

2019 FOLLOW-UP
July 8, 2019

**Risk Management slow to implement
audit recommendations**



In the two years since our audit, Risk Management has made little progress toward strengthening the City’s safety and loss prevention programs or improving liability claims management.

At year one all action on recommendations was stalled and the Risk Manager had retired.

At year two under a new Risk Manager, the Division implemented one key data-sharing recommendation and began progress on others.

We will follow up again in one year to check that the remaining recommendations are implemented.

Our 2017 audit of Risk Management found that the Division did not have a proactive approach to helping City bureaus reduce injuries and loss and did not follow City Code requirements for information sharing and annual reporting. In addition, Risk Management had an inconsistent approach to managing liability claims against the City.

We recommended that Risk Management work with City bureaus to create a proactive, citywide approach to loss prevention and update its claims management procedures.



<i>2017 Recommendations</i>	<i>2019 Auditor’s Status Update</i>
Provide routine trend information on losses to bureaus, both bureau-specific and Citywide, to assist bureaus in developing their loss prevention programs.	Risk Management created a liability claims dashboard that is updated monthly. Bureau staff can sort data by bureau, by claim type, and by the cause of the injury or accident.
Either follow the City Code and Loss Prevention Policy or develop and follow an alternative.	Risk Management still is not following City Code and policy. It recently prepared Citywide loss prevention policy recommendations for review and comment by City bureaus. There is no timeline yet for approval by City Council.
Either reintroduce biennial service agreements with the eight bureaus with the most claims or more clearly define the services Risk Management will provide and how they will be provided.	The Risk Manager said they do not plan to reintroduce service agreements, but that the City Code and policy revisions they are currently developing should help better define and communicate Risk’s role.
Update the general and fleet liability claims policies and procedures manual to address supervisory review, staff training, consistent record keeping, and goals for service responsiveness.	Risk Management made minimal progress improving and documenting the claims management process. Staff is still in the process of drafting a proposal.



**In
Process**



**Not
Implemented**

2017 Recommendations

2019 Auditor's Status Update

Request the next City Charter Review Commission to consider raising the dollar limit for City Council approval of claims.

The Risk Manager said they are committed to developing proposed limits for the next Commission review in 2021.

Provide bureaus access and training for the Risk Management Information System.

Risk Management does not intend to provide access to bureaus. Instead it reports claims information monthly in the liability claims dashboard and provides special reports to bureaus on request.

System access was a priority for bureau safety managers we interviewed in 2017; we encourage Risk Management to confirm with bureaus that this access is no longer needed before we close this recommendation.

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