Report of Audit Recommendation Follow-Up 2017

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May 1, 2017

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

Dear Mayor and Council Members:

Per City Charter 3-16.5, which defines Internal Audit's periodic reporting requirements, Internal Audit has a responsibility to monitor and follow up on audit recommendations to ensure audit findings are being 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, 2016.

The scope for this year's follow-up activities included all recommendations issued in 2016, and all recommendations issued in previous years, that remained open after the application of follow-up procedures. Implementation status is determined via updates and information provided by department management, as well as test procedures performed by Internal Audit.

Based on management's assertions and the results of the performed validation procedures, 26 audit findings (of 52 in total) were closed in 2016 with 26 audit findings remaining open. Internal Audit will monitor all open audit findings through resolution.

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

Sincerely,

Adam Figon

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Audit Manager

AF:rk/bd

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MILWAUKEE

Overview

The intent of this report is to keep the Finance and Personnel Committee informed regarding the status of the audit recommendations made by Internal Audit. This report includes information on Internal Audit's follow-up activities and management's accomplishments through the year ended December 31, 2016. Provided is a summary of data, recommendations, and status updates for all open recommendations. Significant progress has been made by City leadership and management to implement the open audit recommendations.

I. Follow-up Activity and Results

Recommendation Status Summary – Open/Closed

In 2016, Internal Audit issued 3 reports that included a total of 14 recommendations. As Table 1 indicates, there were 38 additional open recommendations from audit reports issued prior to 2016 leaving a sum total of 52 open recommendations targeted for follow-up monitoring activities in 2016. Based on management's assertions and Internal Audit validation procedures, 26 of the initial total of 52 open recommendations were closed as of December 31, 2016.

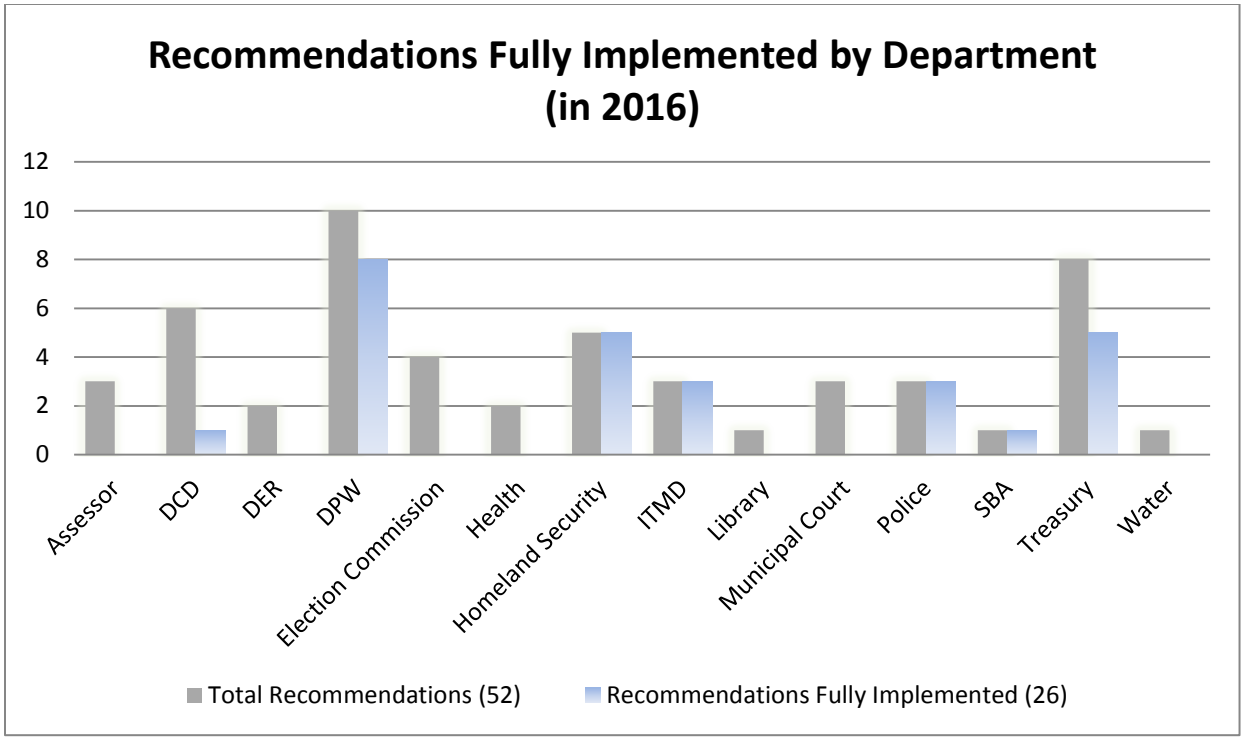
Table 1 – Summary of Audit Recommendation Status at December 31, 2016

Audit Year	Recommendation Disposition			
	Total	Fully Implemented	Open as of 12/31/16	Percent Fully Implemented
2012	2	2	0	100%
2013	3	0	3	0%
2014	16	10	6	63%
2015	17	8	9	47%
2016	14	6	8	43%
Total	**52**	**26**	**26**	50%

A detailed summary of recommendations that were initially reported, and subsequently resolved, by department and audit title are presented in Appendix A.

Additionally, the number of recommendations fully implemented/closed by each department, highlighted in Table 1, has been presented in Chart 1.

Chart 1



A detailed summary of the open recommendations per department is provided at Appendix C.

Physical Security Assessment

A Physical Security Assessment Audit was performed in late 2015 with eight recommendations reported as of February 8, 2016. The City of Milwaukee engaged Titus consulting to perform a formal physical security audit of the City Hall Complex (City Hall, Zeidler Municipal Building and the 809 Broadway building). This assessment provided a roadmap of protective measures for the municipality in areas including, but not limited to: communication, security, monitoring, preparedness, and a greater understanding of potential weaknesses. Due to the sensitive nature of the subject matter detailed information and recommendations identified have not been included in this report and the eight recommendations are not included in the totals noted above. The reported recommendations will be monitored through resolution by Internal Audit.

Implementation Status

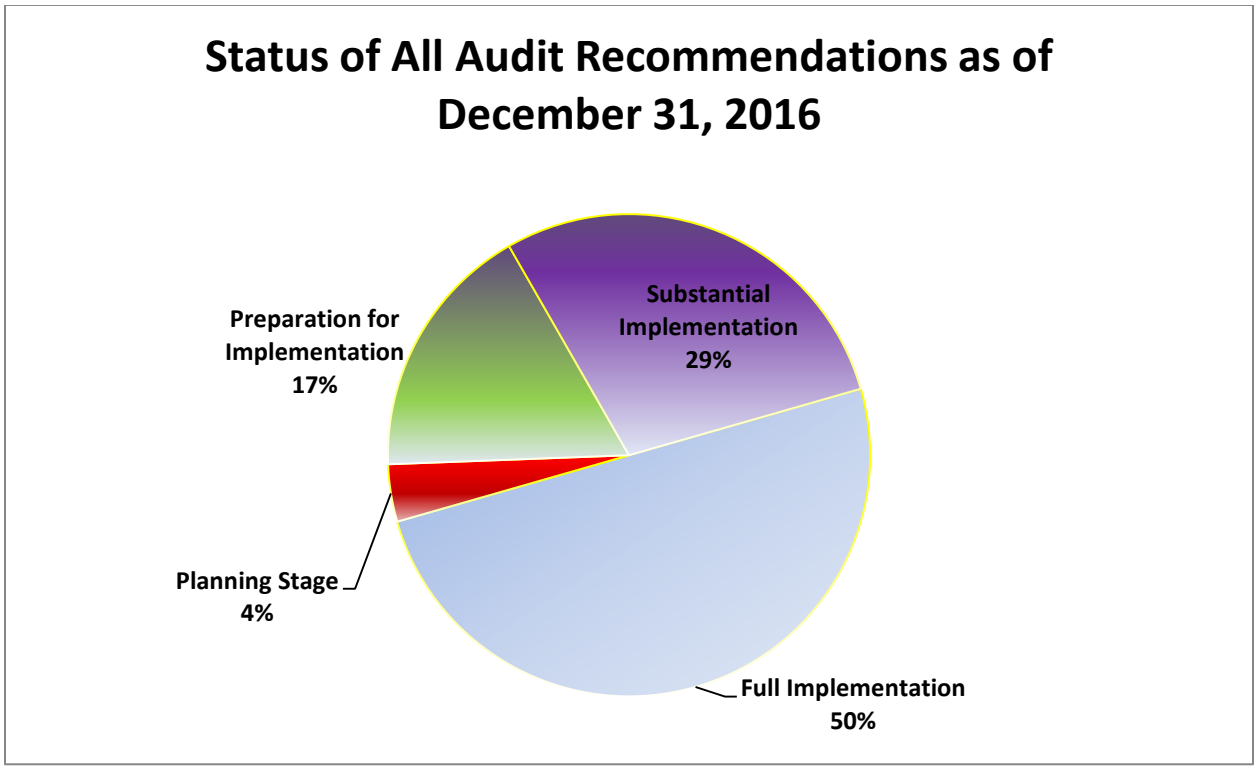
The implementation status of all audit recommendations is monitored and periodically updated throughout their life cycle. The recommendations are classified according to the Action Plan Maturity Model (or scale) developed by the risk advisory consultant Sunera, LLC[1] as follows:

[1]Goldberg, Danny. "Unit VI: Audit Follow-up." Internal Audit Best Practices and Fundamental Principles [Seminar]. Pewaukee, WI. 16 February 2011.

1. Insignificant Progress
2. Planning Stage
3. Preparation for Implementation
4. Substantial Implementation
5. Full Implementation
6. No Longer Applicable
7. Management Accepts Risk of Not Taking Action

The implementation status for the 52 total recommendations highlighted in Table 1 is illustrated in Chart 2. In 2016, 79% of the open recommendations were fully or substantially implemented.

Chart 2



The implementation status detail for the open recommendations is provided at Appendix B.

Conclusion

Twenty-six audit recommendations remain open as of December 31, 2016. Though management has worked expeditiously to fully implement recommendations in 2016 many remain open as initial recommendation target dates have not yet been reached and as a result of the following:

- The time requirements for an implementation due to its complexity (system upgrades, cross training, etc.) can be significant;
- Key positions are vacant (staff and management turnover);
- Information receipts from third party vendors or departments/parties external to the implementing department are pending.

Of the twenty-six open recommendations, twenty are past management's initial target completion date and ten have been outstanding for greater than one year. Open recommendation initial and revised target dates can be referenced in Appendix B.

Additionally, appreciation is expressed for the efforts demonstrated by department management in 2016 which resulted in many open recommendations progressing towards full implementation which can also be referenced in Appendix B.

Management Commendations – Recommendation Resolution

For the audits identified in Table 2, management's outstanding remediation efforts and collaboration with the Internal Audit Division has resulted in significant progress toward implementation and full implementation (closure) of audit recommendations in 2016. These implementation efforts demonstrate each department's commitment to the mitigation of risks and the development of more efficient and effective City operations.

Table 2 – Management Commendations

Departments/Office	Audit(s)
Department of City Development	Audit of the Department of City Development In Rem Property Management and Disposition
Department of Public Works	• Audit of Department Performance Measurement Controls • DPW Contract Administration
Office of Emergency Management and Homeland Security (EMHS)	Audit of the Office of EMHS - FEMA Urban Area Security Initiative Grant Management 2012 through 2014
Information Technology Management Division (ITMD)	• Audit of the Information Technology (IT) Asset-Management Controls • External IS; and Internal Network Security (Consultant Assisted)
Milwaukee Police Department	• Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters • Audit of System Vulnerabilities of City Datacenters
Department of Administration – Office of Small Business Administration	• Audit of Resident Participation in Development Agreements
The Office of the City Treasurer	• Audit of City Treasurer Cash Controls • iNovah Application Controls

II. Audit Follow-up Procedures and Standards

Reporting Requirements

Internal Audit conducts performance audits and makes audit recommendations to improve the design and operational effectiveness of internal controls over City activities. Internal Audit 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, Internal Audit is required to submit an annual report of the success or failure of previously-audited departments in implementing the recommendations of their audits.

Standards

Generally Accepted Government Auditing Standards (GAGAS)[2] as promulgated by the Government Accountability Office (GAO) – Comptroller General of the United States, often referred to as the *Yellow Book*, provide a framework for conducting high quality audits with competence, integrity, objectivity and independence. Audits conducted in accordance with GAGAS require sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions in relation to an audit's objectives. The *Yellow Book* establishes follow-up as an integral part of Internal Audit's due professional care, as follows:

- 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.
- 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.

Objective

Through the performance of follow-up procedures it can be determined whether Management has taken prompt and appropriate action to correct issues by implementing recommendations identified by Internal Audit.

[2] GAO, Government Auditing Standards, GAO-12-331G (Washington, D.C.: December 2011).

Scope

The scope for this year's follow-up activity included:

1. All recommendations issued in 2016 for which sufficient time had lapsed to implement corrective action
2. All recommendations previously issued that remained open after prior years' follow-up activity.

Methodology

To determine progress, the follow-up methodology includes monitoring the status of action steps on all recommendations from the time they are created until they have been implemented by management. Status monitoring and follow-up activity involve the following:

1. Identifying and evaluating the amount of progress made with regard to implementing the recommendations;
2. Working with management to obtain resolution when progress is not adequate; and
3. Compiling and reporting the results.

The extent of the follow-up procedures performed is based on the risk rating and materiality of an audit finding.

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.

Internal Audit identified the various types and levels of risk associated with the remaining 26 open recommendations, and assigned each a risk rating of High, Medium or Low. The rating is based on the impact and likelihood of occurrence the risk posed via the identified finding.

Appendix C presents a detailed summary of the each open recommendation, its initial finding detail and risk rating.

Appendix A

Recommendations Open/Closed by Department and Audit

(As of December 31, 2016)

Department	Audit Title, and Issue Date	Recommendation Disposition			
		Total Initially Reported	Total Closed	Open as of 12/31/16	Percent Closed
Assessor	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters	1	0	1	0%
Assessor	Audit of Department Performance Measurement Controls	2	0	2	0%
DCD	Audit of the Department of City Development In Rem Property Management and Disposition	6	1	5	17%
DER	Audit of the Department of Employee Relations Tuition Reimbursement Program	2	0	2	0%
DPW	DPW Contract Administration	9	8	1	89%
DPW	Audit of Department Performance Measurement Controls	2	1	1	50%
Election Commission	Audit of Election Commission Administration Process Controls and Compliance	5	1	4	20%
Health	Audit of Department Performance Measurement Controls	2	0	2	0%
Homeland Security	Audit of the Office of Emergency Management and Homeland Security: FEMA Urban Area Security Initiative Grant Management 2012 through 2014	8	8	0	100%
ITMD	External IS Network Security (Consultant Assisted)	2	2	0	100%
ITMD	Internal Network Security (Consultant Assisted)	2	2	0	100%
ITMD	Audit of the Information Technology (IT) Asset-Management Controls, administered by the DOA – Information and Technology Management Division (ITMD)	4	4	0	100%
Library	Audit of the Milwaukee Public Library Cash Controls	4	3	1	75%
Municipal Court	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters	2	0	2	0%
Municipal Court	Audit of System Vulnerabilities of City Datacenters	7	6	1	86%
Police	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters	1	1	0	100%
Police	Audit of System Vulnerabilities of City Datacenters	1	1	0	100%
SBA	Audit of Resident Participation in Development Agreements	4	4	0	100%
Treasury	iNovah Application Controls	6	3	3	50%
Treasury	Audit of City Treasurer Cash Controls	2	2	0	100%
Water	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters	**1**	**0**	**1**	**0%**
Total		**73**	**47**	**26**	**64%**

Appendix B

Open Recommendations Implementation Status

(As of December 31, 2016)

Reference (Appendix C)	Department	Audit Title, and Issue Date	Finding Summary	Implementation Disposition		
				Initial Target Date	Revised Target Date	Status as of 12/31/16
1	Assessor	Audit of Department Performance Measurement Controls, 5/16/2016	Policy and Procedures	02/28/17	N/A	Preparation for Implementation
2	Assessor	Audit of Department Performance Measurement Controls, 5/16/2016	Policy and Procedures	03/31/18	N/A	Preparation for Implementation
3	Assessor	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters, 7/31/2014	Policy and Procedures	01/31/15	03/31/17	Substantial Implementation
4	DCD	Audit of the Department of City Development In Rem Property Management and Disposition, 8/12/2015	Unauthorized Inaccurate Transactions	01/31/16	07/01/17	Preparation for Implementation
5	DCD	Audit of the Department of City Development In Rem Property Management and Disposition, 8/12/2015	Payment Monitoring and Enforcement	12/31/15	07/31/17	Planning Stage
6	DCD	Audit of the Department of City Development In Rem Property Management and Disposition, 8/12/2015	Informal Controls	12/31/15	07/31/17	Substantial Implementation
7	DCD	Audit of the Department of City Development In Rem Property Management and Disposition, 8/12/2015	Lease to Own Background Checks	08/31/15	02/01/16	Substantial Implementation
8	DCD	Audit of the Department of City Development In Rem Property Management and Disposition, 8/12/2015	Trained Personnel	12/31/15	08/01/17	Substantial Implementation
9	DER	Audit of the Department of Employee Relations Tuition Reimbursement Program, 9/242013	Supporting Documents	09/30/13	N/A	Substantial Implementation

Appendix B

Open Recommendations Implementation Status

(As of December 31, 2016)

Reference (Appendix C)	Department	Audit Title, and Issue Date	Finding Summary	Implementation Disposition		
				Initial Target Date	Revised Target Date	Status as of 12/31/16
10	DER	Audit of the Department of Employee Relations Tuition Reimbursement Program, 9/24/2013	Policy and Procedures	08/24/14	N/A	Substantial Implementation
11	DPW	Audit of Department Performance Measurement Controls, 5/16/2016	Policy and Procedures	01/31/17	N/A	Preparation for Implementation
12	DPW	DPW Contract Administration, 11/5/2014	Payment Compliance Monitoring and Enforcement	01/31/15	N/A	Preparation for Implementation
13	Election Commission	Audit of Election Commission Administration Process Controls and Compliance, 11/3/2015	Segregation of Duties	03/31/16	N/A	Substantial Implementation
14	Election Commission	Audit of Election Commission Administration Process Controls and Compliance, 11/3/2015	Period Review and Reconciliation	01/31/17	03/31/17	Preparation for Implementation
15	Election Commission	Audit of Election Commission Administration Process Controls and Compliance, 11/3/2015	Interfacing Poll Worker Database and HRMS	06/30/16	N/A	Planning Stage
16	Election Commission	Audit of Election Commission Administration Process Controls and Compliance, 11/3/2015	Policy and Procedure	03/31/16	03/31/17	Substantial Implementation
17	Health	Audit of Department Performance Measurement Controls, 5/16/2016	Training Personnel	08/31/17	N/A	Preparation for Implementation
18	Health	Audit of Department Performance Measurement Controls, 5/16/2016	Policy and Procedure	03/31/17	12/31/17	Preparation for Implementation
19	Library	Audit of the Milwaukee Public Library Cash Controls, 9/13/2013	Inefficiency	12/31/13	12/31/17	Preparation for Implementation

Appendix B

Open Recommendations Implementation Status

(As of December 31, 2016)

Reference (Appendix C)	Department	Audit Title, and Issue Date	Finding Summary	Implementation Disposition		
				Initial Target Date	Revised Target Date	Status as of 12/31/16
20	Municipal Court	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters, 7/31/2014	Disaster Recovery	07/31/15	07/31/17	Substantial Implementation
21	Municipal Court	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters, 7/31/2014	Policy and Procedure	09/30/14	07/31/17	Substantial Implementation
22	Municipal Court	Audit of System Vulnerabilities of City Datacenters, 9/26/2014	Unethical Hacking	12/31/14	07/31/17	Substantial Implementation
23	Treasury	iNovah Application Controls, 2/15/2016	Monitoring User access	09/30/16	02/28/17	Substantial Implementation
24	Treasury	iNovah Application Controls, 2/15/2016	Monitoring Unauthorized System Access	09/30/16	02/28/17	Substantial Implementation
25	Treasury	iNovah Application Controls, 2/15/2016	Monitoring System Application Changes	09/30/16	02/28/17	Substantial Implementation
26	Water	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters, 7/31/2014	Disaster Recovery	07/31/15	07/31/17	Substantial Implementation

Appendix C

Open Audit Finding, Recommendation Detail and Risk

(As of December 31, 2016)

Reference (Appndx. B)	Dept.	Audit Title	Finding Detail	Recommendation Summary	Risk Rating
1	Assessor	Audit of Department Performance Measurement Controls	There are no documented policies and procedures specific to performance measurement processes and controls.	Develop and document policies and procedures for performance measurement controls and implement cross-training for contingency purposes. Management should develop and document formal, comprehensive policies and procedures for performance measurement processes and controls, and implement cross-training for contingency purposes. Management action steps should consider the Key Performance Measures reported in the City of Milwaukee–2015 Plan and Budget Summary and the other metrics noted in the Legislative Reference Bureau–Proposed Plan and Executive Budget Review for 2015.	Low
2	Assessor	Audit of Department Performance Measurement Controls	There are no documented policies and procedures specific to performance measurement processes and controls.	Develop and implement a process for reassessing and enhancing published performance measures. Management should develop, document, and implement processes to periodically reassess and enhance their applicable performance measures. The process should include: The utilization of best practice to develop, select, and assess performance measures and the update and enhancement of performance measures as necessary.	Low
3	Assessor	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters	Detail not included due to the sensitive nature of the subject.	There is no written policy governing the Datacenter's backup activities, requirements, and timelines. The existing backup procedures (dated October 3, 2003) do not incorporate the use of the now-existing Carbonite Server Backup software. The Datacenter does not have a current written procedure for the performance of periodic backup activity. Based on a discussion with the Administrator, the Assessor's office is planning to implement a new third party processor for the assessment system in the next one or two years.	Medium

Appendix C

Open Audit Finding, Recommendation Detail and Risk

(As of December 31, 2016)

Reference (Appndx. B)	Dept.	Audit Title	Finding Detail	Recommendation Summary	Risk Rating
4	DCD	Audit of the Department of City Development In Rem Property Management and Disposition	Incomplete or missing policies and procedures.	Develop and document policies and procedures for property management and disposition processes. Policies and procedures define expectations, promote consistency, aid in making effective decisions, enhance staff morale and productivity, serve as a training tool, and provide continuity. Management should develop, document, and communicate formal, comprehensive policies and procedures to govern the critical property management and disposition processes.	Medium
5	DCD	Audit of the Department of City Development In Rem Property Management and Disposition	Payments for rent received by DCD In Rem Foreclosed Management section are forwarded to DCD Finance & Accounting section, currently the property manager relies on memory. Based on auditing testing results, the property management section does not log rent payments prior to forwarding the check to F&A and a receipt is not to the tenant.	Payments should be collected by the Finance and Administration Division. Having payments sent directly to Finance and Administration would reduce the risk of lost or stolen checks. Additionally, Property Management should start logging any payments received through the mail. A copy of the log and copies of the receipts issued in-person should be routed periodically to Finance with the payments. This will provide a record of receipt if the payment is lost or stolen on the way.	Medium
6	DCD	Audit of the Department of City Development In Rem Property Management and Disposition	It is standard policy to serve a tenant with a notice to pay rent or vacate when the tenant has not paid rent for two months. Through testing we noticed that some tenants were not sent the notice until three- months delinquent. Again, this makes the City vulnerable to complaints of unfair treatment if notices to pay or vacate are not issued consistently. Rent payments are collected by the Real Estate Division's Property Management Section. Receipts are issued for payments collected in person, but not for payments that are mailed in. The collected payments are then routed to Finance and Administration (Finance) for processing, but a record of payments received is not kept and sent with the payments to Finance. Consequently, there is no record if a payment is lost or stolen on the way.	Formalize the internal controls for rent revenue and expenditures. The Department of City Development, the Redevelopment Authority, and the Comptroller's Office should work together to formalize the internal controls for rent revenue and related property maintenance expenditures. The internal controls should be communicated to the Common Council for permanent record.	Medium

Appendix C

Open Audit Finding, Recommendation Detail and Risk

(As of December 31, 2016)

Reference (Appndx. B)	Dept.	Audit Title	Finding Detail	Recommendation Summary	Risk Rating
7	DCD	Audit of the Department of City Development In Rem Property Management and Disposition	The background check for LTO participants is not performed until successful completion of the program. The program can take up to two years to complete.	Perform the background check earlier in the LTO process. Perform the background check for Lease-to-Own participants during the application process before the tenant is accepted into the program.	Medium
8	DCD	Audit of the Department of City Development In Rem Property Management and Disposition	The database specialist is responsible for sending out the Notice of Inspection letters. There is no back-up staff for the database specialist.	Cross-train a back-up for the Database Specialist. Management should cross train at least one individual to perform the time sensitive duties of the Database Specialist as they relate to the process of inspecting, marketing, and selling in rem properties.	Medium
9	DER	Audit of the Department of Employee Relations Tuition Reimbursmnt. Program	Currently, discussions regarding questionable employee requests for tuition reimbursement is only documented, if the discussion occurs through email, the emails are retained. The decision arrived at is documented in the fact that the reimbursement request is approved or denied. A denial letter is sent to the employee explaining the reason that request for reimbursement was denied.	Establish a process for documenting the analysis, discussions and noted resolutions regarding the applications that may not be eligible for tuition reimbursement.	Low
10	DER	Audit of the Department of Employee Relations Tuition Reimbursmnt. Program	No policies and procedures manual exist for tuition reimbursement practices.	Develop a formal Policies and Procedures Manual.	Medium
11	DPW	Audit of Department Performance Measurement Controls	There are no documented policies and procedures specific to performance measurement processes and controls.	Develop and implement a process for reassessing and enhancing published performance measures. Management should develop, document, and implement processes to periodically reassess and enhance their applicable performance measures. The process should include: The utilization of best practice to develop, select, and assess performance measures and the update and enhancement of performance measures as necessary.	Low

Appendix C

Open Audit Finding, Recommendation Detail and Risk

(As of December 31, 2016)

Reference (Appndx. B)	Dept.	Audit Title	Finding Detail	Recommendation Summary	Risk Rating
12	DPW	DPW Contract Administration	In accordance with Section 7-14-2a of the City Charter, the Department of Public Works General Specifications created January 31, 1992 requires each prime contractor, prior to the start of work, to furnish certificates which confirm the prime contractor has the types and amounts of insurance to adequately protect the City. A review of a sample of contracts for compliance with these requirements indicated that certificates of liability insurance (COLI) are not consistently obtained and reviewed for sufficient coverage prior to the start of work. Twenty-five percent of the contracts tested were either missing the COLI, did not provide enough coverage to meet the minimums required by the General Specifications, or did not list the City of Milwaukee as additional insured.	Clarify liability insurance requirements within the DPW General Specifications. Management should revise Section 2.9.7 of the Department of Public Works General Specifications to accurately reflect the types and amounts of insurance actually accepted from prime contractors for construction contracts. Management should confirm the level of acceptable coverage with the City Attorney before making the revisions and then periodically going forward.	Medium
13	Election Comm.	Audit of Election Commission Administration Process Controls and Compliance	There was a lack of segregation of duties and a lack of cross training amongst personnel.	Management should strengthen controls by implementing segregation of duties within the database application administrator roles. The following functions should be performed independent of one another: * Setup of poll workers in the Poll Worker Database Application * Entry of time keeping / payroll * Review and approval of changes * Training attendance input.	Medium

Appendix C

Open Audit Finding, Recommendation Detail and Risk

(As of December 31, 2016)

Reference (Appendix B)	Dept.	Audit Title	Finding Detail	Recommendation Summary	Risk Rating
14	Election Comm.	Audit of Election Commission Administration Process Controls and Compliance	Election worker data is not thoroughly reconciled or reviewed.	Management should strength controls through data reconciliation and subsequent review of data input during several process steps, such as: * Reviewing active poll worker information for completeness and accuracy prior to each election; * Contacting active poll workers to complete applications or update information on file; * Reviewing changes to poll worker data and reconciling with source data; * Poll worker payroll data sheets should be reviewed for accuracy and missing employee ID information should be corrected; * Developing exception reports to identify missing data and changes to poll worker information.	Medium
15	Election Comm.	Audit of Election Commission Administration Process Controls and Compliance	The Poll Worker Database and HRMS do not interface.	Management should work with the Department of Administration Information and Technology Management Division to develop an interface between the Poll Worker Database Application and HRMS. This way, the department could enter a new employee's information or make changes to an existing employee's information once in HRMS, and the data would automatically update through interface in the Poll Worker Database Application.	Medium
16	Election Comm.	Audit of Election Commission Administration Process Controls and Compliance	There are no written policies governing the Election Commission's process for candidate operations, the campaign challenge process, and candidate file retention are not formally documented.	Internal policies and procedures should be documented and updated as deemed necessary by the Director.	Medium

Appendix C

Open Audit Finding, Recommendation Detail and Risk

(As of December 31, 2016)

Reference (Appendix B)	Dept.	Audit Title	Finding Detail	Recommendation Summary	Risk Rating
17	Health	Audit of Department Performance Measurement Controls	Formal, comprehensive backup training has yet to be provided, regarding both performance measure data collection and recalculation processes and controls.	Develop and document policies and procedures for performance measurement controls and implement cross-training for contingency purposes. Management should develop and document formal, comprehensive policies and procedures for performance measurement processes and controls, and implement cross-training for contingency purposes. Management action steps should consider the Key Performance Measures reported in the City of Milwaukee–2015 Plan and Budget Summary and the other metrics noted in the Legislative Reference Bureau–Proposed Plan and Executive Budget Review for 2015. The documented policies and procedures should be based upon best practice.	Low
18	Health	Audit of Department Performance Measurement Controls	There are no documented policies and procedures specific to performance measurement processes and controls.	Develop and implement a process for reassessing and enhancing published performance measures. Management should develop, document, and implement processes to periodically reassess and enhance their applicable performance measures. The process should include: The utilization of best practice to develop, select, and assess performance measures and the update and enhancement of performance measures as necessary.	Low
19	Library	Audit of the Milwaukee Public Library Cash Controls	There is no formal policy for waiving fines/fees for Library patrons. Library fines/fees are waived at the discretion of the public service staff. The waiving of fines/fees is not monitored.	Develop a report of the amount of fines and fees waived; - By reason; - By time period; - By branch; - By employee.	Low
20	Muni. Court	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters	Detail not included due to the sensitive nature of the subject.	Perform the Datacenter system restoration test every two years.	Medium

Appendix C

Open Audit Finding, Recommendation Detail and Risk

(As of December 31, 2016)

Reference (Appendix B)	Dept.	Audit Title	Finding Detail	Recommendation Summary	Risk Rating
21	Muni. Court	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters	Detail not included due to the sensitive nature of the subject.	Create Datacenter policy that governs and addresses the key system backup elements listed. The Datacenter policy should address the required frequency of backups, what systems, applications, and databases are to be backed up, offsite storage, a requirement for written backup procedures, and a required recovery test every two years.	Medium
22	Muni. Court	Audit of System Vulnerabilities of City Datacenters	Detail not included due to the sensitive nature of the subject.	Perform a timely review of each item on the external and internal unique vulnerability list; and determine and implement the appropriate solution based on the nature of the risk. Document the name of reviewer, date resolved and a description of the resolution and/or whether management accepts the risk.	Medium
23	Treasury	iNovah Application Controls	System generated log to track user access changes is not being produced and monitored.	Document and retain user access change control management activity. To strengthen user access change control management over the iNovah cashiering application, Management should utilize a standard and formal process that requires: 1. The retention of documentation for the granting, revoking and disablement of all iNovah user access which includes the user system access change forms and management approval emails, as applicable. 2. The separation of duties for access requests, approvals, performance of an access change, and final verifications of the changes. 3. The development and ongoing use of a system generated log to track user access changes.	Medium

Appendix C

Open Audit Finding, Recommendation Detail and Risk

(As of December 31, 2016)

Reference (Appendix B)	Dept.	Audit Title	Finding Detail	Recommendation Summary	Risk Rating
24	Treasury	iNovah Application Controls	System generated log to track system access violations is not being produced and monitored.	Implement procedures for the use and monitoring of access violation control reporting Management should implement systematically generated iNovah user access security violation control reporting over all iNovah user access (i.e., temporary tellers, tellers, administrators, vendors, etc.) to monitor excessive access attempts, unapproved access attempts, and access during non-standard business hours (including evenings, weekends, holidays, etc.) and include: 1. A formal, independent, and regular follow-up process for identified access violations that demonstrates appropriate separation of duties; 2. Follow-up processes that include procedures regarding appropriate management escalation and final approval and authorization of reviews, when necessary; 3. The retention of the documentation evidencing the performance of these key controls.	High
25	Treasury	iNovah Application Controls	System generated log to track system changes is not being produced and monitored.	Document and retain the application change control management activity To strengthen the iNovah application change control management practices, Management should utilize a formal process that requires: 1. The retention of the documentation supporting the performance of iNovah application changes which includes, at a minimum, the appropriately completed application change request form. 2. The development and ongoing use of a system generated log to track iNovah application changes.	Medium
26	Water	Audit of System Backup and Recovery Controls for the City of Milwaukee Datacenters	Detail not included due to the sensitive nature of the subject.	Perform a system-restoration test on the enQuesta system every two years.	Medium