



County of Los Angeles  
**CHIEF EXECUTIVE OFFICE  
OPERATIONS CLUSTER**

**DATE:** November 1, 2012  
**TIME:** 1:00 p.m.  
**LOCATION:** Kenneth Hahn Hall of Administration, Room 830

**AGENDA**

Members of the Public may address the Operations Cluster on any agenda item by submitting a written request prior to the meeting.  
Three (3) minutes are allowed for each item.

1. Call to order – Ellen Sandt
  - A) **Review of Board Policy 6.020 – Chief Information Office Information Technology Contract and Procurement Review**  
CIO – Richard Sanchez or designee
  - B) **Upcoming IT Items**  
CIO – Richard Sanchez or designee
  - C) **Treasurer and Tax Collector Risk Management Presentation**  
TTC – Mark Saladino or designee
  - D) **Department of Human Resources Risk Management Presentation**  
DHR – Lisa Garrett or designee
  - E) **eCAPS/eHR Update**  
Auditor-Controller – Wendy Watanabe or designee
2. Public Comment
3. Adjournment



RICHARD SANCHEZ  
CHIEF INFORMATION OFFICER

## COUNTY OF LOS ANGELES

### CHIEF INFORMATION OFFICE

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October 18, 2012

To: Audit Committee

From: Richard Sanchez   
Chief Information Officer

### REVIEW OF BOARD POLICY 6.020 – CHIEF INFORMATION OFFICE BOARD LETTER APPROVAL

The Chief Information Office reviewed Board Policy 6.020 and recommends the following revisions:

1. Title – revised title to appropriately reflect the broadening of policy to include review of Information Technology (IT) solicitations, procurements, and contracts.
2. Purpose – made revisions to narrative to reflect broadening of policy to include review of IT solicitations, procurements, and contracts.
3. Policy Section – added policy language to reflect the broadening of policy to review of IT solicitations, procurements, and contracts for conformance with departmental Business Automation Plans and compliance with County policies, standards, or directives
4. Date Issued/Sunset Date – extended the sunset review date to December 31, 2016.

If you have any questions, please contact me or your staff may contact Greg Melendez at (213) 253-5600 or [gmelendez@cio.lacounty.gov](mailto:gmelendez@cio.lacounty.gov).

RS:pg

Attachments (1)

c: Executive Officer, Board of Supervisors



Los Angeles County  
**BOARD OF SUPERVISORS POLICY MANUAL**

Policy #:	Title:	Effective Date:
6.020	<b>Chief Information Office Board Letter Approval <u>Information Technology Contract and Procurement Review</u></b>	06/03/97

### PURPOSE

~~To achieve maximum integration and efficiency in the implementation of information management systems. County departments have initiated or modified information management systems to increase efficiency within their operations and to improve or expand service delivery to the public. It is therefore, essential for the Chief Information Officer to review all requests from County departments for the purpose of ensuring continuity Countywide.~~

To establish a review process of Information Technology (IT) solicitations, procurements, and contracts to ensure compliance to County IT standards, consistency with County IT directions, and conformance to department IT Business Automation Plans.

### REFERENCE

June 3, 1997 Board Order, [Synopsis 104](#)

June 5, 1997 Chief Administrative Memorandum, "[Review of Automation-Related Board Letter by Chief Information Officer](#)"

June 24, 1997 Chief Administrative Officer and Chief Information Officer Joint Signature Memorandum, "[Chief Information Officer Review of Automation/Communications-Related Acquisitions and Services](#)"

April 1, 1999 Chief Information Officer Memorandum "[Procedure for Chief Information Officer Review of Board Letters](#)"

May 13, 2003 [Board Order 35](#)

November 17, 2011 [Chief Information Officer update to the "CIO Analysis"](#)

### POLICY

~~The Chief Information Officer, prior to placement on the Board Agenda, must review all~~

~~requests concerning the approval of actions related to the design, acquisition, expansion, or purchase of automated systems.~~

~~In addition, the June 24, 1997 memo expanded the existing policy to require department heads to also obtain Chief Information Officer review and approval on all purchases or consultant agreements for computer-based or telecommunications related software, equipment or services prior to finalizing such acquisitions or agreements.~~

Each department will submit to the Chief Information Officer for review all requests for lease, purchase, or other contractual acquisition of IT hardware, software, and services. The Chief Information Officer will review requests for conformance with the requesting department's IT Business Automation Plan (BAP) and compliance with County policies, standards, and directives. If the request is not in conformance or compliance, the Chief Information Officer may disapprove the request or require justification for the departure from BAP, County policy, standards, or directives.

This policy covers the following:

- IT requests prior to placement on the Board of Supervisors Agenda;
- IT purchases prior to actual purchase transaction; and
- Competitive IT bid solicitations prior to issuance.

#### RESPONSIBLE DEPARTMENT

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Chief Information Office

#### DATE ISSUED/SUNSET DATE

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**Issue Date: June 3, 1997**  
**Review Date: November 15, 2001**  
**Review Date: July 22, 2004**  
**Review Date: November 14, 2008**  
**Review Date: October 25, 2012**

**Sunset Review Date: June 3, 2001**  
**Sunset Review Date: September 17, 2003**  
**Sunset Review Date: December 31, 2008**  
**Sunset Review Date: December 31, 2012**  
**Sunset Review Date: December 31, 2016**

# Board IT Agenda Items

Department	Board IT Agenda Item	Description	Amount	CEO Cluster	New Term	Planned Hearing Date
CIO and TTC	Agreement for County Online Payment Services	<p>The eCommerce Readiness Group is concluding negotiations with a vendor selected from an RFP to replace the current Agreement for Online Payment Services. Target filing date is set for 11/21/12.</p> <p><b>Funding Sources: Convenience fees and department absorbed with CEO approval</b>  <b>Existing Agreement: N/A</b></p>	Not applicable	Operations	Five years with option to extend two one-year terms and six month-to-month extensions	
CIO	Amendment No. 1 to Agreement 77488 with POG for MPS	<p>Amendment with Print Operations Group (POG) will provide deployment assistance for Managed Print Services (MPS).</p> <p><b>Approx. Target Date: November 20, 2012</b>  <b>Funding Source: ITF</b>  <b>Existing Agreement: 77488</b></p>	\$2,738,000	Operations	3 years	
CEO Risk Management Branch	Amendment No. 4 to Agreement No. 73275 with RTI	<p>Amendment will extend the existing contract for 12 months with Risk Technologies, Inc. (RTI) for maintenance and support for the Risk Management Information System (RMIS), including an option to extend an additional 6 months.</p> <p><b>Approx. Board Date: November 13, 2012</b>  <b>Funding Source: Insurance Budget</b>  <b>Existing Agreement: 73275</b></p>	\$1,229,935	Operations	12 months with an option to extend for an additional 6 months	
DHS	Amendment No. 3 to Agreement H-701910 with Provider Advantage	<p>Amendment will allow Provider Advantage (PA) provide software which generates HIPAA-Compliant eligibility inquiries to various third-party payers as required by Federal regulations and is the primary source for the verification of eligibility for fee-for-service and managed care payers through HIPAA-Compliant 270/271 transactions. Vital for the Managed care expansion.</p> <p><b>Approx. Target Date: November 13, 2012</b>  <b>Funding Source: DHS FY 2012-13 Operating Budget</b>  <b>Existing Agreement: H-701910</b></p>	\$4,114,093	Health & Mental Health Services	5 years	

Department	Board IT Agenda Item	Description	Amount	CEO Cluster	New Term	Planned Hearing Date
DHS	Agreement to Acquire an EHR System	<p>Agreement to acquire an Electronic Health Records (EHR) System.</p> <p><b>Approx. Board Date: November 20, 2012</b>  <b>Funding Source: TBD</b>  <b>Existing Agreement: N/A</b></p>	\$780,000,000	Health & Mental Health Services	10 years plus 5 one year options	
LASD/ISAB	Consultant Agreement for an MBIS Consultant	<p>Consultant Agreement to assist LASD and ISAB to develop a Request for Proposal (RFP) for a Multimodal Biometrics Identification System (MBIS).</p> <p><b>Approximate Board Date: November 2012</b>  <b>Funding Source: Remote Access Network (RAN) Board</b>  <b>Existing Agreement: N/A</b></p>	Unknown at this time	Public Safety	2 years plus an additional 1-year option	
DPSS/CIO	Amendment No. 14 to Agreement 68587 with Unisys	<p>Amendment will exercise the last 2 option years of the second option term for the Los Angeles Eligibility Automation Determination, Evaluation and Reporting (LEADER) System to maintain support through May 13, 2015. Since this is a two department board letter, a CIO Analysis will not be needed.</p> <p><b>Approx. Board Date: December 4, 2012</b>  <b>Funding Source: State, Food and Nutrition Service (FNS), and Centers for Medicare &amp; Medicaid Services (CMS) Federal agencies</b>  <b>Existing Agreement: 68587</b></p>	\$54,000,000	Children & Families Well-being	2 years	

Department	Board IT Agenda Item	Description	Amount	CEO Cluster	New Term	Planned Hearing Date
DPW	Contract for Alamitos Barrier Project and Dominguez Gap Barrier Project Telemetry System Maintenance Services	<p>Contract for Alamitos Barrier Project &amp; Dominguez Gap Barrier Project Telemetry System Maintenance Services.</p> <ul style="list-style-type: none"> <li>• Background: The Dominguez Gap and Alamitos Barriers are seawater barriers that are designed to inject freshwater into underground aquifers to create protective pressure ridges and prevent seawater from contaminating groundwater supplies. Portions of the Dominguez Gap and Alamitos Barriers are outfitted with Supervisory Control and Data Acquisition (SCADA) systems that enable operators to remotely monitor conditions and control equipment through COTS user interfaces. Other portions of the barrier systems are manually operated.</li> <li>• Scope: Inspection, maintenance, as-needed repairs, including software configuration and re-programming, and the integration of the manual segments into the automated systems. Note: the Dominguez Gap and Alamitos Barrier systems will remain separate.</li> </ul> <p><b>Approx. Board Date: Late Jan/early Feb 2013</b>  <b>Funding Source: Flood Fund (No County General funds)</b>  <b>Existing Agreement: N/A</b></p>	\$600,000 per year for up to 5 years	Community & Municipal Services	1 year + four optional 1 year extensions	
CEO/DHS	Agreement to Purchase IBM Initiate software licenses and services for County's EMPI	<p>Agreement to purchase software licenses and services to implement County's Enterprise Master Person Index (EMPI) in conjunction with Los Angeles Network for Enhanced Services (LANES).</p> <p><b>Approx. Board Date: December 2012</b>  <b>Funding Source: ITF</b>  <b>Existing Agreement: N/A</b></p>	Est. \$3,000,000	Health & Mental Health Services	10 years	
LASD	Sole Source Agreement with DataWorks Plus	<p>Sole Source Agreement for hardware/software updates and customization. Sole Source Advance Notification submitted on 3/14/12. Dataworks is used by the Sheriff for capturing mugshots and facial recognition.</p> <p><b>Approx. Board Date: TBD</b>  <b>Funding Source: Automated Fingerprint Identification System (AFIS) Fund</b>  <b>Existing Agreement: N/A</b></p>	Est. \$1,400,000	Public Safety	2 year term with 2 one-year options	

Department	Board IT Agenda Item	Description	Amount	CEO Cluster	New Term	Planned Hearing Date
CIO	Use of ITF for Enterprise IT Security and Privacy Awareness Training Software	Use of ITF to acquire and implement the enterprise IT Security and Privacy Awareness training content for use in the County's Learning Net.  <b>Approx. Board Date: June 2013</b> <b>Funding Source: ITF</b> <b>Existing Agreement: N/A</b>	\$240,000	Operations	N/A	

**County of Los Angeles  
TREASURER AND TAX COLLECTOR  
RISK MANAGEMENT OVERVIEW  
November 1, 2012**

**Purpose**

This Risk Management Overview was developed to identify risk issues, trends, and mitigation measures taken by the Treasurer and Tax Collector (TTC) to minimize risk to Los Angeles County (County). This report will review three primary risk issues and the efforts implemented by the TTC to mitigate them.

**Department Overview**

The TTC is responsible for four major program areas:

Treasury Management – The TTC has delegated authority to invest and reinvest the funds of the County and the funds of other depositors. Annually, the Treasurer prepares an Investment Policy, in conformance with the California Government Code, which includes a list of securities in which the Treasurer may invest, including the maximum allowable percentage by security type, the maximum maturity, the maximum par value per issuer, the minimum ratings per issuer, and the criteria for selecting security brokers and dealers. The Treasury Pool was valued at approximately \$21 billion as of June 30, 2012, and has approximately 1,700 participants, including County departments, school districts, and special districts.

Tax Collections – The Department’s tax collection operation includes Secured and Unsecured Property Taxes, Delinquent Account Collection Services, Business Licenses, and Public Health Licenses. This program bills and collects a total property tax roll approximating \$14 billion, and also oversees a uniform Countywide collection program through the consolidation of the collection functions of the various County departments to provide timely and efficient recovery of revenue. The department also receives accounts for and audits the County’s Transient Occupancy Tax, Utility User Tax, and Business License Tax – Waste Disposal Facilities.

Public Administrator – The Public Administrator (PA) annually investigates approximately 2,500 estates for decedents who resided or had property in the County where no executor, legatee or heir is appointed to administer these estates. In addition, the PA handles the estates and provides trust accounting and property management services for approximately 5,600 Department of Mental Health conservatees.

Administration/Systems – This is the staff support and resources necessary for the efficient operation of the Department, including facilities management, personnel/payroll, mailroom services, procurement, fiscal services, contracts, and systems.

The majority of TTC’s offices are located in the Kenneth Hahn Hall of Administration with the exception being the PA, which occupies the eighth and ninth floors of the Hall of Records and oversees a 122,000 square foot warehouse in the City of Industry, and the Tax Collection Operation which has a small office in the County’s north County office complex. During the peak property tax season, the north County office is available to north County customers who want the convenience of paying their annual tax bills locally.

Risk Management Coordinator:	Sandra Pina-Barbee
Safety Officer/Coordinator:	Sandra Pina-Barbee
Return-to-Work Coordinator:	Daniel Kim

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**Risk Issues, Trends, and Mitigation Measures**

**RISK ISSUE No. 1**

**Issue:** Effective oversight and monitoring of the County Treasury Pool and the Treasurer's cash on hand.

**Trends:** Maintaining a steady focus on the protection of financial assets.

**Mitigation Measures:**

The TTC has implemented a comprehensive system of internal controls to provide effective monitoring and compliance oversight. These mechanisms include, but are not limited to, the following:

**TREASURY OVERSIGHT**

- **Annual Investment Policy Review**

Annually, the Treasurer requests the Board of Supervisors (BOS) to delegate the authority to invest and reinvest County funds and the funds of other depositors in the County Treasury, to the Treasurer, as allowed under the California Government Code. The BOS adopts an Investment Policy, which is available for public review and comment. The Treasurer posts the approved Investment Policy on the Treasurer's website.

- **Compliance Oversight**

The Treasurer has developed a comprehensive system of internal controls to protect the County's financial assets. Chief among these is the separation of the cash projection, investment, and accounting/compliance functions in the Treasury, each reporting to a different executive manager (i.e., Assistant TTC). All three functions are staffed with professionals with many years of experience, several of whom have obtained professional certifications of Certified Public Accountant, Certified Internal Auditor, and Certified Treasury Professional. As stated in the Treasurer's Investment Policy, the Treasurer's Internal Controls Branch (ICB), which is distinct from the Investment Office, reviews all investment transactions made by the Investment Office to ensure compliance with the Investment Policy. The ICB is also responsible for approving and issuing all approved issuer and broker/dealer lists.

- **Monthly Reporting to the BOS**

The Treasurer provides a comprehensive investment report monthly to the BOS, including a description of investment exceptions, if any, to the Investment Policy. The Treasurer also posts this information on the department's website.

- **Quarterly Review of the Statement of Net Assets**

The County Code (Section 2.10.070) requires the Auditor-Controller (A-C) to perform, or cause to be performed, reviews of the Treasury's Statement of Net Assets every quarter. As part of this process, the A-C conducts surprise cash counts of the cash on hand in the Treasury. The external auditors perform a quarterly review to test and confirm the Treasurer's cash held by banks and investments held by the Treasurer's custodian, and reconcile cash and investments held by banks and the custodian to the books and records of the Treasurer and the A-C. The Treasurer has consistently received reports with few, if any, issues noted.

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- **Annual Financial Statements**

The Government Code (Sections 27130 to 27137) requires annual audits of the Treasury. Each year, the Treasurer's Statement of Net Assets and Statement of Changes in Net Assets are audited by an independent Certified Public Accountant firm in accordance with generally accepted auditing standards and Government Auditing Standards. The external auditors also determine the Treasurer's compliance with applicable investment limitations in the Code and the Treasurer's Investment Policy.

**CASH AND CHECKS**

- The TTC recently upgraded its Closed Circuit Television (CCTV) System at the Cashier Windows located on the first floor of the Kenneth Hahn Hall of Administration to include high resolution megapixel cameras above each cashiering station and digital recording/storage capabilities with storage capacity for approximately 18 months of images.
- To ensure appropriate monitoring and oversight, access and review of the CCTV images are limited to authorized management level personnel.
- To assist internal investigations, the retention period for captured network images is 18 months.
- The TTC is depositing paper payments (e.g., checks) directly with its banks using the electronic Automated Clearing House and Image Cash Letter processes; thereby, minimizing the risk of theft.
- A high capacity shredder was installed to safeguard confidential customer information and prevent the potential for identity theft.
- To reduce the number of payments (e.g., checks) coming into the Department and to provide additional payment options for taxpayers, the TTC offers on-line payments through the TTC internet site.
- The department also has a number of long standing policies and procedures in place to minimize fraud, theft, and abuse (e.g., posting of the official department receipt at our cashiering windows).

**Results:**

- The TTC has consistently received clean (non-qualified) audit opinions on financial statements.
- Compliance with the Investment Policy is checked daily and any exceptions are reported to the BOS on the monthly Investment Report.
- Installation of the upgraded CCTV System provides an increased level of security for both TTC employees and the public and serves as a strong deterrent for theft. Since implementing the CCTV System, there have been no reported incidents of theft/loss.

**RISK ISSUE No. 2**

**Issue:** The prevention of loss, waste and/or misappropriation of PA estate assets.

**Trends:** As mandated by Section 7600, et seq., of the California Probate Code, the PA provides administration of the estates of decedents who were residents of the County. In meeting this fiduciary responsibility, the PA performs a variety of services relating to estate administration. Failure to meet this obligation can result in potential liability/lawsuits by creditors and/or heirs of the estates, negative public perception, Court imposed penalties, and diminished public trust.

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**Mitigation Measure:**

To prevent the loss, waste or misappropriation of estate assets and to emphasize employee health and safety, the TTC has implemented the following measures:

- Duties involving estate assets that are in physical form are performed in *dual custody* – meaning two or more PA staff are present, or in the case of an initial cursory search at the decedent's residence, a PA deputy and a witness (usually a family member, landlord or neighbor).
- Estate assets are documented on official property sheets to account for each item.
- For proper identification, an identification badge, and monogrammed jacket and cap are provided to the deputies to be worn when in the field.
- To enhance employee safety, protective clothing and safety gear (i.e., Tyvek suits, gloves, booties, face masks, etc.) is provided to employees to limit exposure to contamination and hazardous work environments.
- When medications are found, they are sealed in clear plastic bags and disposed of through a contracted medical waste vendor.
- Weapons are properly inspected by trained PA deputies and cleared before transport. In collaboration with County Sheriff's personnel, cleared weapons are inspected by law enforcement personnel to certify that the weapons have not been used in the commission of a crime. Once cleared and certified, the weapons are properly disposed of through an approved vendor.
- Annual weapons training is provided to PA deputies through the Sheriff's Department. This training teaches the deputies weapon safety and emphasizes the appropriate handling and clearing of firearms.
- To ensure public safety, locks, alarms, and physical barriers are affixed to residential doors and windows, storage units, and vehicles to prohibit illegal access to secured residences and/or items stored in the PA's vault and various locations in the warehouse.
- PA deputies are certified by the California State Association of PA, Public Guardians, and Public Conservators, as required by Probate Code § 7605. Certification requires PA deputies to complete 20 hours of training every two years. The deputies also attend regional conferences and receive journeymen training classes offered by TTC management.
- The TTC Vehicle Usage Policy is reviewed with all PA employees that utilize vehicles in the course of their assignments.
- Personal property belonging to decedents is sealed in wooden crates and unopened until the sale of the property or the Probate Court makes a ruling regarding distribution of the property.
- Crates of estate and conservator assets are secured at the warehouse and handled by certified forklift drivers to ensure proper handling and to prevent injury.

**Results:**

- Training and oversight provided by TTC managers have emphasized risk management issues with PA staff to reduce the likelihood of incidents of loss and/or mishandling of estate assets.
- Employees exercise appropriate use of safety gear which has enabled them to protect themselves and their co-workers from injury and/or exposure.
- Dual custody activities have contributed to the accurate accounting of monetary collections and compliance with County policies and guidelines.
- Thorough and complete property sheets have resulted in the accurate recordation and accountability of estate assets.

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**RISK ISSUE No. 3**

**Issue:** Reducing repetitive motion injuries and enhancing workplace safety.

**Trends:** The majority of the TTC's functions involve employees performing their duties in a seated position utilizing a desktop computer. Due to the impact of budget curtailments and a need to minimize lost productivity due to industrial injuries (i.e., Workers' Compensation claims), preventative measures must be taken to increase employee safety, promote proper ergonomic principles, and reduce repetitive motion injuries.

**Mitigation Measure:**

In an effort to reduce/prevent workplace injuries to TTC employees and to enhance employee safety, the TTC has implemented the following preventative measures:

- Developed an Ergonomics Policy to apprise employees of the proper techniques for using office equipment.
- The facilities manager, in conjunction with the respective division manager, conducts monthly office safety and security inspections to identify and correct safety/security issues before they happen.
- Ergonomic equipment is provided to all employees, including ergonomic keyboards to reduce the potential for carpal tunnel injuries, ergonomic seating to reduce stress on the lower back, and chair mats for easier mobility at workstations.
- Developed a training class for supervisors and managers to assist them in recognizing unsafe work conditions and/or practices, and additional training on responding to injuries in the workplace.
- Requested *Ergonomic Evaluator Training* from the CEO's Office of Risk Management to train our Return-to-Work Coordinator, Facilities Coordinator, and Supply Officer to serve as Ergonomic Evaluators.
- Expanded the TTC newsletter, The Money Minder, to include a *Risk Management Corner* that features articles regarding various risk management issues. The articles enhance employee awareness of risk management issues and reiterate the role of every employee's responsibility to reduce risk.
- The TTC has consistently communicated to all levels of management that "every manager is a risk manager."

**Results:**

- TTC employees understand that *risk management* is a priority for the TTC and they now have a greater knowledge and understanding of risk management issues.
- Greater focus on risk management efforts has enabled the TTC to promote preventative measures as a means to reducing workplace injuries.
- Increased training with TTC supervisors and management has led to a greater dissemination of risk management information.

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**Metrics**

**1. Liability Claim Performance**

Measure	Actual FY 2009-10	Actual FY 2010-11	Actual FY 2011-12
Total number of all claims. <sup>1</sup>	65	102	48
Number of General Liability claims.	65	102	48
Total paid <sup>2</sup> for General Liability claims.	\$290,891	\$202,676	\$158,000
Number of Vehicle Liability claims.	0	0	0
Total paid <sup>2</sup> for Vehicle Liability claims.	\$0	\$0	\$0
Number of Medical Malpractice claims.	0	0	0
Total paid <sup>2</sup> for Medical Malpractice claims.	\$0	\$0	\$0

1. Number of claims is the total of all claims (including all suffixes) entered into the Risk Management Information System (RMIS) during the fiscal year.
2. Total paid is based on transaction dates within each fiscal year as listed in RMIS.

**2. Workers' Compensation Claim Performance**

Measure	Actual FY 2009-10	Actual FY 2010-11	Actual FY 2011-12
Number of new Workers' Compensation claims filed during the period.	19	14	25
Total Workers' Compensation expense paid during the period.	\$1,147,367	\$979,488	\$1,050,095
Total paid for Salary Continuation/Labor Code 4850 during the period.	\$67,569	\$46,729	\$34,078
Number of employees <sup>1</sup> as of June 30.	467	458	468
Workers' Compensation Claim Report Rate (number of claims reported per 100 employees) for the period.	4.07	3.06	5.34
Benchmark: Countywide Average Workers' Compensation Claim Report Rate (all departments).	10.8	11.7	11.2
Benchmark: Countywide Average Workers' Compensation Claim Report Rate (all departments, excluding Fire, Probation, Sheriff).	6.2	6.7	7.5
Benchmark: Countywide Average Workers' Compensation Claim Report Rate (Fire, Probation, and Sheriff only).	23.2	25.0	22.8
Workers' Compensation Expense Rate (expenses paid per current employee). <sup>2</sup>	\$2,457	\$2,139	\$2,244
Benchmark: Countywide Average Workers' Compensation Expense Rate (all departments).	\$3,027	\$3,266	\$3,505

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Benchmark: Countywide Average Workers' Compensation Expense Rate (all departments, excluding Fire, Probation, Sheriff).	\$2,020	\$2,179	\$2,258
Benchmark: Countywide Average Workers' Compensation Expense Rate (Fire, Probation, Sheriff only).	\$5,725	\$6,167	\$6,822

1. Number of employees is the sum of currently filled full-time and part-time positions.
2. Workers' Compensation Expense Rate is amount paid in a given year divided by the current employee count. The amount paid includes payment for claims of current and former employees, including retirees.

**3. Return-to-Work Performance (industrial and non-industrial cases)**

Measure	Actual FY 2009-10	Actual FY 2010-11	Actual FY 2011-12
Number of active return-to-work cases as of June 30.	Began tracking in FY 2010/11	17	25
Number of cases closed in the prior year.	Began tracking in FY 2010/11	8	21
Number of employees on work hardening transitional assignment agreements as of June 30.	Began tracking in FY 2010/11	2	5
Number of employees on conditional assignment agreements as of June 30.	Began tracking in FY 2010/11	0	0

**4. Vehicle and Fleet Safety Performance**

Measure	Actual FY 2009-10	Actual FY 2010-11	Actual FY 2011-12
Number of Department-owned vehicles.	8	8	8
Total number of vehicle accidents involving Department-owned (or leased) vehicles.	0	0	0
Total cost paid for damage involving Department-owned (or leased) vehicles (not including third party claim/damage cost).	\$0	\$0	\$0
Number of miles driven by Department-owned (or leased) vehicles.	Began tracking in FY 2011/12	Began tracking in FY 2011/12	41,034
Number of vehicle accidents involving Department-owned (or leased) vehicles per 100,000 miles driven.	0	0	0
Number of Department permittee drivers as of June 30.	114	126	119
Total number of vehicle accidents involving permittee drivers.	0	0	0
Total cost paid for damage involving vehicles driven by permittee drivers (not including third party claim/damage cost).	\$0	\$0	\$0

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Number of permittee miles driven during period.	98,913	105,469	92,350
Amount paid (52 cents per mile)	\$51,435	\$54,844	\$48,022
Number of vehicle accidents involving permittee drivers per 100,000 miles driven.	0	0	0

**County of Los Angeles**  
**DEPARTMENT OF HUMAN RESOURCES**  
**RISK MANAGEMENT OVERVIEW**  
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**Purpose**

As directed by the Board of Supervisors on February 21, 2012, the Department of Human Resources Risk Management Overview was developed to describe risk issues, trends, and mitigation measures undertaken to address these risks.

This overview provides information about three risk issues in the department, trends or other reasons the risk issue is important, and mitigation measures.

**Department Overview**

The Department of Human Resources manages the County's human resources policy development and implementation in the areas of recruitment and selection, promotion, performance management, discipline, advocacy, equity complaints, salary, benefits, and appeals. Risk exposure to the Department includes potential bodily injury to employees and customers (slips, trips and falls) at our headquarter and satellite offices, damage to the Departmental-owned vehicle, lawsuits related to bodily injury and/or property damage as a result of automobile accidents by our mileage permittee drivers. Employment liability claims are also a potential risk for the Department of Human Resources, which includes claims of discrimination, harassment, and retaliation.

Although the Department of Human Resources has a low number of liability claims and has a significantly low benchmark rate of 2.7, it has continued to make improvements in controlling liability costs through measures such as conducting mandatory Risk Management training, reviewing DHR's current ergonomic program and trends on an annual basis, cross-training staff on its Return-to-Work best practices and implementing the "How Am I Driving" bumper sticker program for the Department's messenger vehicle.

Risk Management Coordinator Name:	Gina Lugo-Tully
Safety Officer/Coordinator Name:	Gina Lugo-Tully
Return-to-Work Coordinator Name:	Agnes Dinh

**County of Los Angeles**  
**DEPARTMENT OF HUMAN RESOURCES**  
**RISK MANAGEMENT OVERVIEW**  
**November 1, 2012**

**Risk Issues, Trends, Mitigation Measures**

<b>RISK ISSUE #1</b>
<p><b>Issue:</b></p> <p>Liability arising from Workers' Compensation claims due to cumulative trauma over the course of employment.</p>
<p><b>Trends:</b></p> <p>Increasing frequency of Workers' Compensation claims related to ergonomics and material handling.</p>
<p><b>Mitigation Measure:</b></p> <p>The following actions have been and will continue to be taken:</p> <ul style="list-style-type: none"><li>• Education of employees regarding workplace safety by conducting the Injury and Illness Prevention Program (IIPP), Back Safety &amp; Material Handling, and Ergonomic Training for employees. These training classes will be required every two years by all employees.</li><li>• Ergonomic evaluations for new and transferred employees will be conducted within the first 45 days from their start date with Department of Human Resources.</li><li>• Annual review of the Department's active ergonomic program to help raise awareness of ergonomic-related issues and to determine if any changes to the program are warranted.</li><li>• Safety alerts to all employees will be disseminated on a quarterly basis to keep employees informed of workplace safety.</li></ul>
<p><b>Results:</b></p> <p>The intention of mandating the three Risk Management courses on a biannual basis is to help educate employees on potential hazards and to raise awareness regarding workplace safety. By conducting ergonomic evaluations early, the Department is able to identify potential ergonomic issues within the first 45 days of their employment with DHR in order to alleviate potential liability and address ergonomic issues immediately. To expand DHR's efforts further, the Department engages in an annual review of its active ergonomic program in conjunction with CEO Risk Management to consult and make improvement where it is necessary.</p>

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**RISK ISSUE #2**

**Issue:**

Ongoing/proactive approach to potential new liability claims.

**Trends:**

The department does not have any significant trends that can be identified through the workers' compensation and liability loss data.

**Mitigation Measure:**

The following actions have been and will continue to be taken:

- Ongoing review of County liability claims to identify issues that might arise in DHR so preventative measures may be taken before a loss occurs.
- Study injury trends in order to make recommendations on department-wide best practices.
- All mileage permittee drivers are required to submit their annual re-certification documents to obtain approval to drive a department-owned vehicle each January. Mileage permittee forms are required when employees are driving privately-owned vehicles for County business.

**Results:**

Any liability issues that have been identified have been actively addressed. The Department of Human Resources has partnered with CEO Risk Management on a number of issues to ensure that the Department is taking the most appropriate course of action. This includes conferring with CEO Risk Management regarding the implementation of the "How Am I Driving" bumper sticker program. To minimize an increase in liability claims, DHR requires that all employees who are requesting mileage reimbursement complete their mileage permittee certifications forms. The Department will not reimburse employees for their mileage expenses without the completion and approval of these forms.

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**RISK ISSUE #3**

**Issue:** Enhancing the Return-to-Work Program

**Trends:**

The number of active Workers' Compensation, FMLA (employees' own serious health conditions) and Reasonable Accommodation (to perform essential job functions) cases has increased during the last fiscal period. Over the past three fiscal years, the Department's number of active claims has fluctuated by 81%.

<u>Fiscal Year</u>	<u># of Claims</u>	<u>% of Increase</u>
2009-10	32	+ 23%
2010-11	44	+ 37%
2011-12	58	+ 31%

The majority of Return-to-Work cases received by the Department are related to FMLA. Of the 58 active cases handled in the last fiscal year, 48 cases were related to FMLA and three of the cases represented employees who were on long term leave.

**Mitigation Measure:**

The following actions have been and will continue to be taken:

- Cross-train departmental HR staff on FMLA and Return-to-Work best practices to proactively manage the increase in new cases.
- Conduct a trend analysis to identify the frequency and type of claims being filed.
- Continue existing practice of requiring all DHR employees to complete safety and ergonomic training every two years.

**Results:**

A review of the data revealed that the number of active cases has increased due to the addition of staffing. As of July 1, 2011, the Department of Human Resources acquired 62 additional employees which increased the number of employees and potential liability. As an effort to limit future potential liability, DHR has continued its existing practice of educating both new and existing employees on workplace safety as well as conducting ergonomic evaluations within the first 45 days of their employment with the Department. Additionally, DHR has spent approximately \$4,600 in ergonomic equipment during the last fiscal year to assist our employees in completing their work assignments safely.

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**Metrics**

**1. Liability Claim Performance**

Measure	Actual FY 2009-10	Actual FY 2010-11	Actual FY 2011-12
Total number of all claims. <sup>1</sup>	2	0	1
Number of General Liability claims.	2	0	1
Total paid <sup>2</sup> for General Liability claims.	\$42,242	\$14,532	\$16,658
Number of Vehicle Liability claims.	0	0	0
Total paid <sup>2</sup> for Vehicle Liability claims.	\$0	\$0	\$0
Number of Medical Malpractice claims.	0	0	0
Total paid <sup>2</sup> for Medical Malpractice claims.	\$0	\$0	\$0

1. Number of claims is the total of all claims (including all suffixes) entered into the Risk Management Information System (RMIS) during the fiscal year.
2. Total paid is based on transaction dates within each fiscal year as listed in RMIS.

**2. Workers' Compensation Claim Performance**

Measure	Actual FY 2009-10	Actual FY 2010-11	Actual FY 2011-12
Number of new Workers' Compensation claims filed during the period.	5	13	8
Total Workers' Compensation expense paid during the period.	\$117,300	\$84,458	\$156,879
Total paid for Salary Continuation/Labor Code 4850 during the period.	\$24,633	\$7,845	\$13,561
Number of employees <sup>1</sup> as of June 30.	269	248	296
Workers' Compensation Claim Report Rate (number of claims reported per 100 employees) for the period.	1.86	5.24	2.70
Benchmark: Countywide Average Workers' Compensation Claim Report Rate (all departments).	10.8	11.7	11.2
Benchmark: Countywide Average Workers' Compensation Claim Report Rate (all departments, excluding Fire, Probation, Sheriff).	6.2	6.7	7.5
Benchmark: Countywide Average Workers' Compensation Claim Report Rate (Fire, Probation, Sheriff only).	23.2	25.0	22.8
Workers' Compensation Expense Rate (expenses paid per current employee). <sup>2</sup>	\$436.06	\$340.56	\$530.00
Benchmark: Countywide Average Workers' Compensation Expense Rate (all departments).	\$3,027	\$3,266	\$3,505
Benchmark: Countywide Average Workers' Compensation Expense Rate (all departments, excluding Fire, Probation, Sheriff).	\$2,020	\$2,179	\$2,258
Benchmark: Countywide Average Workers' Compensation Expense Rate (Fire, Probation, Sheriff only).	\$5,725	\$6,167	\$6,822

1. Number of employees is the sum of currently filled full-time and part-time positions.
2. Workers' Compensation Expense Rate is amount paid in a given year divided by the current employee count. The amount paid includes payment for claims of current and former employees, including retirees.

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**3. Return-to-Work Performance (industrial and non-industrial cases)**

Measure	Actual FY 2009-10	Actual FY 2010-11	Actual FY 2011-12
Number of active return-to-work cases as of June 30.	32	44	58
Number of cases closed in the prior year.	12	15	24
Number of employees on work hardening transitional assignment agreements as of June 30.	7	10	5
Number of employees on conditional assignment agreements as of June 30.	0	3	4

**4. Vehicle and Fleet Safety Performance**

Measure	Actual FY 2009-10	Actual FY 2010-11	Actual FY 2011-12
Number of Department-owned vehicles.	1	1	1
Total number of vehicle accidents involving Department-owned (or leased) vehicles.	0	0	0
Total cost paid for damage involving Department-owned (or leased) vehicles (not including third party claim/damage cost).	0	0	0
Number of miles driven by Department-owned (or leased) vehicles.	Data Not Available	Data Not Available	Data Not Available
Number of vehicle accident involving Department-owned (or leased) vehicles per 100,000 miles driven.	0	0	0
Number of Department permittee drivers as of June 30.	172	134	213
Total number of vehicle accidents involving permittee drivers.	0	0	0
Total cost paid for damage involving vehicles driven by permittee drivers (not including third party claim/damage cost).	0	0	0
Number of permittee miles driven during period.	42,292	14,531	34,711
Number of vehicle accidents involving permittee drivers per 100,000 miles driven.	0	0	0