



City of Madison Finance Committee

Internal Audit 2024 Annual Audit Plan Presentation



Updates on 2023 Approved Audit Plan

Project Name	Project Update
City of Madison Municipal Court	Project has been completed and the final report has been signed
City of Madison Parks Division	Project was not completed due to staffing issues. Project is now at the fieldwork phase
City of Madison External Audit (single Audits)	Project was completed in May 2023, and the report was issued
Enterprise Risk Assessment	Training was not completed due to staff issues. Training and assessment is rescheduled to 2024
Grant Controls Reviews	The Grant team continues to work with agencies on grant expenses and reporting.



Overview of Municipal Courts Audit Findings

The Municipal Court was audited to provide reasonable assurance to management that records are reliable, activities are effective, internal control exists, and actions are in compliance with laws and regulations.

The audit scope covers the operational and administrative activities of the court from January 1, 2022, through December 31, 2022

■ Findings

- Audit findings are specific, conclusive results that indicate non-compliance or areas of concern, requiring a management response or corrective action plan

■ Observations

- Audit observations include general comments, insights, or suggestions that provide additional context or highlight areas for management's attention. This does not require a management response or action plan



Highlights of the Municipal Courts Audit

Non-collection of fines and fees - \$11.75 million (2019 – June 2023)

Gaps in the process of transferring unpaid debts to collecting agents

Findings



Need for increased internal control over receipt voiding

Use of expired contract for an active vendor

Establishing more approval protocols over Munis vendors' expense approval

Non-established authorization or approval workflow

Observation



Continuous improvements on P-card expense approval

Need for an improved debt aging report



Municipal Court \$11.3 million Uncollected Fines Detail

Review period:

- January 2019 to June 30, 2023

Factors responsible for non-collection:

- Large building code judgments with fines in the millions of dollars
- Number and types of violations
- Reopening of cases with previously ordered judgements
- Individuals with no SSN, driver's license or permanent address
- Restitution cases
- Stayed judgements
- Pending bankruptcy

Action plans to improve collection process

- Review the building code judgement process with the Finance Department and the City's Attorneys office
- Obtain Corporation's FEINs to access more revenue from corporations
- Seek approval to write off bad and uncollectible debt



Proposed 2024 Annual Audit Plan & Expected Completion Time

■ Performance Audit

- City of Madison Parks Division (Continued from 2023) – Q2 2024
- City of Madison Community Development – Q3 2024
- Enterprise Risk Assessment (ERA) Training (Heads and Managers) – Q2 2024
- City of Madison Assessor's Office – Q4 2024

■ Internal Control Continuous Monitoring (Q1 – Q4)

- Cash counts and Limited Cash Control Reviews
- City-wide internal control spot check
- Grant controls reviews



Question & Answers



Thank You

KOLAWOLE AKINTOLA (FCA, MBA, CIA)

Internal Audit & Grant Manager

Department of Finance

KAkintola@cityofmadison.com

(608) 266-4421
