

Martin Matson
Comptroller

Aycha Sirvanci, CPA, CIA
Deputy Comptroller



Toni Biscobing
Special Deputy Comptroller

Rocklan Wruck, CPA
Special Deputy Comptroller

Office of the Comptroller
December 19, 2017

Honorable Tom Barrett, Mayor
The Members of the Common Council
City of Milwaukee
Milwaukee, WI 53202.

Dear Mayor and Council Members:

Pursuant to Common Council Resolution 05-1485, Internal Audit has been requested to provide the Common Council with a semi-annual report of audit activities including, but not limited to, on-going audits, pending audits and possible subjects for future audits. Internal Audit has prepared this report summarizing all of its work products including audits and non-audit projects completed and issued in 2017, current audits, projects in progress and their anticipated report issuance dates and a partial list of audits expected to initiate in 2018. Some audits listed below have most of the work completed; however, reports will be issued in 2018.

Reports Issued 2017:

1. Audit of Fund Carryover Compliance (01.12.17)
2. Fraud, Waste and Abuse Hotline Report for the Year Ending December 31, 2016 (02.08.17)
3. Report of Audit Recommendation Follow-up 2017 (05.01.17)
4. 2017 Annual Audit Work Plan (06.06.17)
5. Audit of 9-1-1 System Application Controls (08.29.17)

Audits Completed in 2017 with Report Issuance Pending (and anticipated report issuance):

1. Audit of Department of Public Works License Plate Recognition System
 - Audit completed 11.15.17 (1st quarter 2018)
2. Audit of Dependent Insurance Coverage Eligibility
 - Audit completed 12.05.17 (1st quarter 2018)
3. Audit of DPW Fleet Services – Fuel Consumption and Cost Controls
 - Initial reviews and interviews were performed to gain an understanding of, and document the process for, City fuel receipt and dispensing; to determine whether the controls are adequately designed to mitigate the identified risk.
 - As the City fuel receipt and dispensing control framework is IT in nature, and thus comprehensive and reliable, implementing additional controls or modifying the current



control structure is not required or recommended. The auditors believe that the existing controls are well-designed and operating effectively to mitigate the identified risks. Consequently, additional audit testing was not required and the project was terminated. An audit report was deemed unnecessary.

Audits in Progress - with status (and anticipated report issuance):

1. Audit of Public Records Requests and Controls
 - Report in preparation (1st quarter 2018)
2. Audit of Lagan Citizen Relationship Management (CRM) Application Controls
 - Report in preparation (1st quarter 2018)
3. Audit of the Milwaukee Police Department Overtime
 - Report in preparation (1st quarter 2018)
4. Audit of ITMD Data Center Controls
 - Ongoing fieldwork (1st quarter 2018)
5. Audit of DER Compliance with FMLA
 - Ongoing fieldwork with completion following DER vendor selection (1st or 2nd quarter 2018)
6. Port of Milwaukee: Maintenance, Monitoring and Tracking
 - Fieldwork is ongoing – audit may be divided into three separate audits in 2018 (2nd quarter 2018 and beyond)

All audits, and their estimated issuance dates, are potentially subject to change as they are dependent upon various factors and external inputs.

Pending Audits - with status (and anticipated announcement/initiation):

1. Audit of the City Treasurer Cash Controls
 - Planning completed (December 2017)
2. Information Technology – Enterprise-wide Risk Assessment
 - Completing RFP and consultant selection process (February 2018)
3. Audit of Land Management System (LMS) Implementation and Change Controls
 - Planning is ongoing (January 2018)
4. Audit of Tax-Foreclosed Real Estate Sales to Non-profit Organizations
 - Initial planning (February 2018)
5. Enterprise-wide Policies and Procedures
 - Initial planning (March 2018)
6. Network Security – Penetration Testing and Scanning
 - RFP submitted for consultant selection process (2nd quarter 2018)
7. Audit of Election Commission Voter Registration Controls
 - Planning is ongoing (March 2018)

8. Audit of Milwaukee Water Works' Additives and Corrosion Control – Lead Mitigation
 - Discussion is ongoing with RFP process and consultant involvement to be determined in 2018 (4th quarter 2018)

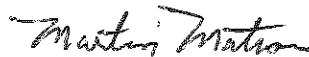
Annual Audit Work Plan 2018:

All of the areas of the City potentially subject to an audit will be ranked, based on overall risk(s), via the performance of the enterprise-wide risk and control assessment. The results of this assessment will serve as a basis for the initial development of the annual audit plan for 2018 and beyond. The final areas selected for audit may also include suggestions from City leadership and management, as is necessary. Internal Audit will communicate these results to the Common Council following the completion of this project.


In addition to this report, follow up on recommendations from past audits has begun. The implementation status of any open recommendations from the 2017 audits, and audits issued prior to 2017, will be summarized as part of the Report of Audit Recommendation Follow-up 2017 to be released in the first quarter 2018.

We would be happy to discuss the contents of this report with you at the appropriate committee hearing.

Sincerely,



Martin Matson
Comptroller



Adam Figon, MBA, CRMA
Audit Manager

AF:gl/rk