

# Office of the City Auditor

## Audit Scope Statement

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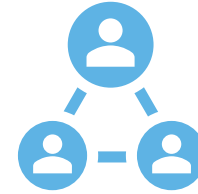
# Separated Employee Benefits Termination

Finance, Governance, and Public Safety Committee – June 21, 2023

Audit Team: Ruth Beyene and Jonathan Lecuyer



# Background- Self Insure Entity



## Healthcare System Board of Trustees

- Manage and direct the affairs of the healthcare system

## BlueCross BlueShield

- City's Healthcare Administrator

## Human Resources Benefits Division

- Coordinates benefits for eligible employees
- Processes payments for all benefits

# Why Audit Separated Employee Benefits Termination?

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- ◆ City plans to spend \$95 million on health benefits for FY24
- ◆ Covers about 9,500 employees and their dependents (excluding retirees)
- ◆ 466 employee terminations processed in FY23
- ◆ Provide employees benefits by making timely payments
- ◆ Protect city assets

# Audit Objective and Methodology

## Audit Objective:

- Has the city paid benefits for ineligible employees after the employee separated from the city?

## Audit Methods:

- Review Administrative Regulation, City Code, & City contracts
- Review Human Resources Policies & Procedures
- Interview staff of Human Resources, Healthcare Trust, & BlueCross
- Compare benefits provider invoices to eligible employee list

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