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**Audit of Computer-Assisted  
Mass Appraisal (CAMA)  
Vendor Management**

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**AYCHA SAWA**  
City Comptroller

**CHARLES ROEDEL**  
Audit Manager

December 2022

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**Aycha Sawa, CPA, CIA**  
Comptroller

**Bill Christianson**  
Deputy Comptroller

**Toni Biscobing**  
Special Deputy Comptroller

**Richard Bare, CPA**  
Special Deputy Comptroller

December 1, 2022

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 Computer-Assisted Mass Appraisal (CAMA) Vendor Management. The audit was performed by information technology audit specialists at CliftonLarsonAllen with oversight by City of Milwaukee Internal Audit. CAMA vendor management was chosen for audit because CAMA was ranked #7 out of 291 information technology risks when Securance, LLC performed an information technology risk assessment of the City in 2018.

CAMA is a proprietary system of Patriot Properties that is utilized by the Assessor's Office for their assessment activities. The scope of the audit was the current state of CAMA vendor management and the objective of the audit was to evaluate vendor management policies and the effectiveness of the vendor management of Patriot Properties by the Assessor's Office.

Appreciation is expressed for the cooperation extended to the auditors by the personnel of the Assessor's Office and the Department of Administration Purchasing Division.

Sincerely,

A handwritten signature in cursive script that reads "Charles Roedel".

Charles Roedel, CPA, CIA  
Audit Manager

CRR



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**City of Milwaukee, Wisconsin Computer-Assisted Mass Appraisal (CAMA) Vendor Management  
Internal Audit**

**CliftonLarsonAllen (“CLA”), LLP**

**Executive Summary**

## Vendor Management Assessment

CLA was contracted to provide consulting services to audit the vendor management processes with a focus on the relationship between the Assessor’s Office and Patriot Properties. The services provided to the City of Milwaukee (City) by Patriot Properties includes services to perform computer assisted appraisals, which are used as a basis for allocation of tax levies to property owners. The scope of the vendor management assessment focused on the contract between the City and Patriot Properties, monitoring changes and ongoing support provided by Patriot Properties, report internal controls operations related software development activities of Patriot Properties, and supporting policies and procedures.

## Vendor Management Background

Organizations are increasingly reliant on third parties and vendors to provide business applications, process transaction, house data, and represent them to the public. While this transfers some of the risk where the organization may not have the resources or expertise to efficiently and effectively performed the services in question; it also exposes the organization to unique risk in the vendor/user relationship. These vendor risk can be addressed through a comprehensive vendor management risk program that address how vendors decisions and onboarding is handled and the ongoing monitoring of the vendors services in line with the established contract and the organization’s needs.

Benefits of implementing and performing a vendor risk management program, include:

- Better coordination and accountability of services with the vendor
- Timely identification of risks posed by the vendor

## Scope

More specifically, the approach to our vendor management assessment includes an assessment of the inclusion and consideration of the following strategic area and areas of focus as it relates to Assessor’s Office’s vendor management programs:



Area	Focus
<b>Policies and Procedures</b>	<ul style="list-style-type: none"> <li>• Define vendor onboarding guidelines</li> <li>• Define ongoing monitoring procedures</li> </ul>
<b>Contract Review</b>	<ul style="list-style-type: none"> <li>• Definition of Services</li> <li>• Definition of Service Level Agreements</li> <li>• Right to Audit Clause</li> </ul>
<b>Change and Support Monitoring</b>	<ul style="list-style-type: none"> <li>• Change Management Activities</li> <li>• Vendor Remote Access</li> </ul>
<b>Internal Controls Monitoring</b>	<ul style="list-style-type: none"> <li>• Internal Controls Reporting (SOC for Supply Change)</li> <li>• Internal Controls Review               <ul style="list-style-type: none"> <li>○ Subservice Organizations</li> <li>○ User Entity (the City) Controls</li> </ul> </li> </ul>

### Policies and Procedures

- Objective** To validate that policies and procedures have been developed to guide the City employees on their responsibilities for vendor management.
- Approach** CLA will review the City’s vendor risk management policies and procedures to assess the following:
- Vendor decisioning and onboarding, including: due diligence, risk assessment and assignment, and internal review of contract.
  - Ongoing monitoring, including periodically updating risk assessments, obtaining and reviewing internal controls reports, requirement of re-occurring meetings

### Contract Review

- Objective** To validate that appropriate clauses and wording are included in the contract with Patriot Properties.
- Approach** CLA will review the contract with Patriot Properties to assess the following:
- Current and active contract is in places.
  - Statement of work or services are adequately defining to provide the City with clear expectation the relationship



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## Change and Support Monitoring

- Objective** To determine that the City monitors the activities of the vendor against expectations.
- Approach** CLA will review the following related to change and support monitoring:
- Processes for assessing, testing, approving, and deploying patches and changes related to CAMA
  - How Patriot Properties remotely accesses the City's network to provide application maintenance and support

## Internal Control Monitoring

- Objective** To determine that the City monitors the system development operations of Patriot Properties.
- Approach** CLA will review the following related to system development monitoring:
- Inspect management's documentation of the review of internal controls reports from Patriot Prosperities
  - Obtain and review internal controls for Patriot Prosperities related to subservice organizations, user entity controls, report obtain, and noted testing exceptions
  - Review corrective Action plans for any not report qualifications or testing exceptions

## Quality Control Standards

Our engagement to perform these procedures was conducted as a consulting engagement. We did not perform an audit, the objective of which would be the expression of an opinion on the operations or internal controls of the company. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Our internal review and quality control system includes quality control standards as prescribed by the AICPA. The team assigned to this engagement are also in conformance with Yellow Book CPE standards, and also hold professional certifications under Information System Audit and Control Association standards, as well as Institute of Internal Audit standards. The engagement principal is involved in the planning, fieldwork, and post-fieldwork review. In addition, an appropriately experienced professional performs a risk-based second review of the engagement prior to issuance of the reports.



## DEFINITION OF RISK CLASSIFICATIONS ASSIGNED TO FINDINGS AND RECOMMENDATIONS

Based on the review of the content of each observation, one of the following definitions of risk is assigned to facilitate comparison between observations.

Risk	Definition
High	<p>High priority issue, which requires immediate management attention. This is a serious internal control or risk management issue that if not mitigated, may, with a high degree of certainty, lead to:</p> <ul style="list-style-type: none"><li>• Substantial losses, possibly in conjunction with other weaknesses in the control framework, systems/applications, or the organizational entity or process being audited.</li><li>• Serious violation of corporate strategies, policies, or values.</li><li>• Serious reputation damage, such as negative publicity. And/or</li><li>• Significant adverse regulatory impact, such as loss of operating license or material fines.</li></ul>
Moderate	<p>Timely management attention is warranted. This is an internal control or risk management issue that could lead to:</p> <ul style="list-style-type: none"><li>• Financial losses.</li><li>• Loss of effective or efficient control within the organizational entity, systems/applications, or process being audited.</li><li>• Reputation damage. And/or</li><li>• Adverse regulatory impact, such as report comments or material fines.</li></ul>
Low	<p>Low priority issue that requires routine management attention. This is an internal control or risk management issue, the solution to which may lead to improvement in the quality and/or efficiency of the organizational entity, systems/applications, or process being audited. Risks of loss are immaterial or limited.</p>



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Observation #	Description of Observation (Potential Deficiency)	Risk	Description of Recommendation	Responsible Party
1	The City has developed and published a Purchasing Liaison Manual that includes guidance for reporting vendor performance issues, but the City has not outlined comprehensive list requirements for managing vendor relationships within these policies or as a standalone policy.	Moderate	<p>CLA recommends that the City develop, publish, and communicate a policy to address its expectation and responsibilities for managing vendor relationships. This vendor risk management policy should include:</p> <p><u>Onboarding</u>            Assessing the risk of the vendor to the City based on the financial stability of the vendor, like/available replacement, type of data the vendor will have access to, etc.            Assessing the internal controls environment as part of the vendor evaluation            Establishing service level agreements as part of contracting</p> <p><u>Ongoing Assessments</u>            Updating the vendor risk assessment annually            Obtaining and reviewing internal control assessment around the services provided on a frequency in line with the risk level assess to the vendor. When an internal controls assessment is not available from the vendor, providing alternatives to meet the right, including questionnaires, onsite visits, internal audit activities, etc.            Establishing ongoing meetings and communications with the vendor to provide feedback on service levels and projects.</p>	Purchasing
2	<p>Patriot Proprieties provides remote applications support and maintenance and we noted the following:</p> <ul style="list-style-type: none"> <li>• A shared account is used</li> <li>• Restrictions are not in place to limit when the account can be used</li> <li>• Monitoring of the accounts activities has not been implemented.</li> </ul>	Moderate	<p>CLA recommends that the City perform the following:</p> <ul style="list-style-type: none"> <li>• establish individual accounts for the Patriot Properties employees that will be supporting the City.</li> <li>• implement a process for enabling the support accounts only when necessary and authorized by the Assessor's Office or place restrictions on when the account can access the system (i.e. time of day, days of the week).</li> <li>• establish a process to log and review activities perform by the Patriot Properties support account in accordance with the Information Security Plan, Access Control Policy.</li> </ul>	Assessor's Office
3	While a checklist related to the implementation activities for patches for AP5 has been developed, the checklist is not routinely completed and retained to evidence the completion of the steps. No other documentation is created to evidence the City's activities of evaluation, testing, and approving changes to the AP5 environment.	Low	CLA recommends that the checklist be updated to capture the activities performed by the Assessor's Office and Patriot Properties as outline in the Configuration Management Policy. The checklist should be used to record the activities and retained for each change deployed.	Assessor's Office





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Comptroller

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Special Deputy Comptroller

December 1, 2022

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 Computer-Assisted Mass Appraisal (CAMA) Vendor Management. 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 blue ink, appearing to read "Aycha Sawa".

Aycha Sawa, CPA, CIA  
Comptroller



Department of Administration  
Purchasing Division

Cavalier Johnson  
Mayor

Sharon Robinson  
Director of Administration

Rhonda U. Kelsey  
City Purchasing Director

November 29, 2022

To: Charles Roedel, CPA, CIA  
From: Rhonda Kelsey, City Purchasing Director

Dear Mr. Roedel,

This memo serves as the Department of Administration – Purchasing Division’s formal response to Observation No. One (1) in the City of Milwaukee, Wisconsin Computer Aided Mass Appraisal (CAMA) Vendor Management Internal Audit conducted by CliftonLarsonAllen (CLA), LLP on behalf the Internal Audit Division of the Comptroller’s Office.

Observation # One (1): The City has developed and published a Purchasing Liaison Manual that includes guidance for reporting vendor performance issues, but the City has not outlined a comprehensive list of requirements for managing vendor relationships within these policies or as a standalone policy.

DOA-Purchasing Response: While comprehensive requirements for managing vendor expectations and relationships are specified in concert with the user department during the Request for Proposal (RFP) process and ultimately codified in the formal contract, there is always opportunity for improvement. For example, the CAMA contract one of our lengthier and more complex contracts includes several exhibits that are focused on managing mutual expectations and deliverables between the City and the vendor. These exhibits include but are not limited to the following detailed documents.

- Customer Software Support and License Agreement (CSSLA)
- Statement of Work (SOW)
- City of Milwaukee Implementation Project Plan
- Payment Schedule
- City Contract Terms and Conditions

While comprehensive requirements for managing vendor performance are specified in city contracts, to include guidance that is specified in the City’s Purchasing Liaison Manual (PLM), DOA-Purchasing will revise the PLM to augment and strengthen its policies and procedures in accordance with CLA, LLP’s recommendations.

c: Finance & Personnel Committee Members



**ASSESSOR'S OFFICE**

**Nicole F. Larsen**  
Commissioner of Assessments

**Billy J. Bowers**  
Chief Assessor

November 30, 2022

Charlie Roedel, CPA, CIA  
Audit Manager  
Office of the Comptroller – Audit Division  
200 E. Wells St., Room 404  
Milwaukee, WI 53202

Re: Assessor's Office management response to CAMA vendor management audit  
Vendor: Patriot Properties, Inc.

Dear Mr. Roedel,

The City of Milwaukee Assessor's Office has reviewed the updated observations for the audit of CAMA Vendor Management received on November 11, 2022. The Assessor's Office intends to adopt the recommendations of the auditor, and offers the following additional information to supplement the recommendations to be adopted.

**Observation:** The City has developed and published a Purchasing Liaison Manual that includes guidance for reporting vendor performance issues, but the City has not outlined comprehensive list requirements for managing vendor relationships within these policies or as a standalone policy.

Response: No response is required from the Assessor's Office, as this is a function of the Purchasing Division.

**Observation:** Patriot Proprieties provides remote applications support and maintenance and we noted the following:

- A shared account is used
- Restrictions are not in place to limit when the account can be used
- Monitoring of the accounts activities has not been implemented.

Response: ITMD has obtained a list of Patriot Properties users and has created individual user accounts and marking them as Patriot Vendor accounts. Access hours will not be limited and is not needed, as ITMD will be notified of access outside of normal business hours via the notification process that is in place. Additionally, ITMD will create a generic account for maintenance tasks,

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Please contact ADACoordinator@milwaukee.gov, 414-286-3475, TTY: 711.  
Provide a 72 hour advanced notice, 7 days for Braille, to ensure accommodation of request.

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but this generic account will only be enabled upon specific request. If ITMD is notified by the Assessor's Office that its authorized staff or authorized staff of Patriot requires access, then the account would be enabled for a specific, limited period of time. ITMD will monitor account activity, as all Active Directory accounts are currently monitored and logged for activity.

**Observation:** While a checklist related to the implementation activities for patches for AP5 has been developed, the checklist is not routinely completed and retained to evidence the completion of the steps. No other documentation is created to evidence the City's activities of evaluation, testing, and approving changes to the AP5 environment.

Response: The Assessor's Office Business Systems Manager is revising the checklist to include a space for an electronic signature and date, to record when a checklist activity is complete and the identity of the staff completing the checklist item. The checklist will be retained within Assessor's Office files and will be accessible to authorized Patriot staff. The Assessor's Office and Patriot will be performing a system update in December 2022, and the checklist will be in place to record the activities related to that update.

Thank you for bringing these matters to our attention.

Respectfully,



Nicole F. Larsen  
Commissioner of Assessments

cc: David Henke, ITMD (via email)  
John Enos, ITMD (via email)  
Judith Siettmann, ITMD (via email)