

Financial Services
Richard H. Hinds, Chief Financial Officer

SUBJECT: AUTHORIZATION FOR PAYMENT OF ADDITIONAL FEE TO AMI RISK CONSULTANTS, INC. FOR ACTUARIAL REVIEW ADDENDUM REQUESTED BY MCGLADREY

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

LINK TO STRATEGIC FRAMEWORK: FINANCIAL EFFICIENCY/STABILITY

At the Board meeting of May 16, 2012, the Board awarded Request For Proposal (RFP) # 025-MM10, Casualty Actuarial Services to AMI Risk Consultants, Inc. (AMI), effective May 16, 2012 through May 16, 2017, at an annual fee of \$8,000, with the ability renew for three additional one-year periods, subject to satisfactory performance.

Pursuant to that authorization, AMI performed the second year of the casualty actuarial projections for self-insured workers' compensation and liability claims for purposes of establishing budgets for the 2013-2014 fiscal year. The fee for that work, pursuant to the contract with AMI was \$8,000.

In November, 2013, the Board's External Auditing firm of McGladrey, LLP, Certified Public Accountants (McGladrey) had specific questions regarding the methodology of AMI's projections and the data which was used for the fiscal year 2013-2014 projections. Prior to McGladrey's issuance of the external audit for fiscal year 2012-2013, McGladrey requested that AMI perform additional actuarial work to substantiate their projections. AMI performed that additional actuarial work and issued an addendum to the Self-Insured Program Actuarial Review as of June 30, 2013. AMI continued to be confident in their projections and as such, McGladrey did not issue a management letter finding regarding this liability in their year-end audit report.

AMI has billed the District an additional \$3,000 for this work which was beyond the scope of the contract they entered into with the District. Staff is seeking authority to pay AMI for this work which was specifically requested by McGladrey.

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RECOMMENDED:

That The School Board of Miami-Dade County, Florida:

1. authorize staff to pay AMI Risk Consultants, Inc., \$3,000 for additional actuarial work requested by McGladrey, LLP regarding the District's self-insured workers' compensation liability claims for the 2012-13 fiscal year.

RHH:sbc