

Follow-Up of the Audit of the Orange County Risk Management Division

**Report by the
Office of County Comptroller**

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**Report No. 394
December 2008**

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December 10, 2008

Richard T. Crotty, County Mayor
And
Board of County Commissioners

We have conducted a follow-up of the Audit of the Risk Management Division (Report No. 362). Our original audit included the period of October 1, 2002 to December 31, 2003. Testing of the status of the previous Recommendations for Improvement was performed for the period July 1, 2007 to December 31, 2007.

We conducted this audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying Follow-Up to Previous Recommendations for Improvement presents a summary of the previous condition and the previous recommendation. Following the recommendations is a summary of the current status as determined in this review.

During our review, we noted that 25 of the 28 recommendations for improvement addressed to the Risk Management Division (the remaining two recommendations were addressed to the Human Resources Division) were fully or partially implemented. **We commend** the Risk Management Division for their efforts. We appreciate the cooperation of the personnel of the Risk Management Division and the Human Resources Division during the course of the audit.

Martha O. Haynie, CPA
County Comptroller

c: Ajit Lalchandani, County Administrator
Sharon Donoghue, Deputy County Administrator
Eric Gassman, Assistant County Administrator
John Petrelli, Manager, Risk Management Division
Ricardo Daye, Director, Human Resources Division

**IMPLEMENTATION STATUS OF
PREVIOUS RECOMMENDATIONS
FOR IMPROVEMENT**

**FOLLOW-UP OF THE AUDIT OF THE ORANGE COUNTY RISK MANAGEMENT DIVISION
STATUS OF PREVIOUS RECOMMENDATIONS FOR IMPROVEMENT**

NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS			
		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
1.	We recommend Risk Management identifies all buildings subject to inspection and perform a documented risk analysis. An inspection plan can then be developed taking into consideration available resources and relative risk. The risk analysis and inspection plan may require the Safety and Health Manual to be updated.			✓	
2.	We recommend Risk Management uses a standard checklist that notes compliance as well as deviations, not limited to, but including the following: review of Material Safety Data Sheets; review of Job Safety Analysis/Risk Assessments; and review of department/division Safety and Health policies.		✓		
3.	We recommend Risk Management be given the authority to perform periodic surprise inspections through the Administrative Regulations.		✓		
4.	We recommend Risk Management develops procedures to document each safety recommendation to the appropriate level of management. Further, consideration should be given to preparing an annual report to be distributed to County Administration and the Risk Management Committee compiling the status of all the recommendations made.	✓			

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NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS			
		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
5.	We recommend Risk Management, in addition to providing a copy of the Safety and Health Manual to the contractor, works with the Purchasing and Contracts Division to require that contractors follow safety guidelines set forth in the manual.		✓		
6.	We recommend Risk Management creates a list of positions that requires annual physicals, updates it periodically, and implements a monitoring program that would ensure that all required employees are receiving an annual physical.			✓	
7.	We recommend Risk Management works with the Purchasing and Contracts Division to implement written guidelines to specify what contracts get routed to Risk Management for review and comment.	✓			
8.	We recommend Risk Management develops detailed procedures of reporting purchased real property to the Broker. Also, Risk Management should develop and implement procedures to ensure their list of properties is complete and accurate.	✓			
9.	We recommend Risk Management better coordinates with County departments to ensure health and safety training needs are met for specific job functions. Further, training assessment and verification should be incorporated into the inspection process.			✓	

**FOLLOW-UP OF THE AUDIT OF THE ORANGE COUNTY RISK MANAGEMENT DIVISION
STATUS OF PREVIOUS RECOMMENDATIONS FOR IMPROVEMENT**

NO.	PREVIOUS RECOMMENDATION	IMPLEMENTATION STATUS			
		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
10.	We recommend Risk Management develops procedures to notify County managers when personnel are identified as potentially unsafe drivers. In addition, Risk Management should maintain a record of the corrective action recommended and taken by the employee's department/ division.		✓		
11.	We recommend Risk Management requests the County to add a requirement in the Administrative Regulations that all building/land purchases/leases be routed through Risk Management. This would allow for Risk Management to decide whether to perform an environmental site assessment prior to purchasing/leasing.		✓		
12.	We recommend Risk Management:				
A)	Maintains a complete list of all County Fuel tanks;	✓			
B)	Develops a procedure to ensure periodic fuel tank inspections are performed and considers reviewing monitoring processes by the department/division during inspections; and,		✓		
C)	Includes fuel inventory as part of the fuel tank inspection process.	✓			
13.	We recommend Risk Management:				
A)	Ensures rates contained in bid proposals and invoices do not exceed those specified in the contract document; and,	✓			

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		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
13. B)	Retains a complete copy of the contractual document until all purchase orders written under the contract are closed.	✓			
14.	We recommend Risk Management:				
A)	Only authorizes services that are within the scope of the contract; and,	✓			
B)	When possible, utilizes the new environmental services contract for long-term services instead of the expiring contract.	✓			
15.	We recommend Risk Management selects the sample of claim files from the TPA to review for the bi-annual performance review.	✓			
16.	We recommend Risk Management and the Comptroller's Office develop a system to ensure the appropriate approvals are obtained for payments to the TPA. In addition, Risk Management should work with the Comptroller's Finance and Accounting Department to establish a procedure for reconciling payments issued to payments approved by Risk Management.	✓			
17.	We recommend Risk Management obtains adequately supported invoices for all future allocated expenses payable to the TPA and perform periodic audits of such expenses. Also, Risk Management should work with the TPA to determine the net effect of the non-compliant invoices and seek reimbursement.	✓			

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		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
18.	We recommend Risk Management approves the initial and subsequent monthly assignments of a Nurse Case Manager and ensures that the TPA is billing for the Telephonic and Field Nurse Case Managers appropriately.		✓		
19.	We recommend Risk Management ensures that the TPA maintains the required documentation and that a periodic review is done of subsidiary charges to determine if the County is being charged properly for services.	✓			
20.	We recommend Risk Management works with the TPA to identify and log all subrogated claims. Also, status reports should be obtained and monitored relative to subrogated claims from the TPA on a regular basis.	✓			
21.	We recommend Risk Management works with the TPA to obtain reimbursement for the amounts paid in excess of the contractual requirements. In addition, all contractual changes should be documented as a contract amendment and signed by the appropriate parties.	✓			
22.	We recommend Risk Management obtains competitive bids or price quotes for services currently performed by subsidiaries of the TPA in current and future contracts.	✓			

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		IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	NOT APPLICABLE
23.	We recommend Risk Management develops and implements a form used by all departments/divisions that would be filled out when an employee returns to work from a workers compensation paid absence. This form would be forwarded to Risk Management, which would then notify the TPA that the employee has returned to work.	✓			
24.	We recommend Risk Management coordinates with Purchasing and Contracts to amend the County's Interlocal Risk Management Agreement and the Broker Contract to reflect the County's required rating for insurance providers. We further recommend the Broker contract be amended to require the Broker to monitor and notify the County of the ratings of all its providers.		✓		
25.	We recommend the County considers providing the department managers with the names of the employees that are to be randomly tested for drugs and alcohol on the day of testing. Further, employees who miss the test (due to an acceptable reason) should report for the test immediately upon return to work.			✓	
26.	We recommend the County improves procedures to ensure all CDL drivers, who perform safety sensitive functions requiring a CDL, are included in the list used by the Human Resources Division to select a random sample of employees for alcohol and drug testing.			✓	

INTRODUCTION

**Scope and
Methodology**

The scope was limited to an examination of the status of the previous Recommendations for Improvement from the Audit of the Orange County Risk Management Division, Report No. 362, issued in October of 2005. Testing of the status of the previous recommendations was performed for the audit period July 1, 2007 through December 31, 2007.

We interviewed personnel in the Risk Management Division and other areas of the County, reviewed source documents, and performed the tests necessary to determine the implementation status of the previous recommendations. We have described the specific methodologies utilized during our review after the implementation status of each recommendation in the Follow-Up to Previous Recommendations for Improvement section of this report.

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1. Risk Management Should Perform a Documented Risk Analysis and Ensure Their List of Buildings is Complete

During our initial audit, we noted Risk Management's annual inspection plan did not list all buildings subject to inspection. We also noted that no documented formal building risk analysis prioritizing County departments/divisions and facilities by risk had been performed. All facilities were not being inspected on an annual basis as specified in the Safety and Health Manual.

We Recommend Risk Management identifies all buildings subject to inspection and perform a documented risk analysis. An inspection plan can then be developed taking into consideration available resources and relative risk. The risk analysis and inspection plan may require the Safety and Health Manual to be updated.

Status:

Not Implemented. In meeting with Risk Management personnel, we learned that a documented risk analysis was not performed. Risk Management decided to continue to inspect all facilities on an annual basis as specified in the Safety and Health Manual. We found that Risk Management does not maintain a readily available report of all facility locations including the date the facility was last inspected. We selected a sample of four County Divisions and Constitutional Officers and requested the most current and previous inspection reports from a sample of 30 facilities. Risk Management was not able to provide evidence that 11 of the 30 facilities were inspected on an annual basis as required by the Safety and Health Manual.

If a formal risk assessment with complete and accurate listings of buildings subject to inspection (categorized by risk and/or potential unsafe work conditions) was prepared, it might be discovered that all buildings need not be inspected annually.

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We Again Recommend Risk Management identifies all buildings subject to inspection and perform a documented risk analysis. An inspection plan can then be developed taking into consideration available resources and relative risk. The risk analysis and inspection plan may require the Safety and Health Manual to be updated.

Management's Response:

Partially Concur – Planned. Risk Management believes that it is necessary to inspect each building on an annual basis. Each facility has its own inherent hazards and requires at least an annual inspection. Accordingly, Risk Management has been inspecting all facilities on an annual basis; however, the safety and loss control analysts were only providing written reports on facilities that had deficiencies. No reports were being produced for those facilities with no deficiencies. Reports are now being generated on all facilities regardless of whether or not deficiencies were noted. Additionally, Risk Management is in the development process of a facility inspection form that can be utilized by each department on a monthly basis to ensure safety compliance on a year-round basis.

2. Risk Management Should Enhance Their Inspection Procedures

During our initial audit, we noted the following relative to facility inspections performed by Risk Management:

- No evidence was provided showing that Material Safety Data Sheets (MSDS) were reviewed during inspections. MSDS are required in the Hazard Communication Program, section 8.22.1 of the Safety and Health Manual.
- Risk Management does not request Job Safety Analysis/Risk Assessments as part of the inspection process. Section 4.3 of the Safety and Health Manual states the following: "By performing a Job Safety

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Analysis/Risk Assessment, job tasks are evaluated to identify hazards involved.”

- Policies and procedures relating to safety and health issues maintained by the departments/divisions are not reviewed. Section 1.0 of the Safety and Health Manual states the following: “Specific job-related safety procedures can be found in each Department’s safety policies and procedures manual.”

A standard checklist was not used to document all areas of review.

We Recommend Risk Management uses a standard checklist that notes compliance as well as deviations, not limited to, but including the following: review of Material Safety Data Sheets; review of Job Safety Analysis/Risk Assessments; and review of department/division Safety and Health policies.

Status:

Partially Implemented. We reviewed documentation for facility inspections performed for four selected areas. We found that a standard checklist was used for each of the inspections and the checklists showed a review of MSDS, where applicable. However, in meeting with Risk Management personnel, we found that Risk Management does not ensure that departments/divisions maintain safety related documents such as Job Safety Analysis/Risk Assessments and Safety and Health policies and procedures.

If Risk Management does not review Job Safety Analysis/Risk Assessments, all the components of the position may not be identified. Opportunities for training could be missed which could increase the risk of a work-related injury. Also, if Risk Management does not review Safety Policies there may be practices in departments/divisions that conflict with Risk Management’s own practices and potentially create unnecessary risk.

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We Again Recommend Risk Management implements a process to review safety related documents maintained by departments/divisions such as Job Safety Analysis/Risk Assessments and Safety and Health policies and procedures; either during the inspection process or at some other designated interval.

Management's Response:

Partially Concur – Planned. Occupational Safety and Health Administration (OSHA) regulation 29 CFR 1910.1200 permits MSDS sheets to be accessed via the internet or through a service agreement. Each department has the capability to access these on an as needed basis via the internet or Risk Management will perform the function for the department if needed or requested.

Risk Management is currently developing a process to complete Job Safety Analysis on positions to comply with the potential future OSHA oversight.

Lastly, Risk Management will perform a review of all department/division specific safety documents during fiscal year 2008/2009. Risk Management will request any future safety related document changes are provided to Risk Management for review and comment prior to implementation. Risk Management will complete a full review every five years following the initial review in 2008/2009 to ensure compliance.

3. Risk Management Should Have Written Authority to Perform Surprise Inspections

During the initial audit, we found that Risk Management did not perform any surprise inspections of County facilities to review for health and safety violations. County Administrative Regulations do not specifically allow for surprise inspections to be performed.

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We Recommend Risk Management be given the authority to perform periodic surprise inspections through the Administrative Regulations.

Status:

Partially Implemented. Risk Management was verbally granted authority to perform surprise inspections by the County Administrator. We contacted a sample of departments and confirmed they were not given advance notification of their last facility inspection. Although surprise inspections are currently being performed, Administrative Regulations should be revised to ensure this practice continues in the future.

We Again Recommend Risk Management be given the authority to perform periodic surprise inspections through the Administrative Regulations.

Management's Response:

Do Not Concur. Risk Management currently has the authority to conduct surprise inspections. The ability to conduct inspections without prior notice is procedural in nature and not required to be formalized in the Administrative Regulations.

4. All Safety Recommendations Should Be Documented in a Formal Letter and, If the Department/Division Chooses Not to Implement the Recommendation, Risk Management Should Adjust the Insurance Cost Allocation Accordingly

During our initial audit, we noted the following relative to Risk Management's safety violation reporting procedures:

- A) Risk Management does not provide all safety recommendations in writing to the Department/Divisions.

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- B) Tracking and annual reporting on the implementation status of recommendations are not performed.

We Recommend Risk Management develops procedures to document each safety recommendation to the appropriate level of management. Further, consideration should be given to preparing an annual report to be distributed to County Administration and the Risk Management Committee compiling the status of all the recommendations made.

Status:

Implemented. We reviewed documentation for facility inspections performed for four selected areas. We found that written reports containing safety recommendations were forwarded to the appropriate management personnel. Risk Management is not preparing an annual report compiling the status of all the recommendations made; however, a compensating control was implemented to assist with ensuring safety recommendations are implemented. Risk Management performs re-inspections 45 days after the issuance of the inspection report. Any items not sufficiently corrected or pending corrective action are subject to non-compliance surcharges.

5. County Contracts Should Require Contractors to Follow the Safety and Health Manual

During the initial audit, we noted that although the Safety and Health Manual requires contractors to follow it, they are not provided a copy. Also, County contracts do not reflect this requirement. The Safety and Health Manual, section 1.3.3 entitled "Application And Responsibility" states the following: "The rules set forth in this manual are the minimum standard requirements that apply to everyone within Orange County Government and contractors working on County facilities."

We Recommend Risk Management, in addition to providing a copy of the Safety and Health Manual to the contractor,

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works with the Purchasing and Contracts Division to require that contractors follow safety guidelines set forth in the manual.

Status:

Partially implemented. For four of seven term contracts reviewed, we noted that the contract document did not contain any reference to the County's requirement that contractors working on County property comply with the guidelines set forth in the Orange County Safety and Health Manual. In addition, the contracts noted did not contain any reference as to how to obtain a copy of the Manual.

If the County cannot contractually hold contractors to the standards set in the Safety and Health Manual, unsafe practices by Contractors can take place on County property.

We Again Recommend Risk Management continues to work with the Purchasing and Contracts Division to ensure all applicable contracts require contractors to follow safety guidelines set forth in the Safety and Health manual and include a reference as to how to obtain a copy of the manual.

Management's Response:

Concur – Continuing. Risk Management is meeting with Purchasing again to ensure all boilerplate contracts include information on compliance with the Safety and Health Manual and also include a reference that the Safety and Health manual can be accessed on the county's web page.

6. Risk Management Should Ensure All Required Annual Physicals Are Received

During the initial audit, we noted Risk Management does not have a list of positions or a monitoring process to determine whether the employees that are required to receive a physical due to their job duties are receiving one. We found

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that none of the employees in a County Division classified as a high-risk division had received a physical since June of 2002. Section 3.7 of the Safety and Health Manual requires certain employees, depending on their job function (which, for instance, involves exposure to chemicals) to receive annual physical examinations and related testing.

We Recommend Risk Management creates a list of positions that requires annual physicals, updates it periodically, and implements a monitoring program that would ensure that all required employees are receiving an annual physical.

Status:

Not Implemented. In their response to the original report, Risk Management did not concur with this recommendation. Risk Management noted that, “due to their limited staff and the number of annual physicals, exceeding 1,500 annually, it is more practical to continue to have the departments/divisions monitor compliance”. Therefore, Risk Management did not create a list of positions or a monitoring process to determine whether the employees that are required to receive a physical due to their job duties are receiving one. We reviewed invoices from the County’s Occupational Medical Services Provider including activity from January 1, 2007 – March 31, 2008 for three high-risk areas. We found that only 12 of 150 employees from these areas had received a physical from the Occupational Medical Services Provider during the period reviewed. None of the employees from the high-risk area noted in the original audit had received physicals during the period reviewed.

We Again Recommend Risk Management creates a list of positions that requires annual physicals, updates it periodically, and implements a monitoring program that would ensure that all required employees are receiving an annual physical.

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Management's Response:

Do Not Concur. Ensuring compliance with annual physicals is a function of decentralized Human Resources. Risk Management does not have the resources to perform this function on a centralized basis. Risk Management will be meeting with the departmental Human Resources representatives to conduct a further informational session on the occupational medicine program.

7. Procedures for Review of County Contract Insurance and Risk Requirements Should Be Modified

During the initial audit, we found that the Purchasing and Contracts Division decided which contracts Risk Management needed to review based on the dollar amount of the contract without giving any consideration to the type or inherent risks of the contracted arrangement. We selected 11 contracts that were not forwarded to the Risk Management Division and reviewed the scope with the Division Manager. The Manager noted that, on three of the contracts, he would have wanted to review the contract in order to determine what levels of insurance needed to be required due to the stated scope.

We Recommend Risk Management works with the Purchasing and Contracts Division to implement written guidelines to specify what contracts get routed to Risk Management for review and comment.

Status:

Implemented. The Agenda Department implemented written guidelines to specify what contracts get routed to Risk Management for review and comment. We noted a significant increase in the amount of items routed to Risk Management for review since the previous audit. Risk Management reviewed 214 contracts during our six-month

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audit period as opposed to only approximately 170 during all of 2003.

8. Risk Management Should Identify, Report, and Reconcile Real Property Purchased

During our initial audit, we had the following concerns relative to the building and property schedule provided to the County's insurance carrier:

- Two County properties (purchased in 1994 and 1998) totaling \$788,551 were not reported because Risk Management was unaware of them.
- Two of the five property purchases reviewed (totaling \$333,716) during the audit period were not reported to the insurance carrier. Risk Management informed us that the buildings were not added due to each purchase being under two million dollars.

Risk Management's Procedures Manual does not detail the dollar threshold or the process of reporting building purchases, such as the time frame or method (via e-mail, form letter, etc.), to the Broker.

We Recommend Risk Management develops detailed procedures of reporting purchased real property to the Broker. Also, Risk Management should develop and implement procedures to ensure their list of properties is complete and accurate.

Status:

Implemented. Risk Management uses the property insurance policy provisions as their guideline for determining when newly acquired properties need to be reported to the insurance carrier. We selected a sample of 18 County properties that were recently acquired or modified and verified they were on the schedule of insured properties Risk Management provides to the insurance carrier. We also

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ensured that the properties identified during the previous audit were added to the insured property schedule. We found that one of the four properties totaling \$58,000 had not been added. According to Risk Management it will be added during the next quarterly update.

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9. Risk Management Should Ensure County Personnel Receive Adequate Training

During our initial audit, we noted the following relative to Risk Management's oversight of safety training throughout the County:

- In two of the four inspections reviewed, the inspector did not assess training needs of department personnel.
- Eleven percent (21 of 195) of the employees reviewed that drive County vehicles or their own vehicles for County business did not receive defensive driving training within 90 days of hiring or once every three years thereafter, as required by section 6.0.1 (c) of the Safety and Health Manual.

We Recommend Risk Management better coordinates with County departments to ensure health and safety training needs are met for specific job functions. Further, training assessment and verification should be incorporated into the inspection process.

Status:

Not Implemented. Risk Management does not have a proactive process to ensure safety training needs are identified and met throughout the County. Although Risk Management analyzes claim trends and recommends training when necessary, this is a reactive control. In addition, we found that three of seven employees that drive vehicles on County business had not taken defensive driving training within the past three years as required by Administrative Regulation 2.12.03 and Section 1 of the Safety and Health Manual. The risk of harm to employees and citizens is increased if training needs are not assessed and met.

We Again Recommend Risk Management better coordinates with County departments to ensure health and

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safety training needs are met for specific job functions. Further, training assessment and verification should be incorporated into the inspection process or periodically reviewed outside of the inspection process.

Management's Response:

Partially Concur – Planned. Risk Management is currently developing a job-training matrix that will identify the types of training necessary by job type. This training will include both 10 and 30-hour OSHA training courses and more specific job oriented training.

Risk Management has also met with Human Resources and is in the process of transitioning our training logs to Peoplesoft. This will enable the individual departments or Risk Management to generate reports of employees who are currently not in compliance with training guidelines.

It will remain the function of the decentralized Human Resources representative to monitor their department for compliance of their employees.

10. Risk Management Should Improve Procedures When Potentially Unsafe Drivers Are Identified

During the initial audit, we noted Risk Management did not follow-up to determine if corrective action was taken for four of the six auto liability claim files reviewed. These claim files indicated that the auto accident was either caused by the employee or contained a Department of Motor Vehicles report that included citations within the past year. In addition, we could not determine if corrective action was taken for four other incidents. Section 1.2.1 (j) of the Safety and Health Manual prescribes that the Safety Program includes investigating accidents and implementing corrective action to prevent accident recurrences.

We Recommend Risk Management develops procedures to notify County managers when personnel are identified as

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potentially unsafe drivers. In addition, Risk Management should maintain a record of the corrective action recommended and taken by the employee's department/division.

Status:

Partially Implemented. Risk Management implemented a procedure to notify County managers when personnel are identified as potentially unsafe drivers; however, during our audit period the procedure was not consistently applied. Risk Management could not provide evidence that they notified County managers of concerns identified on driving records from two of five applicable employees.

It should be noted that Risk Management has recently implemented an additional mechanism for identifying and notifying management of potentially unsafe drivers. In November 2007, Risk Management received Board approval to implement a permanent DriveCam program. DriveCam is a digital recorder that is mounted on vehicle windshields. Digital recordings are saved when triggered by g-forces such as sudden, starts, or impacts. A third party reviews the recordings for non-compliance with County policies and basic safe driving practices. All coachable incidents are forwarded to designated personnel from the applicable Divisions. According to reports obtained from Risk Management, as of June 20, 2008, 254 cameras have been installed in County vehicles. The number of coachable incidents recorded from June 2007 – May 2008 was 5,923 of which 5,206 have been reviewed by designated personnel from applicable Divisions.

In meeting with Risk Management personnel we were informed that Risk Management does not follow-up with management to ensure corrective action was taken when unsafe driving practices are identified. Corrective action for personnel identified as potentially unsafe drivers may not be taken in time to prevent undue harm to County personnel/property and public citizens. Further, the situation may increase the County's exposure to costly litigation.

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We Again Recommend Risk Management consistently applies procedures to notify County managers when personnel are identified as potentially unsafe drivers. In addition, Risk Management should maintain a record of the corrective action recommended and taken by the employee's department/division.

Management's Response:

Partially Concur – Planned. There is a significant judgment call when determining when an employee's past driving record constitutes an unacceptable hazard to the County. Risk Management will maintain records of all notifications to the departments regarding questionable driving histories. It is the department's responsibility to determine how they need to address these notifications and to document any actions taken.

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11. All Purchases and Leases Should Be Routed Through Risk Management for Review

During the initial audit, we noted Risk Management did not examine three of the five real property purchases/leases selected for review during the audit period to determine whether a formal independent environmental site assessment would be necessary. Current Administrative Regulations do not require Risk Management to be notified of all potential purchases or whether a site assessment should be performed.

We Recommend Risk Management requests the County to add a requirement in the Administrative Regulations that all building/land purchases/leases be routed through Risk Management. This would allow for Risk Management to decide whether to perform an environmental site assessment prior to purchasing/leasing.

Status:

Partially Implemented. In meeting with Risk Management personnel, we were informed that Risk Management requested the recommended change to the Administrative Regulations but the change has not occurred. However, there was no written evidence the change was requested. We reviewed a sample of ten recently acquired properties and found that site assessments were performed for all properties except one.

Although this is significant improvement since the prior audit, in order to further reduce the possibility of acquiring contaminated property, County regulations should require Risk Management be notified of all land purchases.

We Again Recommend Risk Management requests the County to add a requirement in the Administrative Regulations that all building/land purchases/leases be routed through Risk Management. This would allow for Risk Management to decide whether to perform an environmental site assessment prior to purchasing/leasing.

Management's Response:

Concur – Planned. Risk Management will request in writing that the Administrative Regulation be amended to require Phase I Site Assessments on all property obtained by the County.

12. Risk Management Should Change Procedures Regarding Fuel Tanks

During our initial audit we noted the following relative to fuel tank handling:

- A) Risk Management had no record of two of the 22 registered fuel storage tanks sampled during our review. Subsequent to the audit period, the County's new environmental insurance policy only covers damage from tanks that have been reported to the insurance provider. This makes it necessary for Risk Management to maintain a complete and accurate list of all County owned tanks.
- B) Risk Management does not have a procedure for monitoring fuel tank data and inspections. Six of eight tanks reviewed were not routinely inspected.
- C) As a result of reviewing inspection data from a sample of eight fuel tanks, we noted that an inventory of the fuel was not included during the inspection process as a means to detect possible leaks.

We Recommend Risk Management:

- A) Maintains a complete list of all County Fuel tanks;
- B) Develops a procedure to ensure periodic fuel tank inspections are performed and considers reviewing monitoring processes by the department/division during inspections; and,

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- C) Includes fuel inventory as part of the fuel tank inspection process.

Status:

- A) Implemented. In January 2008, the County Administrator sent a memo to all Department Directors and Division Managers informing them that Risk Management will be the single point of contact within the County for all storage tank issues. Risk Management sent each department a tank inventory report to review for completeness and accuracy. We selected a sample of five newly acquired storage tanks from the County's fixed asset schedule. We found that the one applicable tank in our sample was on the report of tanks maintained by Risk Management. We also ensured that the two tanks noted during the previous audit were now included on Risk Management's report.
- B) Partially Implemented. Risk Management has taken steps to ensure County Departments are aware of the necessity to inspect fuel storage tanks on a regular basis. Risk Management has recently teamed up with the Florida Department of Environmental Protection (FLDEP) to provide training to designated tank contact personnel on how to perform tank inspections as well as the elements FLDEP looks for when they perform their annual review of regulated tanks.

Risk Management has recently been given access to Water Reclamation's computer system where tank inspection data is stored and has requested that Fleet Management provide them updates on the inspections they perform. However, Risk Management does not have a process in place to ensure monthly tank inspections are being performed by all applicable County departments.

Without such a monitoring process, regulated tanks may not be inspected resulting in the County being

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out of compliance with Florida Administrative Code 62-671 and 62-762 regarding underground and aboveground storage tanks. In addition, damage to unregulated tanks, which are not monitored by FLDEP, may go undetected resulting in environmental damage and remediation costs to the County.

We Recommend Risk Management develops a monitoring procedure to ensure County Departments are performing periodic fuel tank inspections for both regulated and unregulated tanks.

Management's Response:

Do Not Concur. All County storage tanks are identified on a roster along with the department/division that is responsible for conducting the inspection on each tank. It is the responsibility of these departments/divisions to ensure compliance with inspection protocols. Risk Management has requested copies of their inspection logs for documentation purposes, but does not have the staff to ensure inspection compliance.

- C) Implemented. The intention of the previous recommendation was to ensure that the tank inspection process included a review for possible leaks. Although the inspection process still does not include conducting a fuel inventory, the inspection procedures in place are designed to evaluate tanks for possible leaks as well as to ensure leak detection equipment is functioning properly. The inspection process for above ground tanks includes a visual review of the tank and surrounding area for signs of possible leaks. For underground tanks, the inspection includes an annual review of the tanks leak detection system which involves ensuring the alarms on the tank are in working condition.

13. Adequate Controls Should Be in Place to Ensure Amounts Paid to Vendors Are Reasonable and Within Contractual Limits

During the initial audit, we reviewed eight invoices from a sample of two projects to ensure environmental vendors are paid in accordance to contractual terms. The following concerns were noted:

- A) We found one bid proposal and two invoices that had rates/unit prices that exceeded the contract terms.
- B) We were unable to verify whether several of the rates on two invoices reviewed conformed to the contract. Risk Management was unable to locate the copy of the contract they used to verify the accuracy of rates listed on proposals and invoices.

We Recommend Risk Management:

- A) Ensures rates contained in bid proposals and invoices do not exceed those specified in the contract document; and,
- B) Retains a complete copy of the contractual document until all purchase orders written under the contract are closed.

Status:

- A) Implemented. We selected a sample of six disbursements to Risk Management's Environmental Consultants. We verified that the rates contained in the bid proposals and invoices did not exceed those specified in the contract documents. No significant items were noted.
- B) Implemented. Copies of the environmental services contracts used by Risk Management are available on the County's website.

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14. Services Should Be Within the Scope of the Contract and Long Term Purchase Orders Should Not Be Executed if the Contract is Expiring in the Near Term

During our initial audit the following was noted as a result of our review of contract Y9-907a for environmental services:

- A) Risk Management approved the contractor to provide services that were not included within the scope of the contract.
- B) A purchase order for a task that was anticipated to be performed over an extended period of time was dated ten days before the expiration of the contract.

We Recommend Risk Management:

- A) Only authorizes services that are within the scope of the contract; and,
- B) When possible, utilizes the new environmental services contract for long-term services instead of the expiring contract.

Status:

- A) Implemented. We selected a sample of six disbursements to Risk Management's Environmental Consultants. We verified that the services provided were included in the scope of services defined in the contract documents. No exceptions were noted.
- B) Implemented. Using a report of disbursements from the County's financial system we verified that Risk Management is utilizing the currently contracted Environmental Consultants for all open environmental projects.

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15. Risk Management Should Select the Sample of Files for the Bi-Annual Performance Review of the TPA

During the initial audit, we found that the Risk Management Division allowed the Third Party Administrator (TPA) to select the claim files that will be reviewed during the bi-annual performance review.

We Recommend Risk Management selects the sample of claim files from the TPA to review for the bi-annual performance review.

Status:

Implemented. We reviewed the current TPA contract and found it states Risk Management will select the files to be reviewed. Also, for the most current claim audit performed, we obtained a copy of the list of files Risk Management selected for review.

16. Risk Management Should Ensure All TPA Claims Are Approved Prior to Payment

During the initial audit, we noted Risk Management did not approve 22 percent (\$370,720) of the dollars paid to the TPA for claims during March and April 2004. In addition, the Comptroller's Finance and Accounting Department did not approve for release 31 percent (\$524,683) of the dollars paid during the same period. Based on the data provided, it appears these payments were not presented to the County for approval. A report of items approved for payment was not available from the system. As a result, no reconciliation was being performed to ensure all monies released were approved by the County.

We Recommend Risk Management and the Comptroller's Office develop a system to ensure the appropriate approvals are obtained for payments to the TPA. In addition, Risk Management should work with the Comptroller's Finance

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and Accounting Department to establish a procedure for reconciling payments issued to payments approved by Risk Management.

Status:

Implemented. The County changed the TPA since the issuance of the original audit report. As a result, the payment process for claims expenses was revised. The bank account that claim payments are made from is now in the County's name and a positive pay file is sent to the bank to prevent unauthorized checks from posting to the account. Risk Management receives a check register and detailed report of checks the TPA is requesting authorization to issue. The Comptroller's Finance and Accounting Department reconciles the items on the daily check registers to the detailed report of checks the TPA is requesting authorization to issue. They also reconcile the daily register to the bank statement of cleared checks. For one week of the audit period, we compared the detail of approved checks to the daily check register and to the bank statement of cleared checks. For the period tested, all payments issued and cleared were submitted to the County for approval prior to issuance.

17. Risk Management Should Seek Reimbursement From the TPA for Past Excess Expenses and Obtain Adequately Supported Invoices and Audit Expenses in the Future

During the initial audit, we noted Risk Management did not receive invoices to support payments made to the TPA for various allocated claims expenses. Furthermore, Risk Management had not performed an examination of the claim payments and allocated expenses processed by the TPA since the inception of the contract (No. Y1-1020) in October 2001. During our review, the following items were noted:

- Fifty-five percent (236 of 433) of the identified time and expense files created by the TPA had paid

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charges for services that should have been included in the claim service fee charged at the inception of the claim, and thus not separately billed. These paid charges totaled approximately \$25,000.

- Relative to charges for the live mediations and depositions, we found that the TPA was charging an hourly rate of \$74 and \$76 in addition to all mileage in contrast to the contract, which specified a flat rate of \$210 per hearing plus driving time and mileage after 25 road miles are charged.
- We noted 13 duplicate claim expenses on the check requests for March and April 2004 totaling \$1,260 paid to the TPA for various charges including nurse case manager services, index bureau reports, etc.

We Recommend Risk Management obtains adequately supported invoices for all future allocated expenses payable to the TPA and perform periodic audits of such expenses. Also, Risk Management should work with the TPA to determine the net effect of the non-compliant invoices and seek reimbursement.

Status:

Implemented. We reviewed the bank statement of all checks issued during the December 2007 statement period and found that only five checks for a total of \$424 were issued directly to the TPA. The amounts paid were for Claim Index Bureau searches performed by the TPA. These amounts were detailed on the daily check register report reviewed by Risk Management. In addition, we found that Risk Management obtained reimbursement in the amount of \$116,365 from the prior TPA.



18. Risk Management Should Approve the Initial Assignment and Continuous Use of Nurse Case Managers and Periodically Review the Related Billing for Accuracy

During our initial audit we noted the following relative to charges for Telephonic Nurse Case Managers and Field Nurse Case Managers:

- While comparing case files to Telephonic Nurse Case Manager billing invoices, we found a number of differences between the level of Telephonic Nurse Case Manager activity included in the Claims Progress Notes and the related service fees charged.
- We reviewed four files' claim notes and noted that the Field Nurse Case Manager was performing tasks that the Telephonic Nurse Case Manager could have possibly been performing. For these four claims, the County could have saved \$5,398 by having the Telephonic Nurse Case Manager perform the applicable tasks.
- Seventeen percent (2 of 12) of incident descriptions reviewed did not show evidence that a Telephonic Nurse Case Manager was necessary due to the minor nature of the injury.

We Recommend Risk Management approves the initial and subsequent monthly assignments of a Nurse Case Manager and ensures that the TPA is billing for the Telephonic and Field Nurse Case Managers appropriately.

Status:

Partially Implemented. We reviewed a sample of five claim files for which nurse case management services were provided. Under the current TPA contract a nurse case manager is automatically assigned to injury claims for the first 30 days. We found evidence in the claim files that Risk Management approved the subsequent use of nurse case

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managers. However, for one of five claim files reviewed, we noted that the TPA billed the County \$450 for nurse case management services during months when no such services were rendered.

Adequate controls should be maintained to ensure that services are provided in the most cost effective manner and that payment is not made for services that were not rendered. Without adequate controls, the County may be overpaying for nurse case management services.

We Again Recommend Risk Management ensures that the TPA is appropriately billing for Nurse Case Management services. We further recommend Risk Management seeks reimbursement for the monies paid for months when services were not provided.

Management's Response:

Concur – Completed. The telephonic case manager identified in the single claim was non-compliant with instruction and was removed from our account by the vendor. The fee was refunded and a complete audit was conducted for the previous six months showing only one other non-compliance. That fee was also refunded.

Additionally, Risk Management analysts review each claim at a minimum of once every 90 days. During this review, the analyst evaluates if telephonic case management is still appropriate for the claim. If the claim was supposed to have been previously closed to telephonic case management but was not, it would be identified at this point and a refund of the fees billed for that time period would be requested.



19. Risk Management Should Ensure the TPA Retains All Required Documentation and Performs a Periodic Review of Subsidiary Charges

During our initial audit we noted the following relative to expense documentation from the TPA's medical bill review subsidiary:

- The detail hospital or medical bills to support the service fees charged were not available for review. For the months of March and April of 2004, \$84,932 was paid in these charges.
- A comparison of the amounts reported in the TPA's claim pay sheets for medical bill review charges did not agree with the amounts reported by the TPA's subsidiary. The claim pay sheets included charges totaling \$23,954 that were either not included or not identified on the subsidiary report. In addition, this report included charges totaling \$3,540 that were either not included or not identified on the claim pay sheets.

We Recommend Risk Management ensures that the TPA maintains the required documentation and that a periodic review is done of subsidiary charges to determine if the County is being charged properly for services.

Status:

Implemented. As the concerns in the original report were with payments for medical bill review services, we limited our testing to this area. When the County changed TPA's, the reimbursement method for medical bill review was revised from a percentage of savings and per line rate to a flat rate of \$8.50 per bill reviewed. To ensure Risk Management has evidence that a medical bill exists and the appropriate amount was charged for the services, we selected a sample of 15 claims for which medical bill review services were provided. For each of the charges noted, a corresponding

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medical bill was found for all medical bill review charges included in our sample.

20. Risk Management Should Work With the TPA to Identify and Log All Subrogated Claims and Obtain Regular Status Reports

During the initial audit, we noted Risk Management did not have a complete listing of subrogated claims processed by the TPA. These claims are where the County may be owed money due to an accident being the other party's fault. We noted 15 subrogated claims with approximately \$380,000 in potential recoveries that were not on the list of open subrogated claims provided during the audit.

We Recommend Risk Management works with the TPA to identify and log all subrogated claims. Also, status reports should be obtained and monitored relative to subrogated claims from the TPA on a regular basis.

Status:

Implemented. To ensure Risk Management was informed of all subrogation claims, we selected a sample of 24 claims and reviewed the claims files to determine whether subrogation was being pursued by the TPA and ensured all claims where subrogation was being pursued were included on Risk Management's subrogation report. Using Risk Management's report, we selected a sample of eight subrogated claims and reviewed files for evidence that status reports were received and claim activity was being monitored on a regular basis. No exceptions were noted.



21. Risk Management Should Obtain Reimbursement From the TPA for Excess Fee Amounts Paid and Ensure All Changes to Contracts Are Documented and Approved by Appropriate Parties

During the initial audit, we noted that the fee remitted to the TPA for reporting and obtaining data from the Claim Index Bureau was greater than the fee stipulated in the contract between the County and the TPA. In addition, we noted the former Risk Manager approved an increase to a contractually stipulated fee via e-mail. A formal amendment to the contract was never prepared and signed by either party.

We Recommend Risk Management works with the TPA to obtain reimbursement for the amounts paid in excess of the contractual requirements. In addition, all contractual changes should be documented as a contract amendment and signed by the appropriate parties.

Status:

Implemented. We found that Risk Management obtained reimbursement in the amount of \$9,438 from the prior TPA for the amounts paid in excess of the contractual requirements for Claim Index Bureau fees. We also selected a sample of two payments to the TPA for claims administration fees and found that all the various claim administration fees billed agreed to the contract.

22. Risk Management Should Obtain Competitive Bids or Price Quotes for Services Currently Performed by TPA Subsidiaries

During the initial audit, we noted that the TPA used wholly owned subsidiaries for appraisals, vocational rehabilitation, telephonic and field nurse case management, and medical bill review for Orange County claims. The contract allowed the TPA to use wholly owned subsidiaries to perform claim

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related services without requiring the TPA and/or County to obtain price quotes from other service providers.

We Recommend Risk Management obtains competitive bids or price quotes for services currently performed by subsidiaries of the TPA in the current and future contracts.

Status:

Implemented. We found Risk Management obtained competitive bids and quotes for services provided by the TPA's subsidiary as part of the bid process for the TPA contract. Also, the use of TPA subsidiaries was significantly decreased when the County changed TPAs. The current TPA was using their subsidiary for nurse case management services and medical bill review. However, the subsidiary was recently sold to an independent firm. The TPA is currently using a second subsidiary company for subrogation recovery and investigation services. For subrogation services the subsidiary is only paid if funds are recovered. We reviewed the bank statement for December 2007 and found only two payments to the second subsidiary for a total of \$975.

23. Risk Management Should Develop a Form to Be Filled Out When an Employee Returns to Work From a Workers Compensation Absence

During our initial review of workers compensation claims, we noted occurrences where it appeared likely that claimants were paid both by the County and the TPA (from the Intergovernmental Risk Management Fund) for the same days.

In discussing these types of problems with County personnel, we were informed that it is often difficult to ensure adequate notification is given to the TPA to cease payments. There seems to be a lack of communication between the TPA and the departments/divisions. This lack of

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communication prevented the adjuster from knowing when the employee returned to work.

We Recommend Risk Management develops and implements a form used by all departments/divisions that would be filled out when an employee returns to work from a workers compensation paid absence. This form would be forwarded to Risk Management, which would then notify the TPA that the employee has returned to work.

Status:

Implemented. Risk Management has not developed a form for departments/divisions to complete when an employee returns to work from a workers compensation paid absence. However, the new TPA contract specifies that medical providers are to be contacted within 24 hours of an injured employee's appointment and continued follow-up during the life of the claim. As a result, the return-to-work notification process was significantly improved. Based on our review of claim notes, we found that the TPA follows-up regularly with both the employee and treating physician to determine the work status. We reviewed payroll transmittals, claim payments, and claim notes for six applicable lost time claims. We found that the TPA did not begin to make indemnity payments until the employee had satisfied their seven day waiting period for workers compensation benefits. In addition, the TPA ceased indemnity payments when the employee returned to work.

24. The County's Risk Management Agreement and the Broker Contract Should Reflect the County's Required Rating for Insurance Providers

During the initial audit, we noted that the County's required insurance rating was not documented in the Broker contract or the County's Interlocal Risk Management Agreement. We also noted that the Broker contract does not require the Broker to monitor and report to the County the A.M. Best

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ratings for the County's insurance carriers and reinsurance companies.

We Recommend Risk Management coordinates with Purchasing and Contracts to amend the County's Interlocal Risk Management Agreement and the Broker Contract to reflect the County's required rating for insurance providers. We further recommend the Broker contract be amended to require the Broker to monitor and notify the County of the ratings of all its providers.

Status:

Partially Implemented. We reviewed the County's Interlocal Risk Management Agreement and the Broker Contract for the recommended clauses. We noted that the Broker agreement was updated but the Interlocal Agreement was not updated to reflect the County's required rating for insurance providers.

We Again Recommend Risk Management coordinates with Purchasing and Contracts to amend the County's Interlocal Risk Management Agreement.

Management's Response:

Do Not Concur. The Broker contract requires notification of any downgrading of any insurance carrier below the required rating level. During the insurance policy year, it is a decision of the Risk Manager whether to continue coverage with a carrier that has received a rating downgrade or to recommend a replacement insurance policy. Additionally, changes in financial status of a carrier can occur rapidly and the Risk Manager needs to have the ability to react rapidly to these changes. It should be noted that annual insurance renewals are reviewed and approved by the Risk Management Committee and the Board of County Commissioners.

Appendix A – Follow-up to Previous Additional Recommendations to Human Resources



25. The County Should Consider Revising Drug and Alcohol Testing Procedures

During the initial audit, we noted that Human Resources provided department managers with the names of the employees with Commercial Driving License (CDL) selected for random drugs and alcohol testing the day before the test is performed. If the selected employee missed the drugs and alcohol test due to work absence, the employee was not required to take the drug test immediately upon return to work. The Federal Motor Carrier Safety Administration, Department of Transportation (DOT) Regulation 382.305 Random Testing (k)(1) states, "Each employer shall ensure that random alcohol and controlled substances tests... are unannounced."

We Recommend the County considers providing the department managers with the names of the employees that are to be randomly tested for drugs and alcohol on the day of testing. Further, employees who miss the test (due to an acceptable reason) should report for the test immediately upon return to work.

Status:

Not Implemented. In meeting with Human Resources personnel, we found that no change was made to their practice of notifying departments of the employees selected for testing the day before the scheduled tests. Also, Human Resources does not require employees that miss the test as the result of a single day off to take the test upon return.

For calendar year 2006, 74 of the 378 (20%) employees selected for testing were not tested. For calendar year 2007, 128 of the 400 (32%) employees selected were not tested. Many of the "no show" reasons provided by the Divisions are not acceptable reasons to miss testing according to DOT Best Practices. Some of the reasons provided included: employee was working offsite, division was shorthanded, department didn't notify the employee, or the employee had the day off. The two "no show" justification letters we

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reviewed state that the Division only sent 14 of the 27 employees selected for testing in one instance and only 6 of 19 employees in the second instance. No further explanation was provided.

For one employee that had multiple “no shows” in the 2-year period reviewed, we found that the payroll transmittals did not support the “no show” reason provided by the Division in 2 of 3 instances. The Division provided letters to Human Resources indicating the employee was off on two of the testing dates; however, payroll transmittals showed the employee was paid for working on the testing dates.

Best Practices for DOT Random Drug and Alcohol Testing include the following:

- If an employee is selected for testing but has not received notice since it is his day off, test the employee during his or her next shift within the same selection cycle.
- No employee should be excused from testing because of operational difficulties. See your industry specific regulations and interpretations for legitimate exceptions.

It is possible that an employee selected for testing will receive prior notice and not report for work the day of the test because they know that the test will be positive (failed) for drugs and/or alcohol. Also, supervisors may have knowledge of employee drug/alcohol usage and purposefully choose not to send the employee for testing. The employee may also know that the County will not test them upon return to work, therefore avoiding the test without losing their job. As a result, the substance abuse could go undetected and corrective action would not be taken.

We Again Recommend the County considers providing the department managers with the names of the employees that are to be randomly tested for drugs and alcohol on the day of testing. Further, under circumstances permitted,

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employees who miss the test should report for the test immediately upon return to work.

Further, the County's random drug testing policy should be updated to clearly state how testing should be handled when employees are working offsite or when other operational difficulties are encountered.

Management's Response:

Partially Concur. Human Resources met with the County Auditor on May 22, 2008. At this time it was agreed that the process would be changed to require employees absent for an acceptable reason on the day of the scheduled test, to report for testing immediately upon their return to the worksite. This process was developed and distributed to the Human Resources Strategy Team (HRST) at their monthly meeting on June 20, 2008. Implementation occurred on the test date of August 13, 2008.

Human Resources does not concur with the distribution of employee names for testing on the day of the test. That method of notification was initially employed and resulted in the disruption of normal operations and negatively affected the timely deployment of assigned staff performing scheduled services. Testing begins at 7:00am in order to ensure that work crews are not affected operationally due to the testing process.

26. The County Should Ensure Their CDL Driver List Is Complete and Accurate

During the initial audit, we noted that 18 percent (3 of 17) of the employees with a commercial drivers license (CDL) selected for review were not included in Human Resources list of employees with a CDL. All of these employees perform safety sensitive functions requiring a CDL. Orange County Policy Manual section 409.4 requires that employees who perform safety sensitive functions requiring a CDL are

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mandated by law to submit to random drug and alcohol screenings.

We Recommend the County improves procedures to ensure all CDL drivers, who perform safety sensitive functions requiring a CDL, are included in the list used by the Human Resources Division to select a random sample of employees for alcohol and drug testing.

Status:

Not Implemented. We reviewed various job descriptions to find job codes that require employees to maintain a CDL. We obtained a report of all employees with the applicable job codes. We compared the report to the CDL report from Human Resources. We found that 94 of the 301 (31%) employees were not included on the CDL report from Human Resources.

Orange County Policy Manual section 409.4 states that employees who perform safety sensitive functions requiring a CDL are mandated by law to submit to random drug and alcohol screenings. Without a complete and accurate list, CDL drivers with drug and/or alcohol abuse problems may be excluded from testing.

We Again Recommend the County improves procedures to ensure all CDL drivers, who perform safety sensitive functions requiring a CDL, are included in the list used by the Human Resources Division to select a random sample of employees for alcohol and drug testing.

Management's Response:

Concur. Beginning October 2008, Human Resources will send (on a quarterly basis) the names of all employees on the CDL random sample selection list, and separately, the names of all employees not on the random sample selection list to departments for confirmation.