

## REPORT HIGHLIGHTS – November 2024

### Why We Did This Audit

The former Comptroller raised a concern that the County may not follow major aspects of the Uniform Guidance for federal financial assistance particularly regarding a potential lack of written documentation of financial policies and procedures. In addition, he felt that the County's grant management, from application to completion, did not align with best practices such as those published by the Government Financial Officers Association. He requested an audit of the County's grant procedures and alignment with requirements within the Uniform Guidance.

### What We Found

- Due to changes both in State law and the County's organizational structure, the roles, and responsibilities at the County for post-grant awards are unclear. Three departments at the County have varying countywide grant responsibilities.
- Existing Administrative Manual of Procedures (AMOP) that include guidance on the grant acquisition process have not had their scheduled review and update and two out of the three procedures incorrectly list a responsible department that no longer oversees the grant acquisition process.
- The County does not have a centralized location where staff can find all financial guidance materials. Currently, the guidelines are found in: State Statutes, County Ordinances, AMOPs, the Forms Library, Financial System Guides, Strategy, Budget and Performance Self Service Center, the Learning Management System's training videos, and Comptroller memos.
- In the Fall of 2024, after the conclusion of our fieldwork, the Office of the Comptroller issued Federal Grants Management and Allowable Costs policies as part of the process to obtain Federal Negotiated Indirect Cost Rate Agreement. The County does not have guides for overall non-grant financial actions nor allowable costs. There is not currently written countywide guidance on how to monitor subrecipients of state and federal funding.
- The County's Cash Handling Procedure was last updated in 2000. While the County's Procurement guidelines align with the Uniform Guidance, there is no process in place to ensure as changes to the Uniform Guidance occur that the County makes the corresponding updates.
- The bi-annual Fixed Asset report does not currently align with Uniform Guidance requirements and the ordinance governing the process lists a responsible department that has not existed at the County since 2003.
- The required annual Single Audit Report that comprises the listing of all state and federal grant awards was found to have a lack of written procedures to prepare the listings. The Office of the Comptroller issued a memo identifying departmental roles in the Single Audit Report. In its financial system, the County does not assign coding to identify grant expenditures nor employ the Grant Module. The Comptroller signs grant awards but does not use this process to help develop of listing of County grants.

### What We Recommended

- Rec #1 - SBP review the grant acquisition AMOPs and update them to reflect current processes and responsible department.
- Rec #2, 3, & 6 - The Comptroller, SBP and DAS work together to determine roles, responsibilities, and processes for grant management, develop an AMOP for unallowable costs for Milwaukee County, and determine how best to centralize the County's financial guidance.
- Rec #4 - The Comptroller review the newly issued Federal Grants Management policy for alignment with the Uniform Guidance and to establish training for departments on the financial guides.
- Rec #5 - The Comptroller explore the implementation of coding for grants or use of the grants module and provide training to departments.
- Rec #7 - DAS Procurement establish a process to periodically review that the County remains in compliance with the Uniform Guidance.
- Rec #8 & 9 - The Comptroller update the ordinance on fixed assets to reflect current responsibility and develop policies and procedures to instruct departments on the required Uniform Guidance information for fixed assets.
- Rec #10 - The Comptroller develop an AMOP for Cash Handling at Milwaukee County with assistance from the Treasurer.
- Rec #11 - The Comptroller develop and issue guidelines for monitoring subrecipients.
- Rec #12 - The Comptroller develop written policies and procedures to create a log of signed grant agreements.
- Rec #13 - The Comptroller convert their memo on departments' role for the Single Audit Report into an AMOP.
- Rec #14 - The Comptroller submit any related staffing needs to the County Board for review and approval to ensure the County becomes and remains in compliance with the Uniform Guidance.