

## Detailed Follow Up Report - Auditor Determined Status

Rec#	Recommendation	Auditor FollowUp	City Auditor's Status	Closed
1913	<b>Benefits Administration</b>	Issued:	<b>1/16/2019</b>	
1A	Human Resources management should re-evaluate the use of consultants to conduct City procurements and involve the Purchasing department to ensure future procurements comply with City Procurement Code. Further, obtain and retain the documentation of the process and proposals for procurements conducted by consultants.	April 2019: Human Resources and Purchasing management reported that they are working together to ensure that the benefit contracts will follow all City requirements, including retaining appropriate procurement documentation. In particular, the departments have begun working on the RFP for one of these agreements. Oct 2019: Auditors reviewed the RFP for the Investment Consulting Services for the City's deferred compensation and post-employment plans. The RFP specified the consultant's responsibilities to include "...assisting the City with developing and issuing its own RFP or other solicitation for a separately awarded firm to administer the plans..." as well as other terms describing responsibility for assisting the City in evaluating proposals and negotiating the related contracts.	Implemented	<input checked="" type="checkbox"/>
1B	Human Resources management should work closely with the Purchasing department to ensure that contracts are publicly awarded and extended in accordance with the City's Procurement Code and the contract's terms. Specifically, ensure documentation is retained of the Contract Administrator's analysis and recommendations and the Purchasing Director's concurrence when applicable.	April 2019: Human Resources and Purchasing management reported that they are working together to ensure that the benefit contracts will follow all City requirements, including retaining appropriate procurement documentation. In particular, the departments have begun working on the RFP for one of these agreements. Additionally, the Contract Administrator is using a contract matrix to track and document requirements. Oct 2019: Auditors reviewed a recent RFP and contract and two contract extensions. The HR department worked with Purchasing to follow the applicable requirements.	Implemented	<input checked="" type="checkbox"/>

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1C	Human Resources management should ensure future benefit-related agreements include clearly defined contract services and deliverables, with specific, measurable and time-based descriptions.	April 2019: Human Resources management reported that the Contract Administrator will work with Purchasing on all future benefit-related agreements for their expertise to help define contract services and deliverables with specific and measurable descriptions. Oct 2019: Auditors reviewed the recent RFP and contract for investment consultant services for the City's deferred compensation and post-employment health plans. The RFP listed the consultant's responsibilities, including assisting in developing RFPs or other solicitations, reviewing proposals and providing input on contract development.	Implemented	<input checked="" type="checkbox"/>
1D	Human Resources management should transfer the \$11,750 to the current 457(b) Plan provider to be used for administrative fees.	April 2019: Human Resources management reported that, in consultation with Accounting, rather than transferring the money to the Plan provider, they will directly pay the consultant's invoices up to the \$11,750 total. The first invoice for \$6,237.50 was paid in February. The balance is expected to be paid out in May or June 2019. Oct 2019: Auditors confirmed that the City paid \$5,512.50 to Innovest in May 2019, with the deferred comp administrator paying the rest of the invoice balance.	Implemented	<input checked="" type="checkbox"/>
2	Human Resources management should ensure applicable third-party agreements contain language to reasonably ensure employee PII and PHI is adequately safeguarded.	April 2019: In addition to information stated in the initial response, Human Resources management reported that the investment consultant stated it does not have access to PII or PHI data and it is reviewing other providers to determine if a Business Associate Agreement is needed. Auditors will review upcoming benefit contracts for the PII and PHI related contract language. Oct 2019: Auditors reviewed the new Business Associate Agreement for the Flexible Spending Account provider.	Implemented	<input checked="" type="checkbox"/>

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3A	Human Resources management should ensure staff monitor use of the available Wellness/Health Improvement Fund to maximize employee wellness programs provided each year. In addition, work with the City Treasurer's office to submit the claims and properly direct the resulting reimbursements.	April 2019: Human Resources management reported the Contract Administrator has worked with Accounting to develop a new account number for tracking and a written process to follow. Auditors will review the FY 2018/19 reconciliation and related transactions for the next update. Oct 2019: Auditors reviewed the provided spreadsheet; the recorded amounts totaling \$150,000 differed from the general ledger amounts totaling \$134,500. The reconciliation of these amounts will be reviewed for a future update. April 2020: Benefits staff provided an email from Cigna listing transactions totaling the \$150,000. From this listing, auditors were able to verify the individual payments and expense reimbursements.	Implemented	<input checked="" type="checkbox"/>
3B	Human Resources management should ensure the Contract Administrator maintains organized, complete and easily accessible contract files, including correspondence, conversation notes, issue resolution and other data pertinent to the contract.	April 2019: Human Resources management reported that benefit-related contract files have been created or updated and are secure, including electronic folders to organize correspondence, issue resolutions, notes and other information pertinent to each contract. A contract matrix has been created for each contract to define deliverables, due dates, and other notes. Auditors will review completeness of this documentation for the next update. Oct 2019: Auditors reviewed the contract administration matrix, which listed each applicable contract and specific information on key deliverables, deadlines and document locations.	Implemented	<input checked="" type="checkbox"/>
3C	Human Resources management should ensure access to network folders containing PHI and PII is limited to only those staff with a business need to access the information for their day-to-day job duties.	April 2019: Human Resources management reported that a separate folder was created for the one staff needing access to certain limited benefit-related information. Auditors confirmed her access was adjusted during the audit.	Implemented	<input checked="" type="checkbox"/>