

FINANCE DEPARTMENT

INTEROFFICE MEMORANDUM



TO: Anthony Nicks, County Auditor
FROM: Hakeem Oshikoya, Finance Director *HKO*
DATE: June 28, 2023
SUBJECT: Response to Risk Management Audit

Below response is provided to your findings on the audit of Risk Management Office policies and procedures, as they relate to processing liability and physical damage claims.

Response to Audit Finding 1 – Lack of Divisional Standard Operating Procedures

The Risk Management Office has been using Fulton County policy #200-22 prepared in 2005 to manage its daily activities pertaining to Risk claims. We acknowledge that current nature of claims are now different from the past, and will begin the process of updating the policy and incorporating its provisions as part of standalone Standard Operating Procedures (SOPs) for use by staff in their day to day operations. Daily activities of staff will be documented for use by the team.

Response to Audit Finding 2 – Lack of Reporting

Several reports are available within the application used to manage claims, which is called Riskconnect. These reports can be generated on as need basis. They are currently used for various claims analysis, preparing annual Countywide budget to determine risk premiums assessed to each department, and ensure that Risk Management Fund remains solvent with adequate reserve to support outstanding claims. We will have further discussion with County Senior Management to decide on which reports to make available as part of Countywide transparency dashboard and share with others as necessary.

Response to Audit Finding 3 – Lack of Risk Evaluation Process

Risk assessment is currently being performed at individual department level for their relevant service functions with Risk Management Office providing necessary support for mitigating assessed risk. For example, the IT Department is responsible for assessing risk of potential cyberattack within myriad of County computer systems and applications. Recommendations are made for any necessary improvement to mitigate any potential risk. In the event of any cyber attack, there is a Cyber Security Committee, which is singularly responsible for overseeing every facet of cyber attack and data breach to the County system. Department of Real Estate and Assets Management (DREAM) is responsible for assessing risk within County facilities. Any potential risks or hazards are discussed with County Senior Leadership, and reported to the Risk Management Office, which then coordinates necessary mitigation with the department. Emergency Management Agency is responsible for assessing possible risks that might affect Countywide

operations resulting from emergency situation and has worked to develop plans for Continuity of Operations (COOP) in the event of such unfortunate situations. For the Risk Management Office to assume the broad role of countywide risk assessment and mitigation process as recommended will require additional resources which will need to be discussed further with County Senior Leadership.

Response to Audit Finding 4 – Inadequate Training

The Risk Management Office has two Units namely Risk, which handles all liability and physical damage claims, and Workers Compensation dealing with workers safety and injury claims. Currently, the following trainings are provided to County employees, either on a regular basis or as need basis:

- Defensive Driving Course
- Workers Compensation Training for rank and file employees and Supervisors
- Forklift Training
- Van Lift Training
- Wheelchair Tie-down Training
- Preventing Workplace Violence
- Lifting Properly 7 Saving Your Back
- Ergonomic Break the RMI Habit

Most of these trainings are related to Workers Compensation program. We will explore working with our current property carriers on training tools that can be extended to the County. Furthermore, training materials on limiting or avoiding risk will be provided countywide. Moving forward, Risk will implement a monthly email with some proactive tips for the employees that utilize Fulton County facilities. This training will be sent via PDF and will allow departments to print and post on their office bulletin board.

Concern 1 – Inability to Track Claim Payouts in AMS

The Riskconnect application used by the Risk Management Office to review each claim received, and track payout amount on claims is standalone and not integrated with the County financial system currently being used. We are in discussion with our current ERP provider on the possibility of obtaining a fully integrated system to process claims as part of the upgrade. In the meantime, we'll continue to use the process currently in place to track all claims over \$100k in the financial system by establishing a separate unique object code for each of them. This is not feasible for all claims because of the high number of claims being processed, which will result in establishment of too many accounts.

Concern 2 – Lack of Adequate Staffing

We are reviewing the workload of existing staff to determine areas that additional assistance will be needed and the type of positions to establish. The Office currently has two vacant positions which have remained open for a while that can be used to meet this need at first before determining if additional positions will be needed.

In conclusion, we acknowledge the audit findings and are committed to implementing the recommended actions. We have already begun preparing and researching all avenues to adhere to the recommendaion in the audit. Once again, we thank you and your staff for conducting this audit and for the guidance provided in addressing these issues.

Please contact me with any questions on this matter.

CC: Ray Turner, Deputy Finance Director
Latoya Belgrave-Green, Risk Manager