

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: August 16, 2019

To: Supervisor James “Luigi” Schmitt, Chair, Committee on Finance and Audit

From: Jennifer L. Folliard, Director of Audits

Subject: Combined Status Report - Audits of Cybersecurity and Controls over Physical Access to Data Centers

In June 2016, we provided an overview of the informational report “Audit of Cybersecurity” (File No. 16-352) to the Committee on Finance and Audit. Due to the confidential nature of the findings and recommendations in the report, our overview was presented in closed session. The work underlying the report was conducted by Experis Finance, Risk Advisory Services (Experis) under a contract with our office.

In January 2017, we presented a separate, informational report, “Cybersecurity Audit: Controls over Physical Access to the County Data Centers” (File No. 17-78) conducted by the Audit Services Division. This report was also discussed in closed session.

Both audit reports set forth a series of recommendations focused on improving internal controls relating to data security at Milwaukee County. A status report describing the Information Management Systems Division’s progress toward implementation of the Experis recommendations was presented in closed session at the Committee’s meeting in December 2016. Subsequent, combined status reports were provided in closed session to the Committee at its meetings in September 2017, March and September 2018, and March 2019.

In conjunction with its observations associated with its annual audit of the County’s 2017 financial statements, the CPA firm of Baker Tilly offered internal control recommendations. Among the firm’s recommendations was one involving a confidential cybersecurity related matter, which is included in this status report for follow-up.

We submitted a status report, dated May 15, 2019, to the Finance and Audit Committee to follow up separately on selected recommendations from the data center audit report. The status report was presented to the Committee in closed session in the June 2019 meeting cycle as File No. 19-498.

Due to the detailed and sensitive nature of the individual recommendations, this current status report notes the general progress made toward implementation of the combination of recommendations from both audit reports as well as the Baker Tilly recommendation.

Following is a summary of the progress toward implementation on recommendations reported by IMSD as of August 2019:

| Summary: Status of Implementation of Audit Recommendations | | | |
|---|--------------------------------------|---------------|-----------------|
| Report | Type of Recommendation | Status | |
| | | Open | Complete |
| Experis | General (longer term infrastructure) | 2 | 1 |
| Experis | Internal Network Vulnerabilities | 2 | 18 |
| Experis | External Network Vulnerabilities | 0 | 17 |
| Audit Services | Data Center Access Controls | 5 | 5 |
| Baker Tilly | Access Controls from 2017 Report | 1 | 0 |
| Total | | 10 | 41 |

We would like to note that while only one additional recommendation has been completed since issuance of the most recent full status report, IMSD efforts are continuing and progress is being made toward implementation of the open items.

Due to the confidential nature of the information associated with the recommendations, we request that our overview be presented in closed session.

This status report is informational and due to the nature of the remaining efforts required to fully implement the open recommendations, we plan to provide the next combined status report for the May 2020 committee cycle.



Jennifer L. Folliard

JLF/PAG/cah

- cc:
- Scott B. Manske, CPA, Milwaukee County Comptroller
 - Finance and Audit Committee Members
 - Chris Abele, County Executive
 - Teig Whaley-Smith, Director, Department of Administrative Services
 - Lynn Fyhrlund, Interim Chief Information Officer, DAS - Information Management Systems Division
 - Kelly Bablitch, Chief of Staff, County Board Staff
 - Steve Cady, Research & Policy Director, Office of the Comptroller
 - Janelle Jensen, Legislative Services Division Manager, Office of the Milwaukee County Clerk
 - Shanin R. Brown, Committee Coordinator, Office of the Milwaukee County Clerk