

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: 5/10/16 **Approximate Start Time:** 3:00 p.m. **Approximate Length:** 1 hr

Presentation Title: Risk Management Internal Audit Report

Department: Internal Audit

Presenters: Brian Nava, Internal Auditor and Shari Anderson, Treasurer

Other Invitees: Evelyn Minor-Lawrence, DES Director and Dwayne Kroening, Risk Manager

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

This is an informational session, which will provide an overview of the results of the Risk Management Internal Audit.

EXECUTIVE SUMMARY (why and why now):

Internal Audit recently completed an audit over the Risk Management department at Clackamas County. This informational session will provide an overview of the key findings and recommendations outlined in the report. A brief summary of the key findings is outlined below and the full report is also available on the Internal Audit website at www.clackamas.us/internalaudit.

Key findings

Self-insurance rates and claims expense have significantly increased in the last few years. The burden of the increases affects the budgets of Clackamas County departments, and as a result, services to the public are less than they could have been.

Leveling procedures could be implemented to help reduce drastic swings in the overall amount allocated to County departments.

Risk factors and calculations which determine the insurance rates for County departments should be regularly evaluated. The risk factors and allocation calculation have not been formally evaluated since implementation in the late 1990's.

Claim approval tracking procedures should be improved to ensure adequate approval documentation is readily available.

Oversight of the third party administering casualty claims should be improved to ensure the payments are accurate and appropriate. Current procedures in place are not sufficient to prevent or detect duplicate payments and overpayments.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

Each year Internal Audit performs a risk assessment over Clackamas County and develops an annual audit plan. The annual audit plan details how internal audit anticipates spending their time throughout the calendar year. This plan is submitted and approved by the Internal Audit Oversight Committee (IAOC) and Internal Audit regularly meets with the IAOC to update them on Internal Audits progress and projects. The aforementioned audit was included in internal audits annual audit plan.

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
 - This audit is part of the 2016 Internal Audit Plan approved by the Internal Audit Oversight Committee.

- How does this item align with the County's Performance Clackamas goals?
 - Building public trust through good government.

LEGAL/POLICY REQUIREMENTS:

N/A

PUBLIC/GOVERNMENTAL PARTICIPATION:

N/A

OPTIONS:

N/A

RECOMMENDATION:

N/A

ATTACHMENTS:

1. Risk Management Report
2. Risk Management Report PowerPoint

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval SA/bn_____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact _____ @ 503-_____
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