



Legislation Details (With Text)

File #: 001488 **Version:** 1

Type: Resolution **Status:** Placed On File

File created: 2/6/2001 **In control:** FINANCE & PERSONNEL COMMITTEE

On agenda: **Final action:** 11/25/2003

Effective date:

Title: Substitute resolution authorizing an audit of the Department of Public Works.

Sponsors: Fredrick Gordon

Indexes: AUDITS, DEPARTMENT OF PUBLIC WORKS

Attachments: 1. Fiscal note

Date	Ver.	Action By	Action	Result	Tally
2/6/2001	0	COMMON COUNCIL	ASSIGNED TO		
2/6/2001		FINANCE & PERSONNEL COMMITTEE	REFERRED TO		
2/6/2001		FINANCE & PERSONNEL COMMITTEE	REFERRED TO		
2/13/2001	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
2/13/2001	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
2/13/2001	0	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
2/22/2001	1	FINANCE & PERSONNEL COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	4:0
11/11/2003	1	FINANCE & PERSONNEL COMMITTEE	HEARING NOTICES SENT		
11/19/2003	1	FINANCE & PERSONNEL COMMITTEE	RECOMMENDED FOR PLACING ON FILE	Pass	3:0
11/25/2003	1	COMMON COUNCIL	PLACED ON FILE	Pass	16:0

001488
SUBSTITUTE 1

ALD. GORDON

Substitute resolution authorizing an audit of the Department of Public Works. This resolution authorizes the City Comptroller to perform, in cooperation with a private auditing contractor, an audit of Department of Public Works operations and financial controls. The audit shall be funded by the City Comptroller's professional services account. A final report of the audit findings shall be submitted to the Common Council no later than September 5, 2001.

Whereas, Under the adopted 2001 City Budget, the Department of Public Works has the 2nd-largest full-time equivalent staff and the 2nd-largest budget of any City of Milwaukee department; and

Whereas, Services provided by the Department of Public Works and its various divisions affect the quality of life of every Milwaukee resident on a daily

basis; and

Whereas, Because of the relative size of the Department of Public Works, the Department's financial and operational performance and efficiency can have a substantial impact on the financial health of the City; and

Whereas, The Department of Public Works uses reimbursable accounts to charge for services rendered to or on behalf of other City departments; and

Whereas, When the amounts charged to these reimbursable accounts exceed the funds that City departments have available to pay for Department of Public Works services, a problem of "unbilled reimbursables" or "overspending" results, and the City may have to borrow money to pay its bills; and

Whereas, The City's independent auditor, KPMG Peat Marwick LLP, is currently preparing a report analyzing the City's use of reimbursable accounts and the extent of the "unbilled reimbursables" problem; and

Whereas, The amount of "overspending" by the Department of Public Works through reimbursable accounts will be further known when the City's 2000 financial books are closed in March, 2001; and

Whereas, It is likely that the unbilled reimbursables, coupled with the additional expenditures necessitated by the severe weather of December, 2000, will result in the Department of Public Works posting a multi-million-dollar budget shortfall for fiscal year 2000; and

Whereas, A thorough financial and operating audit of the Department of Public Works may serve to identify measures that can be taken to improve the financial and operational performance of the Department of Public Works, thereby reducing the potential for unanticipated negative impacts of Department of Public Works operations on the City budget; and

Whereas, The City Comptroller's 2001 budget includes \$215,015 designated for professional services; and

Whereas, These funds are available for the Comptroller's Office to use in the hiring of private auditing firms to assist it in carrying out its auditing responsibilities under the Milwaukee City Charter; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the City Comptroller is authorized and directed to perform, in cooperation with a private auditing contractor, an audit of the Department of Public Works, including the Department's operations and financial controls over the Department's operating budget; and, be it

Further Resolved, That the specific scope and objectives of the audit be approved by the Finance and Personnel Committee; and, be it

Further Resolved, That the audit scope and objectives shall focus on the following general goals:

1) To identify the Department of Public Works organizations and operations where material spending above 2000 Budget limits occurred and the extent of such above-

budget spending.

2) To examine the circumstances, decisions and processes that lead to this above-budget spending.

3) To make both short-term and long-term recommendations to prevent above-budget spending by the Department of Public Works.

;and, be it

Further Resolved, That the funding necessary for the hiring of an auditing contractor shall be appropriated from the Comptroller's "professional services" budget line item (FUND 0001 ORG 2110 SBCL R999 ACCOUNT 634000); and, be it

Further Resolved, That the Department of Public Works is authorized and directed to cooperate with the City Comptroller and the private auditing contractor in the performance of this audit; and, be it

Further Resolved, That the City Comptroller and the private auditing contractor shall submit a final report of the audit to the Common Council no later than September 5, 2001.

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2/20/01