




20 E Main St Suite 820
PO Box 1466
Mesa, Arizona 85211-1466

Date: February 8, 2010

To: Audit and Finance Committee

From: Jennifer Ruttman, Interim City Auditor 

Subject: Follow-up Review of City Attorney Risk Management Process


cc: Debbie Spinner, City Attorney
Marc Steadman, Assistant City Attorney III

Pursuant to the Council-approved audit plan, we have completed a follow-up review of our audit of the City Attorney Risk Management Process. Included with this letter is the final report.

We would like to thank the staff of the City Attorney's Office for their cooperation, professionalism and assistance throughout the review process. If you have any questions please feel free to contact me at x3767 or Jerry Faccone at x2403.

Date: December 17, 2009

To: Audit and Finance Committee

From: Jennifer Ruttman, Interim City Auditor 

Subject: **City Attorney – Risk Management Process Audit Follow-up**

Cc: Debbie Spinner, City Attorney
Marc Steadman, Assistant City Attorney III

Background

In March 2009, we issued a report on our audit of the City Attorney Risk Management Process. The primary objective of the audit was to determine the reliability of the Risk Management function in the processing, documenting and approval of claims against the City. Our audit report included one Corrective Action Plan detailing our findings and recommendations. We recently completed a routine follow-up review of the Risk Management Process to determine whether changes were implemented as agreed and the new procedures are being followed.

Discussion

The March 2009 audit revealed that claims entered into the Riskmaster system in duplicate had been deleted from the system by authorized City employees. We stated that claims should not be deleted for any reason. Such an action compromises the integrity of the Risk Management process. We recommended that claims entered twice in error should be flagged as duplicates in the database and that the City's Information Technology Department (ITD) should remove the ability of City personnel to delete claims. When incorrect claim information such as a date, the name of a person, or an amount must be changed, the corrections should be recorded in an edit log.

Summary

In response to our audit report, the City Attorney's Office agreed with our recommendations and made the following changes:

- An Edit Log was created to document all changes to the Riskmaster database.
- ITD has changed the security settings in Riskmaster to prevent City personnel from deleting claims. Only ITD has access to this security area of the application.
- ITD has created a new claim status option in Riskmaster for voids to ensure that all voided claims are properly flagged. This also provides a way to easily identify all voided claims.

Conclusion

Corrective changes to the Risk Management process have been implemented and are being followed. We commend the City Attorney staff for their cooperation and professionalism throughout the review process.