



## Risk Management Workers Compensation Audit - #792

### Executive Summary

#### ***Why CAO Did This Review***

Pursuant to Section 5.10 of the Charter of the City of Jacksonville and Chapter 102 of the Municipal Code, we conducted an audit of the Risk Management Division, Workers Compensation area. This area is responsible for administering workers compensation claims for the City, JEA, JAA, JPA and JHA. The administration is assisted by a third party medical claims administrator.

#### ***What CAO Recommends***

Our recommendations noted in the report include:

- Risk Management should review access rights for all users related to workers compensation, and ensure users are only granted access rights needed to perform their work duties. This review should be done at least once per year.
- When an incident occurs, Workers Compensation should ensure that they are receiving complete information from the injured worker and their employer.
- Risk Management should make sure they are following the City procurement code when making purchases related to the administration of workers compensation claims.
- Risk Management should incorporate a system of review in order to improve payment accuracy and timeliness.
- Risk Management should follow the City's cash handling policy in regards to revenues received.

#### ***What CAO Found***

We found that payments on workers compensation claims were generally accurate in amount, properly supported, authorized, and timely paid. However, we did find a number of specific issues, mainly related to the control structure as well as payment accuracy and timeliness. Specifically, we found the following:

- A number of users who had excessive or inappropriate access rights to the workers compensation claim administration system, including users who had the ability to issue an unlimited number of checks through the system for unlimited amounts.
- We were unable to locate adequate support confirming that workers compensation incidents were reviewed and approved by the injured worker's employer for 28 out of 159 (17.6%) claims tested.
- We learned that Risk Management is not always going through the procurement process when purchasing services related to the administration of workers compensation claims (e.g. surveillance).
- Various benefit payments were inaccurately and/or untimely paid to injured employees.
- We noted various violations of the City's cash handling policies.

