

SUMMARY

The Office of the Auditor General conducted a 3rd follow-up review of the Insurance Services Department (ISD) Corrective action plan (CAP) implementation regarding audit report no. 05-01 pursuant to 12 N. N. C. § 7 (G). The 3rd follow-up review was to determine whether ISD fully implemented its corrective action plan to resolve the audit findings.

RISK MANAGEMENT PROGRAM

Finding: Cost of Risk Needs to be Properly Monitored.

- 3 of 3 corrective measures have been implemented.

WORKERS COMPENSATION PROGRAM

Finding: The Workers Compensation Program Needs To Ensure the Self-Insurance Fund Is Adequately and Not Excessively Funded.

- 1 of 2 corrective measures has been implemented.
- 1 of 2 corrective measures is in the process of being implemented.

SAFETY AND LOSS CONTROL PROGRAM

Finding: Safety and Loss Control Program Needs To Strengthen Loss Prevention Functions.

- 1 of 1 corrective measures has been implemented.

Overall, 5 of 6 corrective measures outstanding from the ISD corrective action plan approved by the Budget and Finance Committee have been implemented and one corrective measure is in the process of being implemented.

The ISD has reasonably resolved the deficiencies previously reported in the audit of ISD. In conclusion, the Office of the Auditor General lifts the sanctions against ISD and the former Department Director. In accordance with 12 N. N. C. § 9, our office will provide a memorandum to the Office of the Controller to release all withheld funds to ISD and the former Department Director.