POLICE DEPARTMENT FLEET PROCUREMENT TO DISPOSAL AUDIT FOR THE CITY OF MILWAUKEE

BILL CHRISTIANSON
City Comptroller

ADRIANA MOLINA
Audit Manager

February 2026

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Bill Christianson, CPFO
Comptroller

Charles Roedel, CPA, CIA
Deputy Comptroller

Toni Biscobing
Special Deputy Comptroller

Richard Bare, CPA
Special Deputy Comptroller

January 16, 2026

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 Milwaukee Police Department (MPD) Fleet Procurement to Disposal Audit. For purposes of the report, fleet assets are defined as all vehicles and related equipment owned, operated, or managed by the department for law enforcement purposes, including but not limited to patrol vehicles, specialty vehicles and support vehicles. The review was performed by audit specialist at Clifton Larson Allen, LLP (CLA) with oversight by City of Milwaukee Internal Audit.

The risk assessment was performed in accordance with Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants.

CLA was contracted to identify impacts and risks related to the lifecycle and strategic process for fleet asset procurement as well as the disposal of fleet assets as their lifecycles end. CLA also assessed collective procedures, organization, governance, and tools regarding existing fleet procurement, disposal, asset management policies, processes, and related programs to identify potential enhancements to the effectiveness of controls and oversight for fleet procurement to disposal.

Regular capital asset audits are crucial for: financial accuracy, compliance, resource optimization, risk management and efficiency. They are not just a formality; they are essential for maintaining the integrity of an organization's assets and ensuring compliance with various regulations and standards.

Appreciation is expressed for the cooperation extended to the auditors by the MPD Division personnel and management interviewed throughout this process.

Sincerely,

Adriana Molina
Audit Manager, CPA

AMM: BB

REPORT ON THE POLICE DEPARTMENT FLEET PROCUREMENT TO DISPOSAL AUDIT FOR THE CITY OF MILWAUKEE

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

CliftonLarsonAllen LLP
CLAconnect.com

February 20, 2026

Audit and Members of Common Council
City of Milwaukee

This report provides the City of Milwaukee ("you", "the City" or "Milwaukee") and members of the Common Council with the results of the City of Milwaukee Police Department (MPD) Fleet Procurement to Disposal Audit. For purposes of the report, fleet assets are defined as all vehicles and related equipment owned, operated, or managed by the department for law enforcement purposes, including but not limited to patrol vehicles, specialty vehicles and support vehicles.

The assessment was performed in accordance with Statement on Standards for Consulting Services established by the American Institute of Certified Public Accountants. CliftonLarsonAllen (CLA) was not engaged by Milwaukee to conduct a financial audit or examination, for which the objective would be the expression of an opinion on the financial statements or other assertion. Had we been hired to perform an audit of financial statement information or examination in accordance with U.S. generally accepted auditing standards, other issues may have come to our attention that would have been reported to you. Therefore, we express no opinion on the effectiveness of the City's internal controls over all or any part of its financial statements.

City management agrees to assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to understand and oversee the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. You are also responsible for establishing and maintaining internal controls, including the monitoring of ongoing activities.

In addition, the procedures performed by CLA are not a substitution for management's responsibility to maintain a system of controls to mitigate risk. The assessment was designed to assist the City with insight to inherent and specific risks throughout the City. Our procedures alone cannot identify errors and irregularities related to the scope of this project.

We appreciate the opportunity to assist the City. Management and staff involved in the process were a pleasure to work with and open to sharing their opinions and knowledge. This cooperation was invaluable to the outcome of this project. If you have any questions, please feel free to contact us for assistance.

This report is intended solely for use by management and the Audit and Members of Common Council. It is not intended for use, in whole or in part, by outside parties without the specific consent of CliftonLarsonAllen LLP.

Sincerely,

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
February 20, 2026

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Background

CLA was contracted to identify impacts and risks related to the lifecycle and strategic process for fleet asset procurement as well as the disposal of fleet assets as their lifecycles end. CLA also assessed the collective procedures, organization, governance, and tools regarding existing fleet procurement, disposal, asset management policies, processes, and related programs to identify potential enhancements to the effectiveness of controls and oversight for fleet procurement to disposal.

Scope

CLA focused on a review of MPD's documented policies and procedures related to fleet procurement, disposal, leasing, invoice processing, and acquisition. This included a verification that all fleet assets are invoiced, leased, and acquired in accordance with these established processes. Additionally, an assessment of the allocation and tracking of fleet assets to various departments was performed, ensuring that these allocations are logged, tracked, and communicated effectively.

Further, an assessment on the management of user access within the MPD asset application, ensuring that segregation of duties and appropriate access controls are enforced for asset procurement and disposal was performed. Lastly, a review of the tracking of fleet assets to their end of useful life by department, and the disposal of these assets in accordance with the Fleet Disposal Process was performed.

This scope was limited to the MPD fleet assets. CLA did not perform procedures for other departments within the City. This document serves as a report of observations and recommendations CLA noted over the course of the engagement, for management's discussion and review before finalization.

The following ratings will be used to report our findings to Management:

Satisfactory (S)	Denotes an acceptable structure of internal control and reasonable compliance with pertinent policies, procedures, and regulatory requirements. Issues indicate modest weaknesses that require management's attention.
Needs improvement (NI)	Denotes weaknesses in the structure of internal control and/or compliance with pertinent policies, procedures, and regulatory requirements. The issues require management's prompt resolution to prevent further deterioration and possible losses.
Unsatisfactory (U)	Denotes substantial weakness in the structure of internal control and/or compliance with related policies, procedures, and regulatory requirements. Management's immediate attention to these issues is required to prevent loss to the Company.

Objectives

Policies and Procedures
CLA's objective regarding policies and procedures for the City of Milwaukee was to validate that proper control activities, governance, and tools related to fleet procurement, disposal and asset management are in place.

CLA reviewed appropriate policy statements and procedural documentation (where available) to assess the following:

- Fleet Procurement
- Fleet Disposal
- Fleet Leasing, Invoice Processing and Acquisition
- Fleet Maintenance

Milwaukee Police Department Assessment
Our objective was to perform an assessment designed to assess that MPD's capital assets are managed efficiently and effectively by reviewing and verifying compliance with documented policies and procedures related to fleet procurement, disposal, leasing, invoice processing, and acquisition. CLA requested, reviewed, and inspected the following information related to asset management:

- Policies, procedures and guidelines for the acquisition, procurement, and disposal of assets.
- Listings of roles and users assigned to the MPD asset management system, as well as the fleet procurement system.
- Segregation of duties for the requisition, review, approval and procurement of MPD assets.
- Controls for allocation and tracking of fleet assets
- Controls for fleet utilization and maintenance in accordance with established policies and procedures.
- Controls for fleet disposal when a fleet asset has reached end of useful life.

Audit Standards Followed

Our engagement to perform these procedures was conducted as an audit. Our internal review and quality control system includes standards as prescribed by the AICPA. The team assigned to this engagement are also in conformance with Yellow Book Continuing Professional Education 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.

Methodology and Approach

The approach to our review procedures, organization, governance, and tools regarding existing fleet procurement, disposal, asset management policies, processes, and related programs was to identify potential enhancements to the effectiveness of controls and oversight for fleet procurement, disposal and asset management. We also performed sample-based procedures to test a selection of the following:

- Fleet assets that were invoiced and leased to determine that fleet assets were appropriately acquired with purchase orders and agreements
- Purchase order process within FIMS to determine that purchase orders were appropriately completed and approved by authorized personnel
- Allocation of fleet assets to the MPD to determine that fleet assets were allocated after procurement
- Disposal forms for assets that reached end-of-useful life to include bill of sale and recognized revenue

A visual summary of the audit approach and procedures performed is included in Appendix A to assist the Finance Committee in understanding the workflow followed during the review.

Domain	Focus
• Governance and Structure • Fleet Procurement • Fleet Allocation and Tracking • Fleet Maintenance • Fleet Disposal • User roles and access	• Policies and Procedures • Fleet Acquisition and Invoicing • Fleet Asset Allocation Communication • Maintenance/Update Reports • Fleet Disposal records and approvals • Review of segregation of duties for assigned roles

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. Below are risk definitions assigned to each of CLA's observations.

Risk	Definition
High	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 certainly lead to: • Substantial losses, possibly in conjunction with other weaknesses in the control framework, systems/applications, or the organizational entity or process being audited. • Serious violation of corporate strategies, policies, or values. • Serious reputation damage, such as negative publicity. And/or • Significant adverse regulatory impact, such as loss of operating license or material fines.
Moderate	Timely management attention is warranted. This is an internal control or risk management issue that could lead to: • Financial losses. • Loss of effective or efficient control within the organizational entity, systems/applications, or processes being audited. • Reputation damage. And/or • Adverse regulatory impact, such as report comments or material fines.
Low	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.

Conclusion of the City of Milwaukee's MPD Fleet Procurement to Disposal Audit

Based on the results of the procedures performed and observations identified within the course of our review, MPD's execution of Fleet Procurement to Disposal practices is rated overall as **Satisfactory**. The operations of internal controls tested were also rated overall as **Satisfactory**. Based on the review performed with exceptions noted and severity of the items requiring improvement, an overall rating of **Satisfactory** was determined. The operations of internal controls tested, and individual conclusion ratings have been assigned to observations noted with *Findings and Recommendations* section below.

The following control design strengths were noted:

- MPD maintains adequate segregation of duties for roles and responsibilities within the
- Financial Management Information System application for asset procurement.
- MPD maintains adequate documentation for asset procurement and invoicing.
- MPD maintains adequate documentation for asset allocation and tracking within the multiple MPD departments to include asset owners.
- Fleet asset utilization is tracked which also includes maintenance records.
- MPD maintains adequate records for the sale and recognition of revenue when assets are sold as part of the disposal process in accordance with the Disposal SOP.

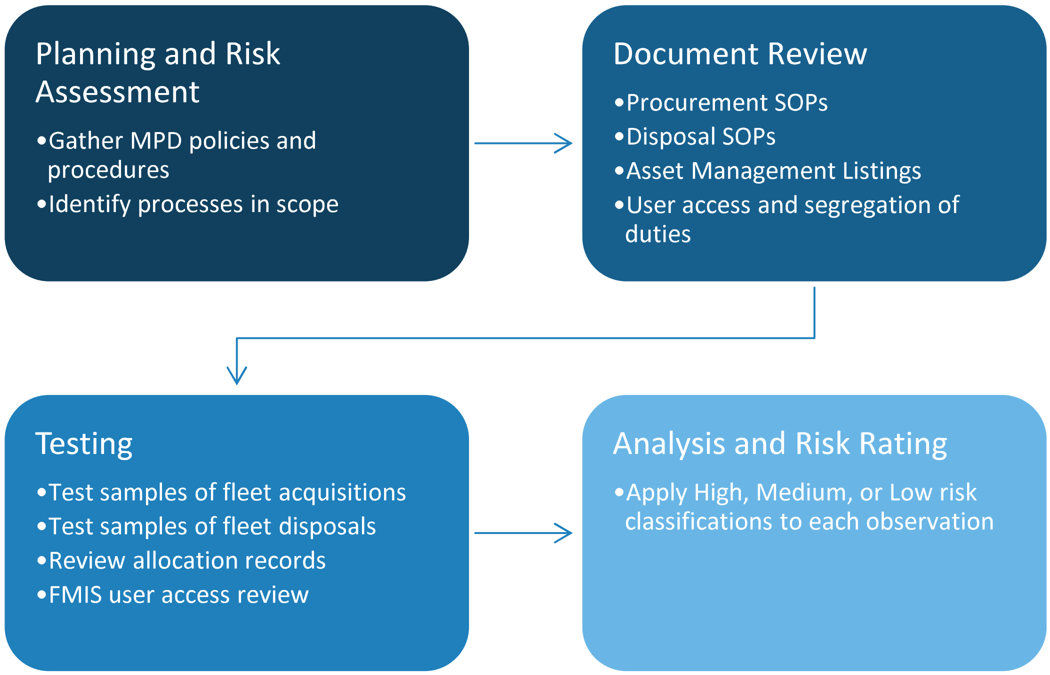
Management is responsible for maintaining adequate control, policies and procedures, and regulatory requirements. The results of our testing were reviewed with Internal Audit management prior to their inclusion in this report. Management has included their responses and action plans to the recommendations where appropriate. We appreciate the assistance provided to us by members of the City of Milwaukee and staff during this review.

Findings and Recommendations

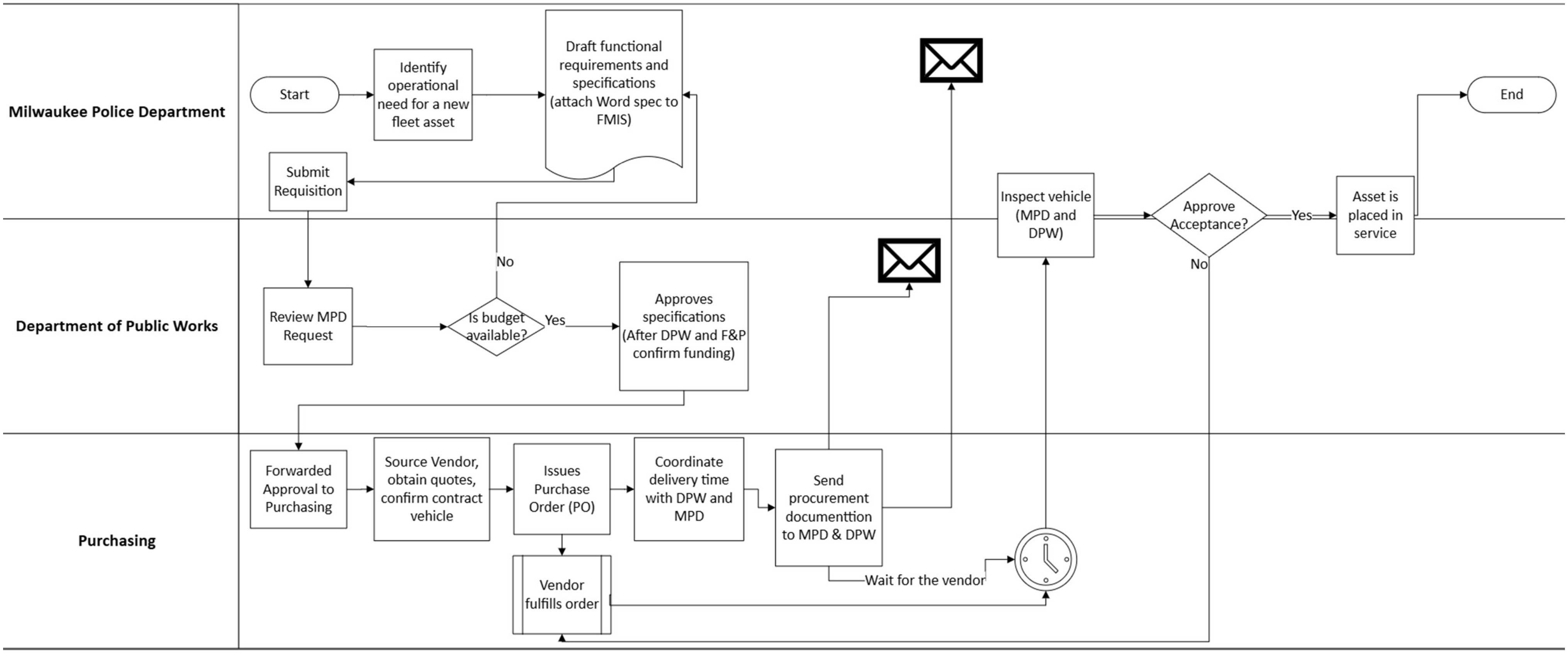
Observation #	Description of Observation (Potential Deficiency)	Risk	Description of Recommendation
1	CLA reviewed the MPD Budget and Finance Standard Operating Procedures, noting that the policy lacks detailed specifications for fleet and equipment purchases and a formal process outlining all steps and approvals for acquisitions. It does not mention requirements for immediate inventory updates or the use of asset tracking technology for new assets. Additionally, there is no standardized procedure for vehicle disposals, including approvals, documentation, valuation, record updates, and retention of supporting evidence for compliance.	Medium	CLA recommends that MPD management review the Budget and Standard Operating Procedures and enhance their processes related to procurements, acquisitions, and disposals as specific to their department.
Management Response 1:	MPD will amend SOP -267 to include additional information specific to MPD's unique equipment, for example police squad vehicles, motorcycles and boats. This information will include documentation of our equipment acquisition and disposal process, including the required approvals, valuation, and record keeping. *Implementation date: September, 2026*		

Appendix A – Audit Methodology Flowchart

The following flowchart provides a visual summary of the audit approach and procedures performed to assist the Finance Committee in understanding the workflow followed during the review.



Appendix B – Fleet Procurement Process



Bill Christianson, CPFO
Comptroller

Charles Roedel, CPA, CIA
Deputy Comptroller

Toni Biscobing
Special Deputy Comptroller

Richard Bare, CPA
Special Deputy Comptroller

January 26, 2026

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 Milwaukee Police Department Fleet Procurement to Disposal Audit. I have read the report and support its conclusions. Implementation of the recommendations stated 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,

Bill Christianson

Bill Christianson, CPFO
Comptroller

City Hall, Room 404, 200 E. Wells Street, Milwaukee, WI 53202 • Phone (414) 286-3321 • Fax (414) 286-3281
milwaukee.gov/comptroller