



Office of the County Auditor

Mary Modelski

Cook County Auditor

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TONI PRECKWINKLE

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March 25, 2021

The Honorable Tony Preckwinkle, President
Board of Cook County Commissioners
118 N. Clark Street, Room 537
Chicago, Illinois 60602

Dear President Preckwinkle and Board of Commissioners:

We have conducted an audit of the Forest Preserve District of Cook County Workers' Compensation Process. We conducted our audit in accordance with the [Cook County Auditor Ordinance](#).

Our objectives for this audit were designed to evaluate the effectiveness of the internal controls in place to ensure that each Workers' Compensation claim was valid based on the required information from the employee, supervisor and any witnesses to support that an incident occurred, was reported timely and accurately, and was administered properly. The scope of our work consisted of reviewing and testing a sample of Worker's Compensation claims at the Forest Preserve District of Cook County. Our fieldwork was conducted from August 2020 through January 2021 with our scope focused on the potential worker's compensation incidents that occurred between July 1, 2020 through September 30, 2020.

Please refer to the following audit report for the results of the audit. The audit report contains one recommendation. The Executive Summary provides an overview of the audit and recommendation.

We express our appreciation for the cooperation of the Cook County Forest Preserve District staff extended to Frances M. Roybal during our audit. We have discussed our recommendation with the Forest Preserve District of Cook County staff and would be pleased to discuss them in greater detail to assist the Forest Preserve District of Cook County with their implementation of our recommendation.

Respectfully Submitted,

Mary Modelski
County Auditor

CC: Arnold Randall, Superintendent, FPDCC
Stephen Hughes, Chief Financial Officer FPDCC
Damon Howell, Comptroller, FPDCC



COOK COUNTY GOVERNMENT
OFFICE OF THE COUNTY AUDITOR

Forest Preserve District of Cook County Workers' Compensation Audit Process
Review

Internal Audit Report

Report Date:
March 25, 2021

Issued By:
Mary Modelski, County Auditor

Audit Conducted By:
Frances M. Roybal, Field Auditor IV
William Carroll, Deputy Auditor

EXECUTIVE SUMMARY

The Office of the County Auditor completed an audit of the Forest Preserve District of Cook County Workers' Compensation Process. The scope and objectives of this audit were designed to evaluate the effectiveness of the internal controls in place to ensure that each Workers' Compensation claim was valid based on the required information from the employee, supervisor and any witnesses to support that an incident occurred, was reported timely and accurately, and was administered properly. This was accomplished by gathering, reviewing and testing relevant supporting documentation to reach a conclusion on each of our audit objectives.

As a result of our audit, we noted the following recommendation regarding the internal control structure:

Prior to fiscal year 2009, the Cook County Department of Risk Management processed all Workers Compensation claims for both Cook County and the Forest Preserve District of Cook County. Policies and procedures were developed that outlined the entire Workers Compensation Claim Process. In fiscal year 2009, the Forest Preserve District of Cook County took over processing their own Workers Compensation claims. However, policies and procedures that outlined the Workers Compensation Process specific to the Forest Preserve District of Cook County were never developed. Without documented policies and procedures, changes to laws and regulations may not be documented and followed and could result in non-compliance. Additionally, well developed policies and procedures allow for a smooth transition should an employee leave the organization or is absent for an extended period.

The Forest Preserve District of Cook County should develop written policies and procedures that document the entire Workers' Compensation Process from when an incident occurs to when the incident is closed to ensure compliance with laws and regulations. The procedures should include step by step instructions and guidance for decision making and streamlining the internal processes when working remotely. The completed policies and procedures should provide a roadmap for the day to day operations of the Worker's Compensation process. ([Recommendation #1](#))

The recommendation noted was presented to the Forest Preserve District of Cook County. Please refer to the Recommendation section for more detail on the recommendation with the management responses, corrective action plans and estimated completion dates.

BACKGROUND

The Legal Department at the Forest Preserve District of Cook County is responsible for the administration and payment of Workers' Compensation benefits for injuries or illness sustained while employed with the Forest Preserve District of Cook County.

All claims are processed in accordance with the provisions of the Illinois Compiled Statutes (820 ILCS 305) Workers' Compensation Act, which states the following:

- Determine compensability of each claim in compliance and scope of employment with Cook County
- Approve medical, indemnity and other payments, contest non-compensable claims and negotiate settlements
- Maintain a data system for monitoring and controlling Workers' Compensation claims.

The Table below is a breakdown of Workers' Compensation Payments by category, totaling \$894,025.18 that were processed by the Forest Preserve District of Cook County from March 1, 2020 through September 30, 2020. Payments were recalculated and Category Amounts were verified to the Workers Compensation Reports that were submitted to the Board of Commissioners.

Expenses	Category Amount
Bill Review Expense	\$41,885.28
Copy Expense	\$83.38
Field Case Management	\$34,703.25
Independent Medical Examination	\$32,366.29
Investigation	\$2,408.44
Nurse Case Management	\$35,269.79
Prospective Utilization Review Services	\$7,460.00
Telephonic case management	\$14,579.10
Expenses Total	\$168,755.53
Indemnity/Physical Damage/Collision	
Indemnity/Physical Damage/Collision Payment	\$ 4,235.90
Permanent Total Disability	\$24,311.65
Temporary Partial Disability	\$ 3,785.60
Temporary Total Disability	\$277,784.24
Indemnity/Physical Damage/Collision Total	\$310,117.39
Medical/Bodily Injury/Comprehensive Category	
Ambulance	\$396.79
Ambulatory Surgical Center	\$41,935.72
Anesthesiology	\$6,262.00
Assistant Surgeon	\$810.55
Durable Medical Equipment	\$13,927.57
Functional Capacity	\$4,303.21
Inpatient Hospital	\$63,730.37
Laboratory	\$679.46
Medical Supply	\$726.04
Occupational Therapy	\$5,660.99
Office Visit	\$167.47
Outpatient Hospital	\$50,647.71
Pharmacy	\$24,094.85
Physical Therapy	\$110,716.70
Physician	\$59,422.54
Radiology	\$17,372.31
Surgeon	\$1,068.14
Transportation Services	\$106.40
Undetermined ¹	\$870.37
Work Hardening	\$12,253.07
Medical/Bodily Injury/Comprehensive Total	\$415,152.26
Grand Total	\$894,025.18

1 Auditor was unable to determine which category this amount was applied.

The Table below is the breakdown of Workers' Compensation Payments for the seven Claims reviewed for our selection, totaling \$165,399.70. This represents 18.5% of the total amount of payments of \$894,025.18 that were processed from March 1, 2020 through September 30, 2020.

Expense	Category Amount
Bill Review Expense	\$10,233.04
Copy Expense	\$83.38
Field Case Management	\$10,0215.50
Independent Medical Examination	\$98,19.98
Nurse Case Management	\$6,740.41
Prospective Utilization Review Services	\$1,830.00
Expense Total	\$38,728.31
Indemnity/Physical Damage/Collision	
Permanent Total Disability	\$7,470.40
Temporary Total Disability	\$61,953.05
Indemnity/Physical Damage/Collision Total	\$69,423.45
Medical/Bodily Injury/Comprehensive Category	
Ambulance	\$396.79
Ambulatory Surgical Center	\$4,461.88
Durable Medical Equipment	\$5,135.80
Laboratory	\$300.00
Medical Supply	\$316.61
Outpatient Hospital	\$439.60
Pharmacy	\$10,096.08
Physical Therapy	\$15,338.37
Physician	\$15,672.15
Radiology	\$5,070.66
Undetermined ¹	\$20.00
Medical/Bodily Injury/Comprehensive Total	\$57,247.94
Grand Total	\$165,399.70

1 Auditor was unable to determine which category this amount was applied.

AUDIT SCOPE AND OBJECTIVES

The scope and objectives of this audit were designed to evaluate the effectiveness of the internal controls in place to ensure that each Workers' Compensation claim was valid based on the required information from the employee, supervisor and any witnesses to support that an incident occurred, was reported timely and accurately, and was administered properly. The scope of our audit for potential workers compensation incidents was for the period of July 1, 2020 through September 30, 2020, while our scope for worker's compensation payments was for the period March 1, 2020 through September 30, 2020.

We expanded our scope for the worker's compensation payments back to March 1, 2020 to increase the total population of payments in which to select our sample for testing. By expanding our scope, it allowed us to select a test sample that provided coverage over a larger range of worker's compensation expenses.

Our audit objectives included:

- Determining if written policies and procedures were in place that document the entire Workers' Compensation process in the Forest Preserve District of Cook County.
- Evaluating internal controls and processes to ensure Workers' Compensation claims were valid, contain appropriate supporting documentation, and were authorized and approved.
- Assessing claim disbursements to ensure transactions were prepared accurately, completely, timely, were valid, and had appropriate supporting documentation and management authorization.
- Evaluating the controls and monitoring processes over the performance and reimbursement of the Third-Party Administrator responsible for processing medical claims on behalf of the Forest Preserve District of Cook County.
- Determining that a return to work process had been developed and operating as intended.

The following procedures were performed to assess the objectives:

- Requested Policies and Procedures that documented the Workers' Compensation Processes.
- Requested a sample of incidents and verified that internal controls were in place, incidents were valid and supporting documentation was complete.
- Requested a sample of claim disbursements to ensure that transactions were valid, prepared accurately, authorized and complete.
- Through observation and testing verified that the monitoring process and internal controls over the Third-Party Administrator who processes medical claims on behalf of the Forest Preserve District were in place and operating successfully.
- Requested Procedure that outlines the Return to Work Process and verified that it was operating as intended.

AUDIT RESULTS

Based on our analysis and evaluation of the internal controls over the Workman's Compensation process at the Forest Preserve District, we have reached the following conclusions on our audit objectives:

- Formal written policies and procedures that outline the entire Worker's Compensation process had not been developed. While formal written policies and procedures had not been developed and documented, we did determine that procedures were in place to ensure the Worker's Compensation claims were processed accurately.
- Internal controls and processes were in place and operating effectively to ensure the Workers' Compensation claim are valid, properly supported, authorized and approved.
- Worker's Compensation disbursements for approved claims were accurate, complete, timely, valid, properly supported and authorized by management.
- Adequate controls were in place to ensure that the Third-Party Administrator was reimbursed correctly and that their overall performance was monitored by the Forest Preserve District of Cook County.
- A return to work process had been developed and operating as intended.

RECOMMENDATIONS

Recommendation #1:

The Forest Preserve District of Cook County does not have a formal set of policies and procedures that outline the entire Workers' Compensation Process. Currently the only procedure that is documented is a one-page Work Injury procedure that outlines the forms that need to be completed to begin a claim. Prior to fiscal year 2009, the Cook County Department of Risk Management processed all Workers Compensation claims for both Cook County and the Forest Preserve District of Cook County. Policies and procedures were developed for Cook County Department of Risk Management that outlined the entire Workers Compensation Claim Process. In fiscal year 2009, the Forest Preserve District of Cook County took over processing their own Workers Compensation claims. However, policies and procedures that outlined the Workers Compensation Process specific to the Forest Preserve District of Cook County were never developed. Without documented policies and procedures, changes to laws and regulations may not be documented and followed and could result in non-compliance. Additionally, well developed policies and procedures allow for a smooth transition should an employee leave the organization or is absent for an extended period.

We recommend the development of written policies and procedures that are specific to the Forest Preserve District of Cook County that document the entire Workers' Compensation Process from when an incident occurs to when the incident is closed. Having documented Workers' Compensation policies and procedures in place for staff to follow is an important step to ensure Worker's Compensation claims are processed in compliance with the applicable laws and regulations. The Workers' Compensation policies and procedures should include step by step instructions and guidance for decision making and streamlining internal processes including when working remotely. The completed policies and procedures should provide a roadmap for the day to day operation of the Worker's Compensation process.

Management Response

The Forest Preserve District of Cook County concurs with the recommendation of the County Auditor for the development of written policies and procedures that are specific to the Forest Preserve District of Cook County and document the entire Workers' Compensation Process from when an incident occurs to when the incident is closed. The Forest Preserve District agrees that such policies and procedures should include step by step instructions and guidance for decision making and streamlining internal processes including when working remotely.

Estimated Completion Date

12/31/2021