



WSSC WATER

DELIVERING THE ESSENTIAL

Office of the Inspector General – Quarterly Audit Committee Meeting

February 17, 2021

Agenda

Action

- Approval of Agenda
- Approval of Minutes - November 18, 2020
- Approval of Proposed Audit Committee Dates
- OIG Audit Report
- Status Updates
- Adjournment

Vote

Vote

Vote

Informational



PROPOSED QUARTERLY AUDIT COMMITTEE MEETING DATES

February 17, 2021

May 19, 2021

August 18, 2021

November 17, 2021

NOTE: Meetings are subject to change.

OIG Audit Report



Performance Audit of WSSC's Retiree Benefits Plan



Executive Summary

Background

In accordance with its Fiscal Year (FY) 2019 audit plan, the Office of the Inspector General (OIG) conducted a performance audit of the Washington Suburban Sanitary Commission (WSSC) Retiree Benefits Plan. The OIG conducted the audit in conformance with the International Standards for the Professional Practice of Internal Auditing (Standards) and Generally Accepted Government Auditing Standards (GAGAS), except for the peer review requirement.

Audit Team

Jane Lewis, Supervisory Auditor
Digdem (Dee) Tok, Auditor

Executive Summary, (Cont'd.)

Objective

To ascertain whether WSSC administers its Retiree Benefits Plan according to its Standard Procedures, signed agreements, and requirements set forth in § 17-205(c)(2) of the Insurance Article of the Annotated Code of Maryland.

Scope

OIG limited the scope of the audit to self-funded healthcare and life benefits offered to WSSC retirees based on risk assessment results that determined areas of vulnerability in the Retiree Benefits Plan. The auditors reviewed subscriber invoices and records from April 2016 through March 2019.

Executive Summary, (Cont'd.)

Conclusion

WSSC administers the Retiree Benefits Plan according to its Standard Procedures, signed agreements, and statutory requirements set forth in the Maryland Annotated Code.

The OIG identified six internal control deficiencies that if addressed, could improve WSSC's administration of its Retiree Benefits Plan.

Findings & Management's Response

Findings	Risk Rating	Recommendations
I. WSSC does not verify eligibility for paid healthcare claims.	Medium	Develop procedures to verify coverage eligibility of paid healthcare claims for the WSSC Benefits Plan (including assignment of responsibility).

Findings & Management's Response, (Cont'd.)

Management agrees to expand procedures to verify eligibility for coverage and below are the action plans provided by the Human Resources Office (HRO):

- 1) Work with Third-Party Administrators and Benefit Consultants to determine best approach to verify eligibility of paid healthcare claims for WSSC Water plan participants by April 1, 2021.
- 2) Develop plan to perform reconciliation of Pension Master File and carrier invoices for fees or a carrier census (not Oracle) by June 30, 2021.
- 3) Publish updated Chapter 9.280, Insurance Plans by December 31, 2021.

Findings & Management's Response, (Cont'd.)

Findings	Risk Rating	Recommendations
2. WSSC discontinued verification of eligible Retiree Plan participants in 2016.	Medium	Establish monitoring procedures to verify coverage eligibility for plan participants and document the results of the reconciliation, and research exceptions.

Findings & Management's Response, (Cont'd.)

Management agrees with the recommendation to compare names and ID of paid administrative fees to the Pension Master File on a regular basis. Below is the action plan provided by the Human Resources Office:

Develop plan to perform reconciliation of Pension Master File and carrier invoices for fees or a carrier census (not Oracle) by June 30, 2021.

Findings & Management's Response, (Cont'd.)

Findings	Risk Rating	Recommendations
3. There is no review confirming plan participants are paying their monthly premiums.	Medium	Develop Standard Procedures to monitor plan premium contributions and prioritize the replacement of the retiree payroll (pension) legacy system with a client-server solution.

Findings & Management's Response, (Cont'd.)

Management agrees that Standard Procedures are needed to ensure retiree premium contributions are accurately collected and supports the Finance Department and Retirement Division [by] replacing the retiree payroll system with a modern technology system that integrates with Oracle.

The following Slide shows the collaborative action plans provided by the Human Resources Office, Departments of Finance and Information Technology:

Findings & Management's Response, (Cont'd.)

- 1) The Retirement Office will work with the Information Technology and Finance Departments to conduct a cost-benefit analysis to determine the best interim (short-term) solution by March 31, 2021.
- 2) The HRO will serve as subject matter expert for data transition from HRO to Retirement Office to aid in minimizing or eliminating manual processes for the new retirement pension system by July 1, 2022.
- 3) Implementation of new Retiree Payroll System by December 31, 2022.

Findings & Management's Response, (Cont'd.)

Findings	Risk Rating	Recommendations
4. A List of WSSC Retirees with a Maryland State Pension may be Inaccurate.	Medium	Reconcile the list of WSSC retiree benefits plan participants that is maintained for the Maryland State pensioners.

Findings & Management's Response, (Cont'd.)

Management agrees with the recommendations and below are the action plans provided by the Human Resources Office:

- 1) Contact the Maryland State Retirement and Pension System by March 30, 2021.

- 2) Develop a process to consistently monitor retirees and beneficiaries in the Maryland State Pension system by July 1, 2021.

Findings & Management's Response, (Cont'd.)

Findings	Risk Rating	Recommendations
5. Two WSSC Personnel Management policies conflict.	Medium	Update and align the Human Resources Personnel Management policy and procedures to reflect changes in practice.

Findings & Management's Response, (Cont'd.)

Management agrees with the recommendations and below are the action plans provided by the Human Resources Office:

- 1) Develop a team to compare Manual of Standard Procedures Chapter 9.305, Retirement and Chapter 9.280, Insurance Plans by December 1, 2020.
- 2) Review Team to draft updates to Chapter 9.305, Retirement and Chapter 9.280, Insurance Plans by April 1, 2021.
- 3) Publish updated Chapter 9.305, Retirement and Chapter 9.280, Insurance Plans by December 31, 2021.

Findings & Management's Response, (Cont'd.)

Findings	Risk Rating	Recommendations
6. WSSC Benefits Standard Procedures not aligned with practice.	Medium	Update and present for Executive Management's approval the Human Resources Personnel Management policy in Chapter 9.280 of WSSC's Manual of Standard Procedures to reflect changes in operations.

Findings & Management's Response, (Cont'd.)

Management agrees with the recommendations and below are the action plans provided by the Human Resources Office:

- 1) Complete revision of Chapter 9.280, Insurance Plans by June 1, 2021.
- 2) Publish updated Chapter 9.280, Insurance Plans by February 28, 2022.

Acknowledgement

We appreciate the assistance provided by the following offices and departments:

- 1) Human Resources Office,
- 2) Finance Department,
- 3) Information Technology Department, and
- 4) Maryland State Retirement System Office.

Questions?



Status Updates

- Follow-up on Management Action Plans
- TeamMate+
- 2nd Quarter Fraud, Waste and Abuse Report



Follow-up on Management Action Plans

Quarter Ending January 31, 2021			
Department	Corrective Actions		OIG Verified Closed Actions
	Open	Total	
General Services Department	1*	1	2
Finance Department	1	1	
Production Department			2
Information Technology Department			4
TOTAL	2	2	8
* General Services was granted three (3) extensions for this action plan.			
		Color Key	
		Remediation is due within 31-60 days for at least 1 issue.	

TeamMate+



TeamMate+ (TM+)

What is TM+?

- Web-Based Auditing Software

How long did it take?

- Approximately 5 months of administrator training and migration.
- One week of auditor end-user training

Who will use TM+?

- The OIG Audit Team
- Any WSSC Personnel who has undergone an audit or needs to fill out an assessment of their area may use TM+

Contributors: WSSC IT and Procurement Departments

TeamMate+



Wolters Kluwer



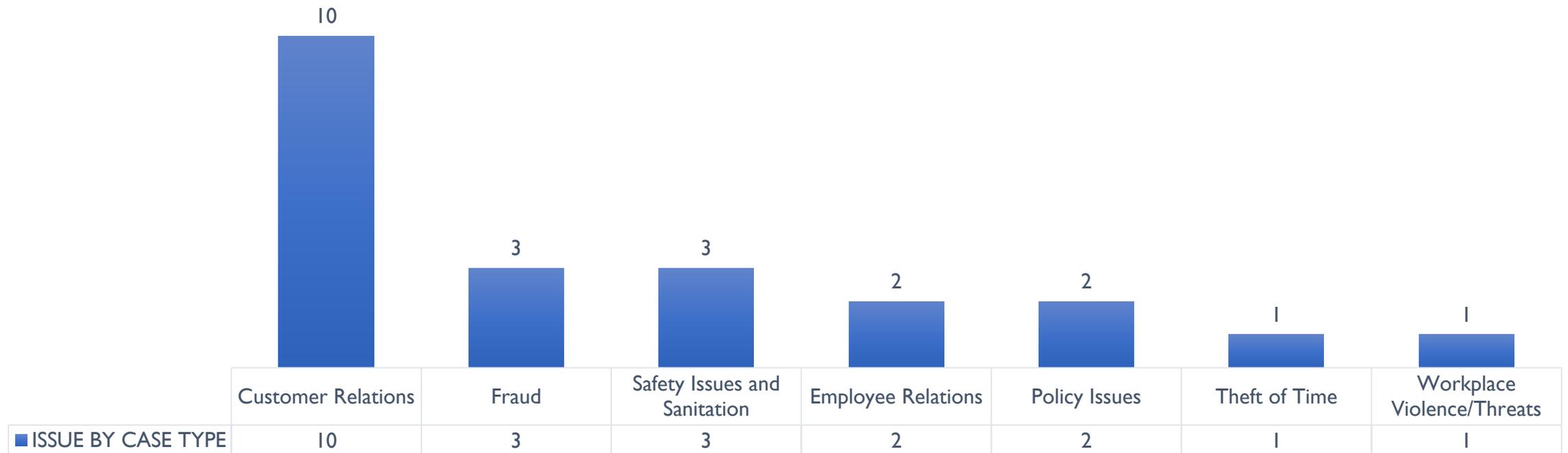
TeamMate Plus

2nd Quarter FY 2021 Fraud, Waste and Abuse Report (10/01/2020 - 12/31/2020)

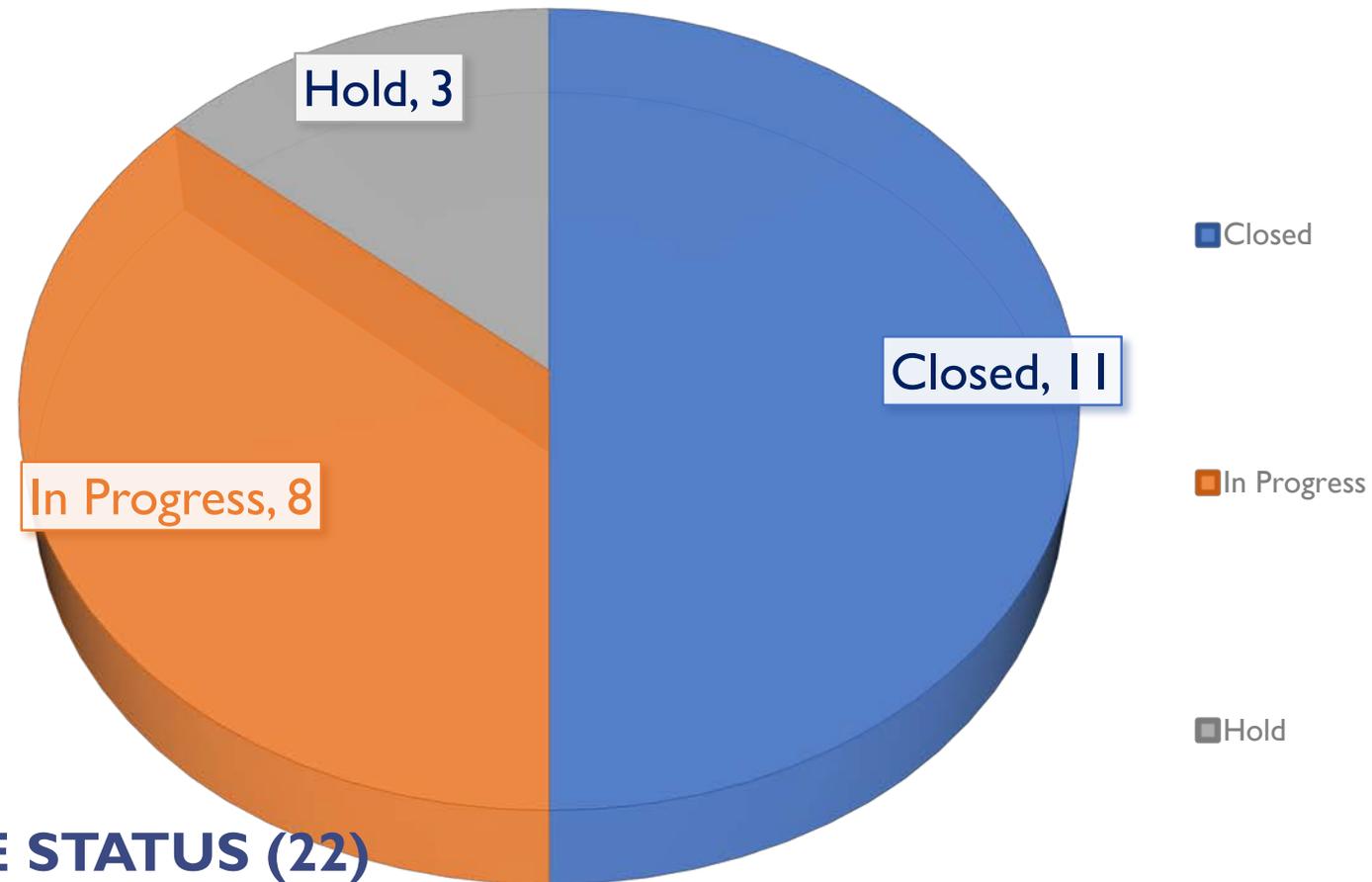


2nd Quarter FY 2021 Fraud, Waste and Abuse Report

ISSUE BY CASE TYPE (22)

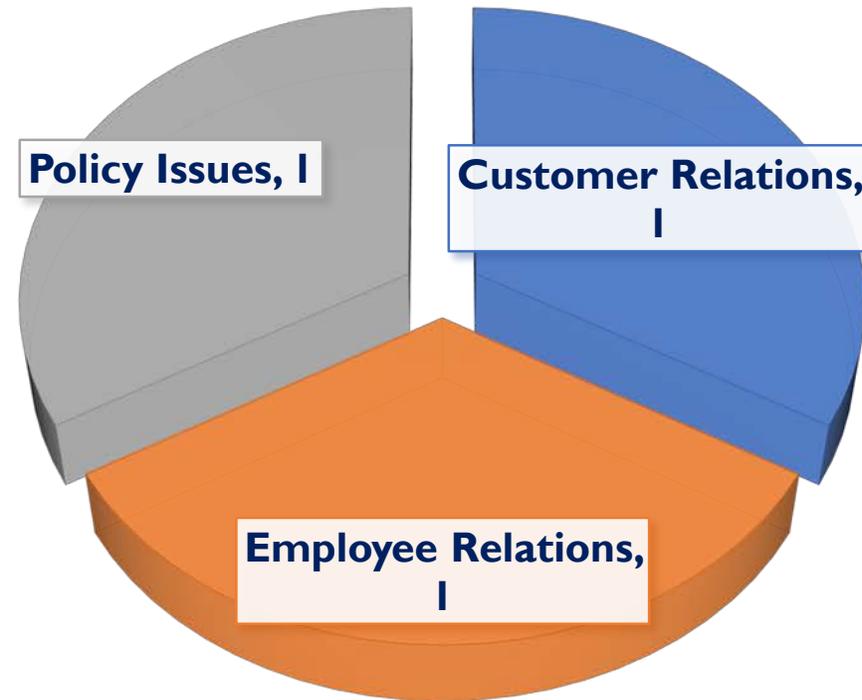


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ISSUE BY CASE STATUS (22)

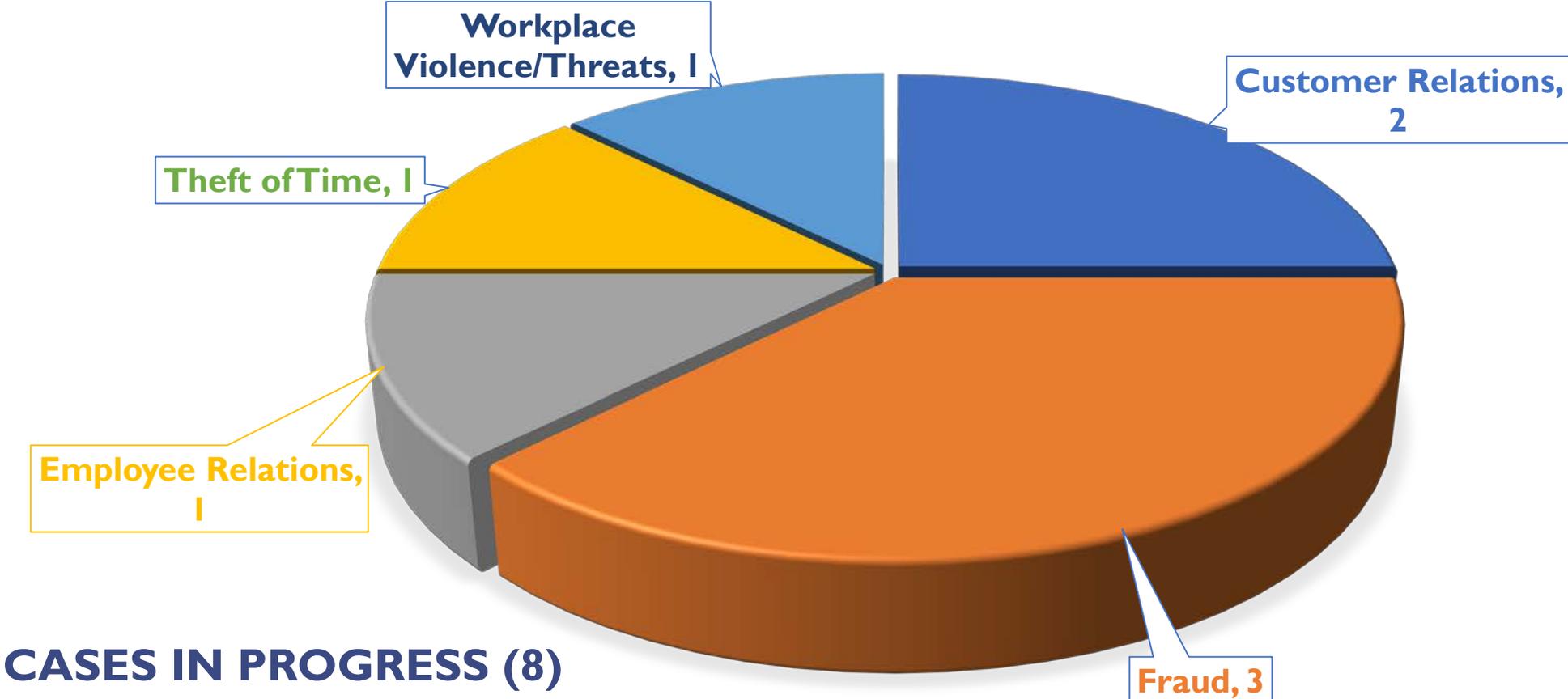
2nd Quarter FY 2021 Fraud, Waste and Abuse Report



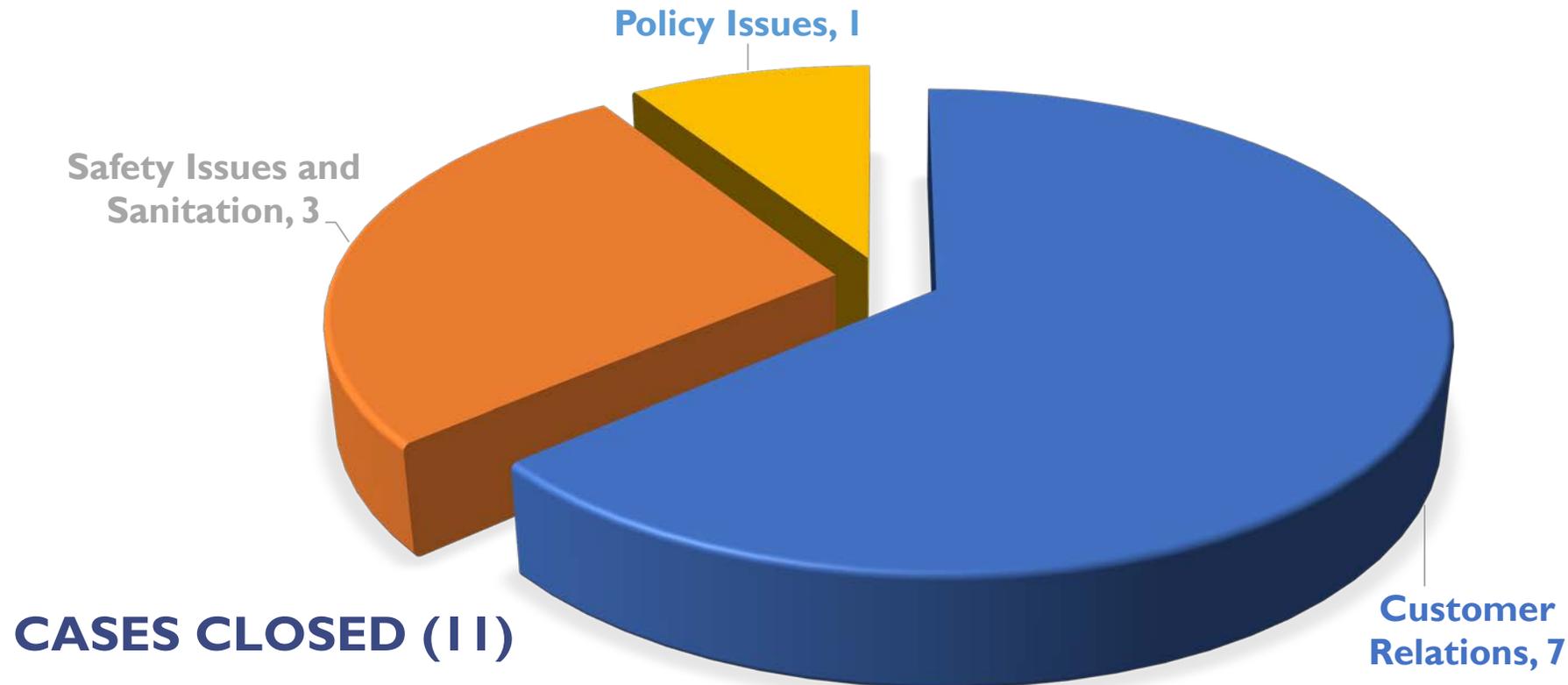
CASES ON HOLD (3)

Hold = Investigation paused
(Two cases pending legal matters, one case due to pandemic)

2nd Quarter FY 2021 Fraud, Waste and Abuse Report



2nd Quarter FY 2021 Fraud, Waste and Abuse Report



2nd Quarter FY 2021

Fraud, Waste and Abuse Report

1ST QTR vs. 2ND QTR ISSUE TYPE



Fraud, Waste and Abuse NEW LOGO



