workforce development agency
- annual reporting requirements

Audit Finding #1

- Finding: There is a process to ensure that contractors and sub-contractors utilize a local workforce development agency as a first source option for recruiting applicants; however, that process is not formally established. DPW provides a list of RPP-certifying agencies on its website and includes agencies on every bid with RPP requirements under the RPP provisions. Additionally, contractors who request assistance regarding recruitment of RPP employees are referred to the list of agencies on their website.
- Risk: Underutilization of RPP workers and the first-source employment program.
 - Risk Rating: Low
- Recommendation: DPW should design and document a process to monitor contractor and sub-contractor compliance with the first-source employment provisions.

Audit Finding #2

- Finding: The data in the annual reports presented data of all RPP contracts, but did not differentiate between construction and non-construction contracts.
- Risk: Decreased visibility to City leaders on the state of the Residents Preference Program.
 - Risk Rating: Low
- Recommendation: DPW should ensure its annual reports differentiate between construction and non-construction data as required by MCO 309-41.



Thank You.

Beka Bein

Rebekah.Lapwood@Milwaukee.gov

Ana Gutierrez

Ana.Gutierrez@Milwaukee.gov