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**Report of Audit Finding  
Follow-Up for the Year  
Ended 12/31/2025**

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City Comptroller

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**City of Milwaukee**

**March 2026**

## Table of Contents

<b>Transmittal Letter .....</b>	<b>1</b>
<b>Overview .....</b>	<b>2</b>
<b>I. Follow-up Activity and Results.....</b>	<b>2</b>
<b>Finding Status Summary.....</b>	<b>2</b>
<b>Implementation Status.....</b>	<b>3</b>
<b>Summary of Results.....</b>	<b>5</b>
<b>II. Audit Follow-up – Standards and Procedures.....</b>	<b>5</b>
<b>Risk Assessment .....</b>	<b>6</b>
<b>Appendix A: Open Audit Findings and Risks.....</b>	<b>7</b>
<b>Appendix B: Audit Risks Accepted by Management .....</b>	<b>8</b>
<b>Comptroller’s Acknowledgment of Receipt .....</b>	<b>9</b>



**Bill Christianson, CPFO**  
Comptroller

**Charles Roedel, CPA, CIA**  
Deputy Comptroller

**Toni Biscobing**  
Special Deputy Comptroller

**Richard Bare, CPA**  
Special Deputy Comptroller

March 10, 2026

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, 2025.

The scope for this year's follow-up activities included all findings issued from January through November 30, 2025, Finance & Personnel Committee meeting. In preparation for the Report of Audit Finding Follow-Up 2025, audits completed after November 30, 2025, Finance & Personnel Committee meeting will carry over to the Report of Audit Finding Follow-Up 2026. In addition, findings issued since 2019 have been included in this report apart from 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, 47 audit findings were closed in 2025 with 15 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: bb

## Overview

This report includes information on the Internal Audit Division’s follow-up activities and management’s accomplishments through the year ended December 31, 2025. 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, 2025. City leadership and management have made notable progress to remediate the open audit findings.

### I. Follow-up Activity and Results

#### Finding Status Summary

In 2025, the Internal Audit Division presented a total of seven reports to the Finance and Personnel committee<sup>1</sup>. The Audit of the Milwaukee Election Commission Payroll was issued in the last quarter of 2025. Internal Audit will follow up on remediation activities at the end of 2026, allowing sufficient time for the department to address the findings. Follow-up information has been collected for all seven reports, which resulted in 35 findings for 2025.

As shown in Table 1, 27 additional open findings from audit reports issued between 2019 and 2024 brought the total to 62 open findings scheduled for follow-up monitoring in 2025. Based on management’s assertions and Internal Audit Division validation procedures, 47 of 62 findings were closed for the year ending December 31, 2025.

**Table 1 – Summary of Audit Finding Status as of December 31, 2025**

Audit Year	Finding Disposition			
	Total	Closed	Open	Percentage Closed
2019	1	1	0	100%
2020	1	1	0	100%
2021	3	3	0	100%
2022	2	1	1	50%
2023	10	8	2	80%
2024	10	3	7	30%
2025	35	30	5	86%
<b>Total</b>	<b>62</b>	<b>47</b>	<b>15</b>	<b>76%</b>

<sup>1</sup> One report was issued in 2024 but was not presented until 2025. The findings of that report are part of the 2025 data as that more accurately reflects when management could begin mitigation efforts.

A breakdown of the 62 total findings by status and department are shown in Table 2.

**Table 2 - Closed Status to Total Recommendations (by department) as of December 2025**

Department	Closed	Open	Total
DOA	5	1	6
DPW	1	1	2
DPW Fleet	4		4
DPW Infrastructure and MWW	2	4	6
DPW Milwaukee Streetcar System	1		1
DPW Transportation - Parking Division	6	1	7
ITMD	2	2	4
MFD	3	1	4
MPD	2		2
MPL - Data Center Controls	2		2
MPL - Financial Administration	1		1
Municipal Court		1	1
MWW - IT	2	1	3
MWW Plants	8	2	10
Office of Equity and Inclusion	4	1	5
Port Milwaukee	1		1
Purchasing	1		1
Treasury	2		2
<b>Grand Total</b>	<b>47</b>	<b>15</b>	<b>62</b>

### Implementation Status

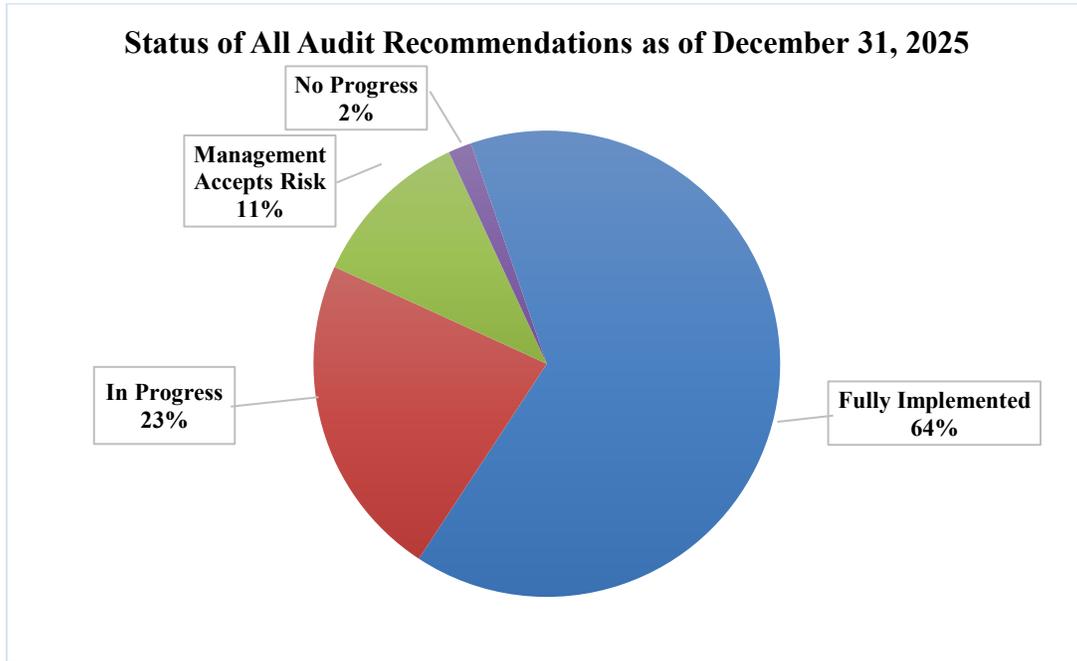
The remediation status of all audit findings is monitored and periodically updated throughout their lifecycle.

The finding remediation is classified as follows:

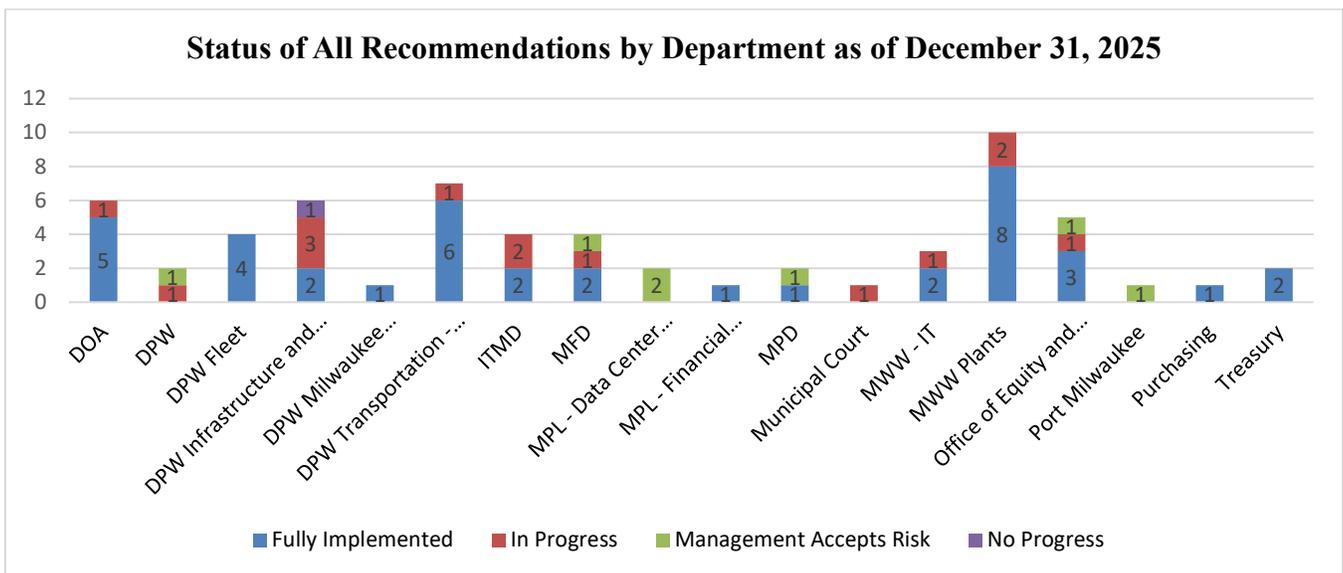
1. No Progress or Insignificant Progress
2. In Progress
3. Fully Implemented
4. Management Accepts Risk

After four years, if the underlying findings have not been remediated, it's determined that responsible management is accepting the risk associated with the unmitigated exposure/gap. See Appendix B for additional information. The remediation status for all open findings is presented in Chart 1. Additionally, a

breakdown of open findings by status and department are shown in Chart 2. **Chart 1 – Status of All Recommendations as of December 31, 2025**



**Chart 2 – Status of All Recommendations (by Department) as of December 31, 2025**



## Summary of Results

The remediation process of 12 of the 15 open findings scheduled for completion by December 31, 2025, has extended beyond management's initial target date. Though management has worked diligently to remediate findings, many remain open for one of the following reasons:

- 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 2025, 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)<sup>2</sup> – 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:

- Management of the audited entity is primarily responsible for directing action on and implementing recommendations.

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<sup>2</sup> GAO, GAO, Government Auditing Standards, GAO-24-106786 (Washington, D.C.: February 2024).

- 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, 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 20 total remaining open findings in 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 two findings that the department has marked as "Management Accepts Risk."

**Appendix A**  
**Open Audit Finding Categories and Risks**  
(As of December 31, 2025)

Year	Department	Audit Title	Finding Summary	Risk Rating
2022	Municipal Court	Audit of Municipal Court Case Filings	Confidential	Medium
2023	MFD	Audit of Milwaukee Fire Department Payroll Calculations	Operational Inefficiency	Low
2024	DPW	Audit of RPP for DPW Contracts	Management Reporting	Low
2023	MWW	Milwaukee Water Works IT Disaster Recovery Assessment	Confidential	Medium
2024	ITMD	City of Milwaukee Cybersecurity & Governance Report	Confidential	High
2024	ITMD	City of Milwaukee Cybersecurity & Governance Report	Confidential	Medium
2024	DPW Infrastructure and MWW	Audit of the Department of Public Works Infrastructure and Milwaukee Water Works Inventory	Periodic Review	High
2024	DPW Infrastructure and MWW	Audit of the Department of Public Works Infrastructure and Milwaukee Water Works Inventory	Inventory Price and Carrying Value Monitoring	Medium
2024	DPW Infrastructure and MWW	Audit of the Department of Public Works Infrastructure and Milwaukee Water Works Inventory	Management Reporting	Low
2024	DPW Infrastructure and MWW	Audit of the Department of Public Works Infrastructure and Milwaukee Water Works Inventory	Transaction Processes – Returned Goods	Low
2024	DOA	Audit of the Office of Violence Prevention	Policies and Procedures	Low
2025	DPW Transportation - Parking Division	Audit of DPW Parking Structures and Lot Revenue Controls	Policies and Procedures - DPW	Medium
2025	MWW Linwood plant	Audit of MWW - Safety and Health Assessments	Written Programs / Policies	Serious/Extreme
2025	MWW Howard	Audit of MWW - Safety and Health Assessments	Electrical Safety	Serious/Extreme
2025	Office of Equity and Inclusion	Audit of the Residents Preference Program for Development Agreements	Change Management	Medium

Note additional finding detail is provided in a separate attachment.

## Appendix B

### Audit Risks Accepted by Management (As of December 31, 2025)

Year	Department	Audit Title	Finding Summary	Risk Rating	Implementation Status
2019	MPD	Audit of the Milwaukee Fire Department Data Center Controls	Environmental Controls	High	Management Accepts Risk*
2020	Port Milwaukee	Audit of Port Milwaukee Capital Assets	Policy and Procedure	Low	Management Accepts Risk*
2021	MPL - Data Center Controls	Audit of Data Center Controls Audit - Library	Business Continuity	High	Management Accepts Risk*
2021	MPL - Data Center Controls	Audit of Data Center Controls Audit - Library	Environmental Controls	Medium	Management Accepts Risk*
2021	DPW	DPW Badge Access Review	Access Monitoring	Low	Management Accepts Risk*
2023	MFD	Audit of Milwaukee Fire Department Payroll Calculations	Periodic Review	Low	Management Accepts Risk
2025	Office of Equity and Inclusion	Audit of the Residents Preference Program for Development Agreements	Tracking job opportunities	Low	Management Accepts Risk

\*Findings noted were issues longer than four years ago and have not been remediated. As such, Internal Audit determined that responsible management is accepting the risk associated with the unmitigated exposure/gap.



**Bill Christianson, CPFO**  
Comptroller

**Charles Roedel, CPA, CIA**  
Deputy Comptroller

**Toni Biscobing**  
Special Deputy Comptroller

**Richard Bare, CPA**  
Special Deputy Comptroller

March 11, 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 summarizes the annual audit recommendation follow-up activities for the year ending December 31, 2025. 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 12/31/2025. At all times, the Internal Audit Division worked autonomously to carry out follow-up activities.

Sincerely,

A handwritten signature in black ink that reads "Bill Christianson".

Bill Christianson, CPFO  
Comptroller