



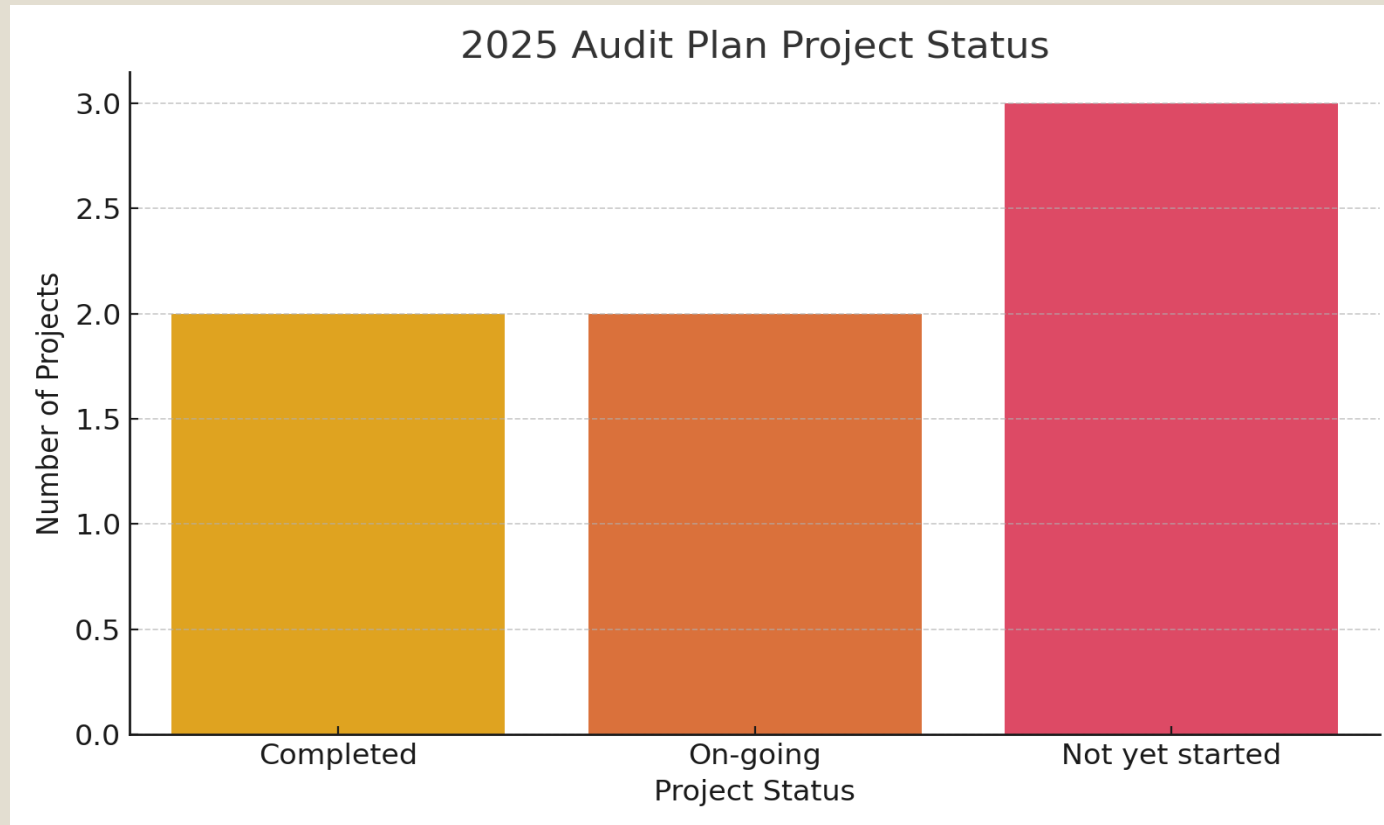
INTERNAL AUDIT UPDATE

CITY OF MADISON
FINANCE COMMITTEE

JULY 28, 2025



2025 Approved Work Plan Status Update





Community Development Division Audit – Key Findings

- P-Cards and invoice transactions included charges for taxes
- Delayed submission of grant reports
- Grants awarded to ineligible subrecipients
- Inadequate SOP and work instruction updates



Community Development Division Audit – Recommendations

- Provide regular training on tax exemption and P-Card usage
- Implement stronger review protocols for subrecipients
- Strengthen onboarding and reporting expectations for grantees
- Establish routine SOP review and update process



Vendor Master File Audit – Key Findings

- 9,927 inactive vendors with no transactions since 2015
- Duplicate and temporary vendor records still active
- Excessive and redundant user access in Munis
- Lack of formal SOP for vendor file management



Vendor Master File Audit – Recommendations

- Deactivate inactive and duplicate vendors with management approval
- Implement annual vendor file reviews
- Conduct regular access reviews and clean-up redundant roles
- Develop and maintain formal SOPs for vendor file processes

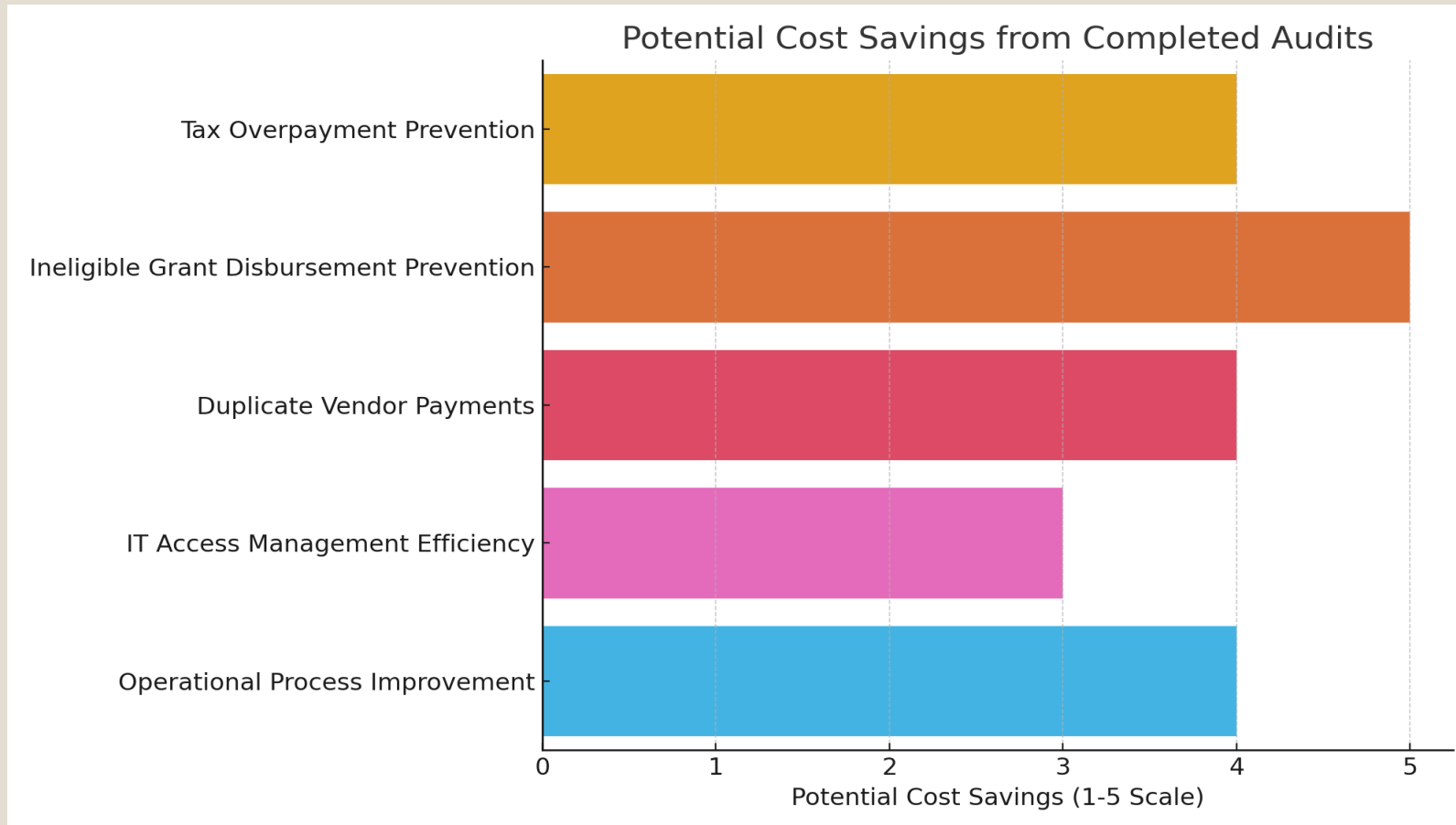


Special Audit – Alcohol License Review Compliance Audit

- Requested by the Alcohol License Review Committee (ALRC) on two restaurants – Two Pinner's and 7 Iron Social
- Contacted the restaurants owners and initiate the compliance audit
- Requested documentations and reviewed documents provided to establish compliance (Jan 1, 2023 – May 31, 2025)
- Audit Reports with findings provided to the ALRC

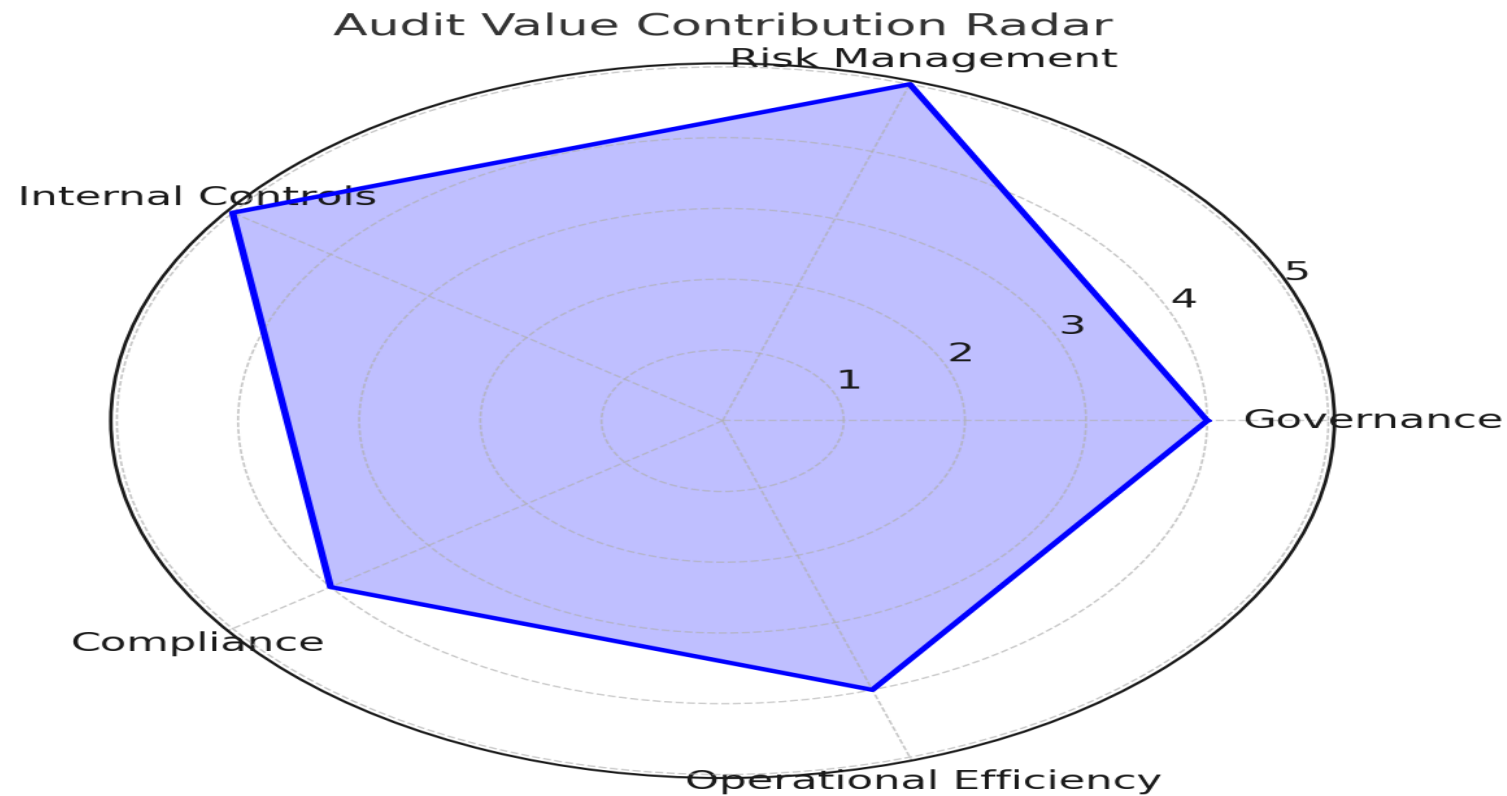


Potential Cost Savings from Audits





Added Value of the Audit to the City





Audit Next Steps

- Finalize ongoing audits and share updates
- Begin Q3/Q4 scheduled reviews
- Monitor implementation of audit recommendations
- Continue risk-focused audit planning



Question & Answers

Thank You

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