
CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Audit of the Office of Risk Management

Modified Work Assignment Program

Project No. AU17-011

March 28, 2017

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Office of Risk Management's Modified Work Assignment Program, governed by Administrative Directive (AD) 4.37, specific to civilian full and part-time employees. The audit objectives, conclusions, and recommendations follow:

Determine if management of the Modified Work Assignment Program for civilian employees is efficient and effective.

We determined that management of the Modified Work Assignment Program is efficient and effective. Specifically, we found that the Office of Risk Management met our objectives with respect to:

- Policies and procedures
- Program monitoring
- Compliance with the City Administrative Directive (AD 4.37)
- High rate of return for program participants to their original positions within the City

We make no recommendations to the Office of Risk Management; consequently, no management responses are required. Management's acknowledgement of these results is in Appendix B on page 5.

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Background

The Modified Work Assignment Program is a facet of the worker's compensation program overseen and managed by the Office of Risk Management (ORM). The primary goal of this program is to assist employees, who sustain a work-related injury or illness, to safely return to work at the earliest, medically practical time. The program is governed by A.D. 4.37 - Modified Work Assignment Program for Work Related Illnesses or Injuries.

In this program, eligible employees are placed into temporary, modified work assignments comprised of duties that accommodate their work-related injuries or illnesses suffered (e.g., equipment cleaning, clerical work, inventory, etc.). Eligible employees include full-time or part-time, non-uniformed employees who suffer temporary medical restrictions due to an on-the-job injury or work-related illness, and who have been released by their treating physician to restricted work activities.

These temporary, modified work positions are for a period not to exceed 180 calendar days or when an employee reaches Maximum Medical Improvement (MMI). MMI is a term used within the workers' compensation process for when an injured employee reaches a state where his or her condition cannot be improved with further medical care or when they have not fully recovered but the healing process has plateaued.

As of December 2016, 164 employees have participated in this program since the Modified Work Assignment Administrative Directive (AD 4.37) was revised in March 2016.

The Modified Work Assignment Program offers mutual benefits for both the injured employee and the City as presented below.¹

Employee Benefits	City Benefits
<ul style="list-style-type: none"><i>Employees remain active and mobile when returned to productive workforce, and recovery time is shortened.</i><i>Full or partial wages are earned bringing the injured employee's income closer to pre-injury wages.</i><i>Self-esteem, morale, and personal financial security are maintained or restored through gainful employment and productive lifestyle.</i>	<ul style="list-style-type: none"><i>Workers' compensation costs are reduced when temporary benefits cease.</i><i>Productivity increases and human resources are used to the maximum extent.</i><i>Medical costs are reduced and recovery time is shortened.</i>

¹ Texas State Office of Risk Management, Return to Work Program, <https://www.sorm.state.tx.us/workers-compensation/return-to-work-program/goals-objectives-and-benefits>

Audit Scope and Methodology

The audit scope was from March 2016 to December 2016 and included all non-uniformed employees participating in the Modified Work Assignment Program during this period.

We interviewed personnel from the Office of Risk Management (ORM) and Human Resources Department (HR) and reviewed department policies and procedures as well as the City's Administrative Directive related to the Modified Work Assignment Program (AD 4.37). We examined the program monitoring efforts of ORM and HR as well as the workers' compensation documents related to the Modified Work Assignment Program (e.g., work status reports, bona-fide offers for Modified Work Assignments). We randomly selected a sample of employee participants from the scope period to test for program compliance with the City Administrative Directive and the Modified Work Assignment Program including the existence of appropriate documentation and program eligibility. Additionally, we examined the employment status of participants upon completion of the program.

We relied on computer-processed data in the City's SAP system to identify the employee participants in the audit scope period from which we selected a sample for testing. Our reliance was based on performing direct tests on the data rather than evaluating the system's general and application controls. Our direct testing included evaluating the dates and number of days that employees participated in the Modified Work Assignment Program. We do not believe that the absence of testing SAP general and application controls had an effect on the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Results

The Office of Risk Management manages the Modified Work Assignment Program efficiently and effectively. Specifically, ORM:

- has detailed and current policies and procedures that align with the City's Modified Work Assignment Administrative Directive (AD 4.37).
- effectively monitors the program including the tracking of employee follow-up appointments and exhaustion of time within the program.
- ensures facilitation of the program in compliance with the City Administrative Directive by obtaining appropriate documentation and verifying eligibility of employees.

Additionally, HR makes an effort upon completion of the Modified Work Assignment Program to place employees in a new position within the City if they have sustained permanent restrictions and cannot return to the original position held before the injury occurred.

There are no findings. Consequently, we make no recommendations to the Office of Risk Management.

Appendix A – Staff Acknowledgement

Mark Bigler, CPA-Utah, CISA, CFE, Audit Manager

Daniel Kuntzelman, Auditor in Charge

Matthew Howard, CISA, Auditor

Appendix B – Management Acknowledgement



CITY OF SAN ANTONIO
SAN ANTONIO TEXAS 78283-3966

February 15, 2017

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Acknowledgement of its Review of the Audit of the Office of Risk Management's Civilian Light Duty Program

The Office of Risk Management has reviewed the audit report and provided its comments to the auditors. As there are no recommendations for management, no management responses are required.

Office of Risk Management:

Fully Agrees

Does Not Agree (provide detailed comments)

Sincerely,

Handwritten signature of Debra Ojo.

Debra Ojo
Director
Office of Risk Management

Handwritten date 3/2/17.

Date

Handwritten signature of Ben Gorzell.

Ben Gorzell
Chief Financial Officer
City Manager's Office

Handwritten date 3/15/17.

Date