



Office of the Comptroller

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March 26, 2007

Members of the Finance and
Personnel Committee
200 E. Wells Street
Milwaukee, WI 53202

Re.: Canal Street Project Audit Questions

Dear Committee Members:

This letter is in response to two questions raised by Committee members during the March 20th presentation of the Canal Street Project Audit to the Finance and Personnel Committee.

Aldermen Davis asked whether the system software Business Sense was used in conducting the audit. The Business Sense system software was activated on January 1, 2007, which occurred after completion of field work for the audit around mid November of 2006. Business Sense is a web based software system for compliance monitoring of Emerging Business Enterprise (EBE) participation on City of Milwaukee contracts. EBE compliance was outside the scope of the Canal Street Audit, but was the subject of an audit issued in February 2006. The EBE Office indicates that the Business Sense system software will assist in the implementation of recommendations of the EBE audit. As for the Canal Street Project Audit, information from the Financial Management Information System, LEGISTAR and EVAULT was used in conducting the audit. As the Business Sense system is now available and may prove useful in conducting future audits we will certainly consider utilizing this system as well.



Alderman D'Amato asked whether the Common Council authorized the reported delays in street projects resulting from the transfer of funds to the Canal Street Project. All delays and deletions in local street projects were authorized by the Common Council through resolutions sponsored by the Department of Public Works. The audit found that \$2.3 million budgeted for the local street program was transferred to the major street program to cover Canal Street Project cost overruns. This reduction in funding clearly delayed some local street projects. Given the manner in which capital program projects were authorized and funded in specific resolutions, the Common Council would have no way of knowing the impact caused by Canal Street Project cost overruns. Other

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projects such as the Capital Drive Repaving Project and Hawley Road Bridge Project may also have been impacted by the Canal Street Project.

If you have any additional question or comments about the audit, please feel free to call me or Craig Kammholz at 286-2304.

Sincerely,


 W. MARTIN MORICS
Comptroller

Cc: Commissioner Jeffrey J. Mantes
City Engineer Jeffrey Polenske

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