## Risk Management: City loss prevention needs a proactive approach



## Audit highlights - June 2017

The City's Risk Management Division spends about \$16 million each year to help City bureaus avoid injuries and loss and manage and pay claims against the City if an accident occurs. We audited the **loss prevention** and **claims management** processes.

## Risk Management does not have a proactive approach to loss prevention

- Risk Management is not following City Code requirements for loss prevention, such as setting benchmarks, developing plans, and reporting to Council.
- A lack of information-sharing may hinder City safety programs.
- A central role for Risk Management is needed to champion loss prevention.
- Worker injuries are increasing.





## Risk Management handles most liability claims well

Strongly Disagree Disagree A					Strongly Agree	
Risk staff treated me with respect		10% 7%		41%	27%	
It was easy to file my claim <b>9%</b> 1			10%	43%	22%	
The decision to pay or deny the claim was clearly explained	209	%	10%	37%	23%	
Risk staff contacted me promptly after I filed my claim	17%	6	13%	41%	16%	
Risk staff responded promptly to my questions	139	%	14%	37%	18%	
	(Neutral responses not included)					

- Claimants we surveyed were positive about Risk Management services.
- The process for most claims was smooth, but for some claims we saw problems in documentation or communication.
- Council's \$5,000 threshold for review of claims needs to be revisited.

We **recommend** that Risk Management establish a proactive, Citywide approach to loss prevention and update its claims management procedures.

