

BWC Board of Directors

Audit Committee Agenda

William Green Building

Thursday, August 27, 2009

Level 2, Room 2

4:00 p.m. – 6:00 p.m.

Call to Order

Ken Haffey, Committee Chair

Roll Call

Mike Sourek, Scribe

Approve Minutes of July 30, 2009 meeting

Ken Haffey, Committee Chair

Review and Approve Agenda**

Ken Haffey, Committee Chair

New Business/ Action Items

1. Internal Audit Annual Report
Caren Murdock, Chief of Internal Audit
2. Motions for Board Consideration
 - A. For Second Reading
 1. FY 2010 Financial Projections
Tracy Valentino, Chief Fiscal & Planning Officer
3. Accruals
Barb Ingram, Director of Accounting

Discussion Items*

1. Open Discussion with Internal Auditor
Caren Murdock, Chief of Internal Audit
2. Ethics 4BWC
Bob Coury, Chief, Medical Service and Compliance
Matt Gill, Director of Training
3. Committee Calendar
Ken Haffey, Committee Chair
4. Litigation Update (if necessary), Executive Session.
James Barnes, Chief Legal Officer

Adjourn

Ken Haffey, Committee Chair

Next Meeting: Thursday, September 24, 2009

* Not all agenda items have material.

** Agenda subject to change.

8/12/2009 10:29 AM

The State of Ohio Bureau of Workers' Compensation

Internal Audit Division
Annual Report
July 1, 2008 – June 30, 2009

Caren Murdock, CIA, CPA, CISA
Chief of Internal Audit

This report is intended for the information and use of the Bureau of Workers' Compensation's Audit Committee and Board of Directors and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record in accordance with Section 149.43, Revised Code and distribution is not limited.

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MISSION STATEMENT

The mission of the Ohio Bureau of Workers' Compensation (BWC) Internal Audit Division is to provide an independent assessment of programs, processes and internal controls, and provide value added recommendations that result in operational efficiencies, strengthened internal controls and reduced costs.

EXECUTIVE SUMMARY

It is the policy of the BWC to provide and support an Internal Audit Division as an independent appraisal and consultation function to supply management personnel and the Audit Committee of the Workers' Compensation Board of Directors with objective evaluations, appraisals, and recommendations concerning the risk management, control and governance activities reviewed. The Division also provides an independent assessment of the performance of programs, activities and functions.

All audit activities are governed by Institute of Internal Auditors' *International Professional Practice Framework* and provides information to improve accountability and facilitate decision-making by parties with the responsibility to oversee or initiate corrective action. The Chief of Internal Audit reports directly to the Audit Committee with functional reporting to the Administrator.

Significant accomplishments for FY 2009 included:

- ❖ Issued 156 audit comments:
 - 12 Material;
 - 95 Significant; and
 - 49 Minor.
- ❖ Validated management actions supporting the implementation of 94 audit comments:
 - 3 Unrated;
 - 17 Material; and
 - 74 Significant.
- ❖ Maintained a 97% acceptance rate for findings issued;
- ❖ Effectively transitioned Internal Audit leadership;
- ❖ Hired six new management and staff members (43% of existing FTE's) to fill vacant positions;
- ❖ Averaged a 87% satisfaction rating from client satisfaction surveys received;
- ❖ Performed annual organizational risk assessment process and audit plan; and
- ❖ Acted as an objective consultant for staff and sectional management to address issues, concerns, and challenges.

The Internal Audit Division Annual Report contains a listing of internal measurements in the following categories: Effectiveness; Quality; Budget Accountability; Reporting; and Human Resources. Measurements are useful in setting annual objectives, reporting progress to the Audit Committee, and effectively performing the tasks at hand. Following are some of the significant measurements tracked by the Internal Audit Division during the fiscal year 2009.

EFFECTIVENESS

One measure of effectiveness is the number of audit findings issued. A key measure of the quality of audit findings is determining the percentage of recommendations accepted by management. The IA division's high percentage of findings accepted (**97%**) indicates good communication during the engagement and client satisfaction with the auditors' work. Quantifying direct dollar savings is difficult since it is dependent upon management's implementation. However, our audit findings included significant improvements to organizational processes which will result in long-term cost reductions. A summary of audit and review findings is as follows:

Audit	# Findings	# Accepted	% Accepted
Auto Adjudication	4	4	100%
Change Management	4	4	100%
Device and Media Control	4	4	100%
Employer Policy Application Process	11	10	91%
Fleet Management	8	8	100%
Forthwith/Miscellaneous Special Payments	7	7	100%
Investment Daily Automated Compliance Process	1	1	100%
Investment Fee Payment Process	1	1	100%
Physical and Environmental Security	5	5	100%
Lump Sum Settlement Process	16	16	100%
MCO Audit # 4	6	5	83%
MCO Audit # 5	8	7	88%
MCO Audit # 6	6	6	100%
MCO Audit # 7	9	9	100%
Permanent Partial Benefits	2	2	100%
RACF Security	2	2	100%
Self Insured Bankrupt Securitization Process	13	13	100%
Totals	107	104	97%

(Excludes minor comments)

NOTE: Some findings are long-term in nature. As such, if the client is agreeable to the comments intent and has begun to take corrective action to remedy the situation, we consider the finding to be accepted.

In addition to the findings listed above, numerous value-added minor weakness comments were provided to management. As a result of our recommendations, the Agency has seen changes and improvements made in virtually every section that we have reviewed. Over the years, managers and staff at all levels have expressed their appreciation for our assistance in improving their operations.

QUALITY

Quality can be evaluated in a number of ways, including: (a) number of management requests received and average response time; (b) client satisfaction surveys received after completing an audit or review; and (c) education and training initiatives to improve employee awareness as to the importance of internal controls.

Management Requests (Consulting)

The IA Division continually receives management requests, and we strive to be very responsive to our clients' needs. As a result, we perform consulting activities, participate in committees, serve on advisory boards, and review draft policies and procedures for our clients upon request. In addition, numerous requests are received during scheduled audits/reviews that are incorporated into a section's audit/review, often expanding the audit scope and extending our fieldwork hours.

Client Satisfaction Surveys

After each audit or review, a post audit survey is sent to management for anonymous completion by key personnel involved in the audit process. The survey is designed to assist Internal Audit in assessing the quality of our audit service delivery, identifying our strengths, and areas in which we can improve. We received twelve responses. Feedback survey ratings and comments were positive (87% average satisfaction rating):

Summarized Feedback Surveys	Average Rating
1 The auditor conducted himself/herself professionally.	100%
2 The auditor seemed technically proficient.	83%
3 The auditor has knowledge of my business activity/success factors.	67%
4 The auditor maintained good rapport with my department.	92%
5 I received enough notice of the upcoming audit, its purpose and scope.	100%
6 The auditor selected the most important operation areas in my department for the audit.	75%
7 I had time to make suggestions regarding areas to audit, which the auditor included when performing the audit.	75%
8 The auditor provided feedback of emerging issues during the audit.	92%
9 The auditor performed his/her task in a reasonable amount of time.	92%
10 I received the audit reports in a timely manner.	75%
11 I feel the audit findings were accurate.	92%
12 The audit recommendations have value and are useful in improving operations and controls in my department.	75%
13 The audit reports were written in a clear and comprehensible manner.	83%
14 I understand the purpose of internal auditing.	100%
15 Internal auditing has effective management.	100%
Cumulative Average	87%

The client satisfaction surveys also contained written feedback responses, which were primarily positive and complimentary. Comment excerpts include:

Strengths:

- Our organization has been impressed with (Internal Audit Staff) the manner they have approached our associates. They have always maintained the highest ethical and professional standards in working with our staff.
- Professionalism, knowledge, structure.
- I think the staff makes every effort to become informed on the business process associated with the audit and ask good questions.
- Maintaining objectivity without developing a confrontational posture with the client.
- Willingness to listen and learn more about the operations.
- Broad knowledge and understanding of BWC processes.
- Internal Audit staff and their knowledge.
- New staff is very competent and learns quickly.
- As currently staffed, IA has comprehensive knowledge of BWC functions and operations. This greatly diminishes the learning curve for each project. Also, IA reports findings to the BWC Audit Committee for an independent review.

Suggested Improvement:

- It would be extremely helpful if detailed documentation of any exceptions was provided when PARCs are initially presented.
- Keep the internal audit function in-house.

BWC Education and Training Initiatives Provided by Internal Audit

The IA Division endeavors to educate all BWC personnel about the importance of internal controls; control risk assessment; compliance with grant requirements, laws and regulations; and the services that Internal Audit can provide. To that end, we participate in the BWC New Supervisor Training on an ongoing basis.

BUDGET ACCOUNTABILITY

Aside from payroll costs, which make up 80% of our total budgeted expenditures, our personal services budget consisted of training on internal audit techniques, best practices and other relevant topics. It is particularly important to invest in acquiring these skill sets to achieve future benefits. Training is also required for continuing education and is a vital part of the success of the Internal Audit Division. Internal Audit continues to be fiscally conservative through effective budgeting and careful monitoring of expenses.

	Budgeted FY 2009 (\$)	Actual FY 2009 (\$)	Variance (Over)/Under (\$)
Personal Services			
Regular Payroll	\$1,395,060	\$1,395,060	\$0
Overtime	2,332	1,256	1,076
Purchased Services	36,490	23,294	13,196
Total Personal Services	\$1,433,882	\$1,419,610	\$14,272
Maintenance			
Supplies	3,965	3,918	47
Travel – In State	21,065	5,525	15,540
Communications	4,003	2,793	1,210
Fuel/Utilities	17,082	17,082	0
Maintenance and Repairs	38,235	30,405	7,830
Rentals/Leases	211,516	211,516	0
Printing and Advertising	2,689	892	1,797
General and Other Expenses	6,221	7,050	(829)
Total Maintenance	304,776	279,181	25,595
Total Expenditures	\$1,738,658	\$1,698,791	\$39,867

(Source: BWC June 30, 2009 Year-to-Date Budget Report)

REPORTING

As a part of our Annual Risk Assessment Process, an annual audit plan is compiled and communicated to the Audit Committee, Board, Administrator and affected Divisions. As with any plan, actual timeframes to complete a project may differ from the plan as new risks are identified, unplanned requirements arise, and changes to audit resources occur. Additionally, some work was deferred due to the expected transfer to OBM Office of Internal Audit or at the request of Management.

The following list includes audits and external audit support planned for FY 2009 and the status of those audits as of June 30, 2009. Additionally, there were unplanned audits and consulting activity that were undertaken throughout the fiscal year.

Audit Plan	Status
Accounts Payable	Deferred
Adjudicating Committee	In-Process
Audit Validation Testing	Completed
Auto Adjudication	Completed
Change Management	Completed
Coal Mine Safety Program	Deferred
Coal Mine Safety Program (Consulting)	Completed
Device and Media Control Backup Procedures	Completed
Employer Compliance (Consulting)	Completed
Employer Compliance and Premium Audit	Deferred
Employer Policy Application Process	Completed
Ethics Review	Completed
External Audit Assistance	Completed
Fleet Management	Completed
FY 2010 Audit Plan	Completed
Human Resources	Deferred
Investment Certification Control Testing	Deferred
Lump Sum Settlement Process	Completed
MCO Audits	Completed
Permanent Partial Benefits	Completed
Physical and Environmental Security	Completed
Purchasing	Deferred
RACF Mainframe Security	Completed
Safety and Hygiene	Deferred
Self Insured Bankrupt Securitization Process	Completed

Additional Unplanned Audits and Consulting Activity

Adjudicating Committee Complaint Tracking	Completed
Deductible Program	Completed
Employer Policy Application Process	Completed
Forthwith/Miscellaneous Special Payments (Audit)	Completed
Group Retrospective Rating	Completed
Investment Daily Automated Compliance Process (Audit)	Completed
Lump Sum Settlement	In-Process
Sponsorship Certification	Completed

HUMAN RESOURCES

The staffing approach adopted by the IA Division is to hire a lean, proactive workforce that consists of an experienced and multifaceted workforce. IA Division staff average 10 years of business experience and 11 years audit experience.

Title	Audit Experience	Non-Audit Business Related Experience	Degree(s)	Certification(s)	Training Hours
Chief	13	3	BSBA	CIA, CPA, CISA	57
Director	8	3	BBA, MBA	CPA	57
Investment Manager	4	21	BS, MBA	CPA	48
Manager	20	4	BSBA	CPA	36
Supervisor	16	7	BSBA	CIA	61
Supervisor	8	27	BSBA	CPA	41
Supervisor	6	3	BSBA	CPA	69
Supervisor	16	2	BBA	CPA	30
Auditor	9	9	BSBA	CIA, CQA	43
Auditor	11	19	ABA	OWCG	41
Auditor	6	12	BS		41
Auditor	12	13	BBA, MBA	CPA	24
Auditor	8	26	BBA, MBA		41

(Chart excludes CPE hours earned on personal time and not funded by BWC)

Certification Legend

CIA	Certified Internal Auditor
CPA	Certified Public Accountant
CISA	Certified Information Systems Auditor
CQA	Certified Quality Auditor
OWCG	Ohio Workers' Compensation Generalist

Our training strategy is geared towards learning and utilizing improved skills to make better decisions, require less hands-on supervision, and ultimately provide better recommendations and a higher level of client service. Also, experienced auditors are generally better able to determine appropriate time to complete specific aspects of each audit. Quality training is an important aspect in the continuous development of the internal audit staff and required to maintain professional designations. Training opportunities have enabled BWC to leverage outside expertise to further develop the IA Division into a leader of state government internal auditing profession. Much of our focus has been aimed at cost effective internal audit courses sponsored by the Institute of Internal Auditors (IIA) and the Association of Government Accountants (AGA).

LOOKING FORWARD TO FISCAL YEAR 2010

The IA Division will focus on the following goals for Fiscal Year 2010:

1. Provide quality value added audit recommendations to help streamline BWC processes, eliminate duplication and reduce cost;
2. Provide consulting services to our clients to add value and improve risk management and controls without IA assuming management responsibility;
3. Provide revenue enhancement and cost reduction recommendations;
4. Improve the control environment within BWC by providing internal control and quality assurance training to new supervisors and managers;
5. Prepare and present the FY 2011 annual audit plan by June 30, 2010; and
6. Create an effective work environment by promoting and emphasizing continuing education development to enhance professional growth.

The Fiscal Year 2010 financial projections for BWC's Statement of Operations reflect the following information and assumptions:

Premium and Assessment Income:

- Approved rates and collectible premium prepared by BWC's Actuarial Division in conjunction with rate indication information;
- No change in reported payroll for private employers based on payroll trends as reported in the past six years;
- Reduction in the payroll of state agencies based upon the impact of the lack of pay increases and the impact of the Cost Saving Days requirement under the existing union contract year;
- Reduction in premium rates for all employer groups; and
- Approved administrative rates based on the budget of BWC and the Industrial Commission.

Provision for Uncollectibles:

- Receivable aging trends for the past year;
- Trends associated with write-offs in the past year; and
- Specific provisions made for specific accounts.

Other Income:

- Historical trends for penalties and interest associated with employer accounts, and
- Expected income derived from rent received from tenants of the William Green Building.

Workers' Compensation Benefits and Compensation Adjustment Expenses:

- Most recent fiscal year payment trends for medical, indemnity, and MCO expenses;
- Projected reserve development patterns using data and assumptions from the recently completed actuarial audit as prepared by BWC's external actuarial consultant;
- Projected reserve development patterns using data and assumptions compiled by BWC's Actuarial Division (Actuarial Analysis Department);
- Administrative expenses based on the Fiscal Year 2010 budget as approved by the BWC Board of Directors; and
- Historical allocation of administrative expenses directly related to claims management resolution.

Other Expenses:

- Administrative expenses based on the Fiscal Year 2010 budget as approved by the BWC Board of Directors; and
- Historical allocation of administrative expenses not directly related to claims management and resolution.

Operating Transfer:

- Transfer of funding to the Ohio Department of Natural Resources, the Workers' Compensation Council, and the Ohio Inspector General as required by the Ohio Revised Code.

Investment Income:

- Dividend and interest income based on BWC's investment portfolio as prepared by the BWC Investment Division;
- Projection of changes in the fair value of the investment portfolio as prepared by the BWC Investment Division; and
- Historical and expected investment manager expenses based on BWC's investment portfolio as prepared by the BWC Investment Division.

The Fiscal Year 2010 financial projections for BWC's Statement of Cash Flows reflect the following information and assumptions:**Cash Receipts from Premiums and Other:**

- Recent fiscal year payment trends for employer premium payments;
- Impact of premium rate decreases for private employers and state agencies reflected in the second half of the fiscal year resulting from collection of premium in arrears; and
- Historical trends for collection of penalties and interest associated with employer accounts.
- Recent trends for collection of subrogation proceeds.

Cash Disbursement for Claims and Other:

- Recent fiscal year payment trends for medical and indemnity expenses;
- Recent fiscal year payment trends for managed care organizations; and
- Recent payment trends associated with the BWC and Industrial Commission administrative budgets.

Net Cash Flows from Capital and Related Financing Activities:

- Amount of the bond payment for the William Green Building as outlined in the bond document repayment schedule.

Operating transfer out:

- Transfer of funding to the Ohio Department of Natural Resources, the Workers' Compensation Council, and the Ohio Inspector General as required by the Ohio Revised Code.

Net cash provided (used) by investing activities:

- Receipts of dividend and interest income based on BWC's investment portfolio as prepared by the BWC Investment Division are expected to be reinvested, and
- Purchases and sales occurring within BWC's investment portfolio are expected to offset one another.

Cash redemptions from investment managers:

- Recent fiscal year payment trends and timing of premium and other receipts, and
- Recent fiscal year payment trends and timing of claims and other disbursements.

The Fiscal Year 2010 financial projections for BWC's Insurance Ratios are computed based upon the information noted above.

Projected Statement of Operations
Fiscal year ending June 30, 2010

(in millions)

	Fiscal Year Projected June 30, 2010	Fiscal Year Unaudited June 30, 2009	FY 10 to FY 09 Increase (Decrease)	Fiscal Year Audited June 30, 2008	FY 10 to FY 08 Increase (Decrease)
Operating Revenues					
Premium & Assessment Income	\$ 2,240	\$ 2,454	\$ (214)	\$ 2,235	\$ 5
Provision for Uncollectibles	(97)	(108)	11	(96)	(1)
Other Income	16	17	(1)	22	(6)
Total Operating Revenues	2,159	2,363	(204)	2,161	(2)
Operating Expenses					
Workers' Compensation Benefits	1,893	1,696	197	2,181	(288)
Compensation Adjustment Expenses	446	423	23	407	39
Other Expenses	96	94	2	94	2
Total Operating Expenses	2,435	2,213	222	2,682	(247)
Net Operating Gain (Loss)	(276)	150	(426)	(521)	245
Operating Transfer	(4)	(5)	1	-	(4)
Investment Income					
Interest and Dividend Income	717	738	(21)	877	(160)
Change in Fair Value of Investment Portfolio	127	(925)	1,052	(144)	271
Investment Expenses	(6)	(5)	(1)	(14)	8
Net Investment Income	838	(192)	1,030	719	119
Increase (Decrease) in Net Assets	558	(47)	605	198	360
Net Assets Beginning of Period (NOTE 1)	2,583	2,503	80	2,305	278
Net Assets End of Period	\$ 3,141	\$ 2,456	\$ 685	\$ 2,503	\$ 638

NOTE 1 - The beginning net asset balance for FY 2010 has been updated to include the impact of the actuarial audit rollforward report. These adjustments will be recorded in the audit period and reflected in the FY 2009 audited financials.

Projected Insurance Ratios

	Fiscal Year Projected June 30, 2010	Fiscal Year Unaudited June 30, 2009	Fiscal Year Audited June 30, 2008
Loss Ratio	84.5%	69.1%	97.6%
LAE Ratio - MCO	7.3%	6.9%	5.7%
LAE Ratio - BWC	12.6%	10.4%	12.5%
Net Loss Ratio	<u>104.4%</u>	<u>86.4%</u>	<u>115.8%</u>
Expense Ratio	4.3%	3.8%	4.2%
Combined Ratio	<u>108.7%</u>	<u>90.2%</u>	<u>120.0%</u>
Net Investment Income Ratio	31.8%	29.9%	38.6%
Operating Ratio	<u>76.9%</u>	<u>60.3%</u>	<u>81.4%</u>
SIF Funding Ratio	1.2	1.14	1.15
SIF Net Leverage Ratio	6.23	8.22	7.93

Projected Statement of Cash Flows
Fiscal Year Ending June 30, 2010

in millions

	Fiscal Year Projected June 30, 2010	Fiscal Year Unaudited June 30, 2009	Increase (Decrease)	Fiscal Year Audited June 30, 2008	Increase (Decrease)
Cash Flows from operating activities:					
Cash receipts from premiums	\$ 2,200	\$ 2,510	\$ (310)	\$ 2,538	\$ (338)
Cash receipts - other	35	36	(1)	33	2
Cash disbursements for claims	(2,072)	(2,128)	56	(2,238)	166
Cash disbursements for other	(450)	(428)	(22)	(455)	5
Net cash provided (used) by operating activities	<u>(287)</u>	<u>(10)</u>	<u>(277)</u>	<u>(122)</u>	<u>(165)</u>
Net cash flows from capital and related financing activities					
	(20)	(23)	3	(30)	10
Operating transfer out	(4)	(5)	1	-	(4)
Net cash provided (used) by investing activities	(1)	(22)	21	47	(48)
Cash redemptions from investment managers	<u>213</u>	<u>185</u>	<u>28</u>	<u>155</u>	<u>58</u>
Net increase (decrease) in cash and cash equivalents	(99)	125	(224)	50	(149)
Cash and cash equivalents, beginning of period	<u>503</u>	<u>378</u>	<u>125</u>	<u>328</u>	<u>175</u>
Cash and cash equivalents, end of period	<u>\$ 404</u>	<u>\$ 503</u>	<u>\$ (99)</u>	<u>\$ 378</u>	<u>\$ 26</u>

Premium Income Accruals

August 27, 2009

Presented by: Tracy L. Valentino

Chief Fiscal & Planning Officer

Barbara Ingram

Director of Accounting

Accrual Basis of Accounting

- Revenues are recognized when earned
- Expenses are recorded when incurred

Revenue Accruals

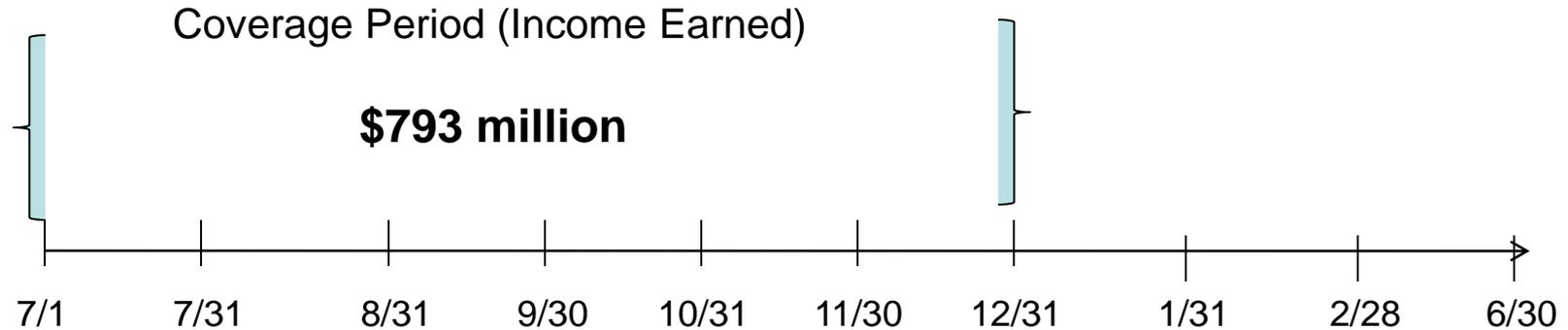
- Premiums are recorded over the policy period when earned
- Premiums are collected after the end of the policy period
- True-ups or adjustments are done comparing the actual premiums to the accrued premiums

Revenue Accruals

- Private Employer Coverage Period
 - July 1 through December 31
 - Projected SIF premiums of \$793 million
 - Monthly income earned of \$132 million
 - Receivable for premiums in course of collection

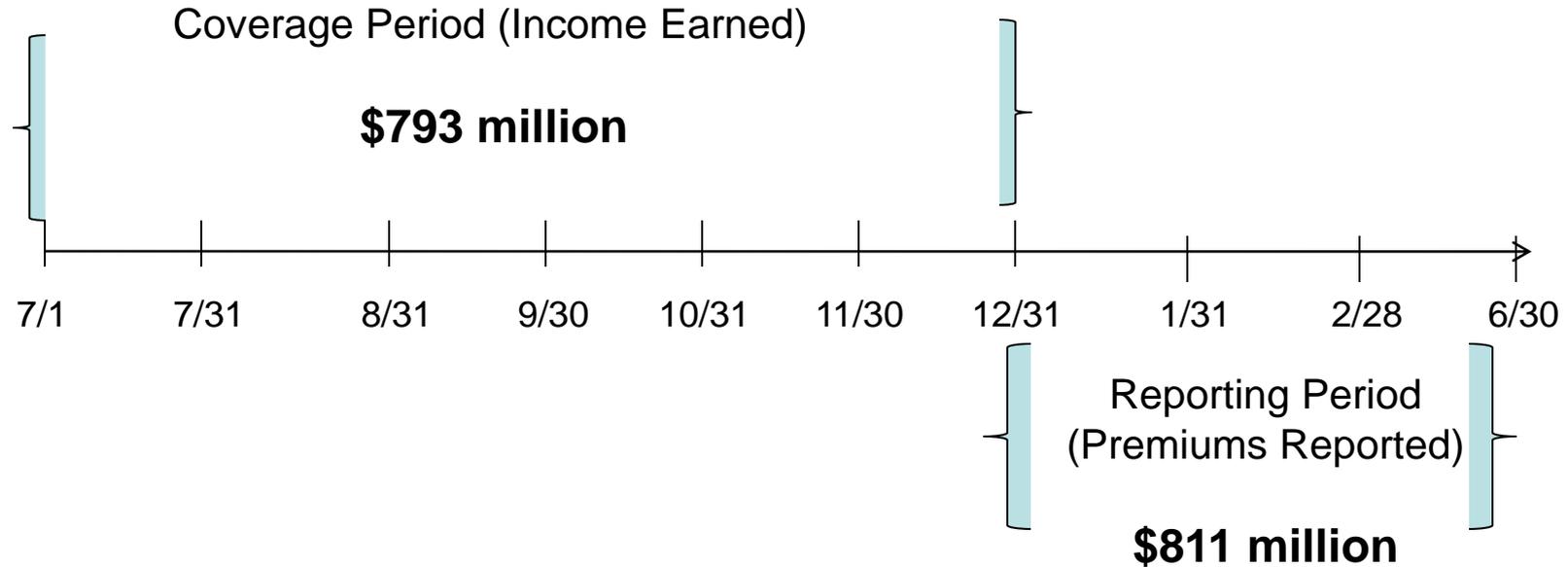
Example: Private Employers

Coverage Period July 1 through December 31



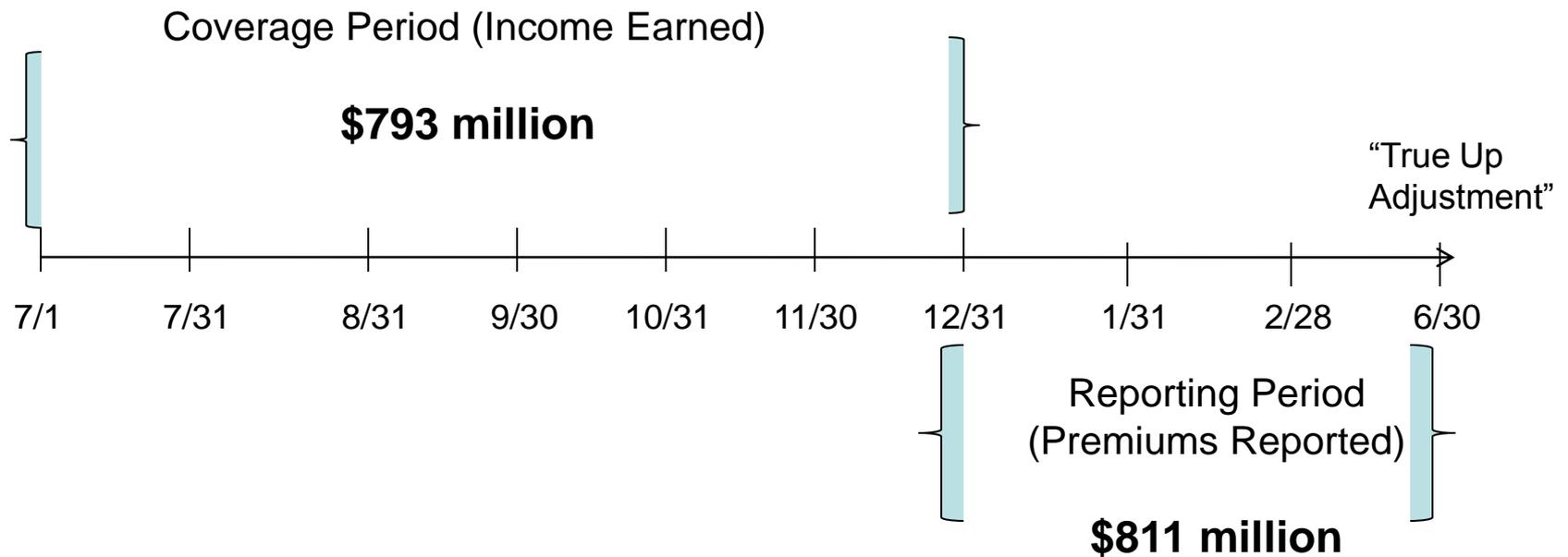
Example: Private Employers

Coverage Period July 1 through December 31



Example: Private Employers

Coverage Period July 1 through December 31



Accrual True-Up

Premium Income Recorded	\$793 million
Premiums Billed	\$811 million
True Up Adjustment	\$18 million

\$18 million increase to premium income in June

Ethics 4 BWC Presentation:

- Background: The BWC Chief Ethics Officer and the Ethics Committee
- Ethics 4 BWC: Internal website for BWC staff filled with resources and links to policies, training materials and links to other Ethics related sites
- Ethics 4 BWC Mailbox: resource for employees that allows them to submit questions, comments and suggestions regarding ethics at BWC
- BWC Ethics Training and Education

12-Month Audit Committee Calendar

Date	August 2009	Notes
8/27/2009	1. Internal Audit Annual Report	
	2. FY2010 Financial Projections (2nd reading)	
	3. Accruals	
	4. Ethics 4BWC	
Date	September 2009	
9/24/2009	1. External Audit Update	
	2. Internal Audit QES Review	
	2. IG Semi-Annual Update	
Date	October 2009	
10/29/2009	1. Operation Review Report	
	2. Charter Review	
	3. Quarterly Litigation Update	
Date	November 2009	
11/19/2009	1. External Auditor Retention Letter	
	2. Annual Financials MD&A Review	
	3. Comprehensive Report	
	4. Approve Committee Charter Changes	
Date	December 2009	
12/16/2009	1. Internal Audit QES Review	
Date	January 2010	
1/21/2010	1. External Audit Outstanding Comments Update	
	2. Quarterly Litigation Update (Executive Session)	
Date	February 2010	
2/25/2010		
Date	March 2010	
3/25/2010	1. Internal Audit QES Review	
	2. Inspector General Annual Report	
Date	April 2010	
4/29/2010	1. Discussion of External Audit	
	2. Quarterly Litigation Update	

12-Month Audit Committee Calendar

	May 2010	Notes
5/27/2010	1. FY 2011 Administrative Budget (1 st Reading)	
June 2010		
6/17/2010	1. FY 2011 Audit Plan	
	2. Internal Audit QES Review	
	3. FY 2011 Administrative Budget (2 nd Reading)	
July 2010		

ETHICS4BWC

BWC Ethics Program

Bob Coury, Chief Ethics Officer
Matt Gill, Training Director

Law and Policy

- A. Ohio Law
- B. Code of Ethics
- C. Nepotism Policy
- D. Outside Employment Policy
- E. Gift Acceptance Policy
- F. Gift Return Letter
- G. Internal Fraud Policy
- H. Ohio Ethics Law
- I. Governor Strickland's Executive Orders

Governor's Executive Order

Chief Ethics Officer – Agency Requirement

- **Ethics Committee**
- **Ethics 4 BWC Mailbox**

resource for employees that allows them to submit questions, comments and suggestions regarding ethics at BWC

- **Ethics4BWC Website:**

Internal website for BWC staff filled with resources, FAQs, etc, and links to policies, training materials and links to other Ethics related sites

Ethics 4 BWC - Bureau of Workers Compensation

File Edit View Favorites Tools Help

Back Search Favorites

Address <http://ihw/divisions/corpaffairs/ethics4BWC/> Go Links

Ethics4BWC

Ethics Commission Frequently Asked Questions Inspector General Law and Policy Education Home

BWC Web

Message From Marsha Ryan

Welcome to the Ethics 4 BWC intranet page. Here you will be able to access a wealth of resources and information regarding BWC's ethics policy, educational seminars, frequently asked questions and more. I have said before, as public employees, we should be proud of the service we provide to the citizens of Ohio every day. Being government employees, we also occupy a position of public trust so our behavior must consistently demonstrate that we are impartial and fair. Furthermore, we must act only in the public interest, uninfluenced by any consideration of self-interest, except those inherent in the proper performance of our duties. It is in support of these guiding principles that this page has been created.

As you use this resource, I encourage you to submit your ethics questions or concerns to the Ohio Ethics Commission, whose link is located above. Also, you can send your questions, comments and suggestions to the [Ethics 4 BWC](#) email box.

Local intranet



- Ethics Commission
- Frequently Asked Questions
- Inspector General
- Law and Policy
- Education
- Home
- BWC Web

- Ohio Ethics Law
- Governor Strickland's Executive Orders
- Code of Ethics
- Nepotism Policy
- Revolving Door Policy
- BWC Outside Employment Policy
- Internal Fraud Policy
- Gift Acceptance Policy**
- Gift Return Letter
- Ethics Commission Information Materials

Message From Marsha Ryan

Welcome to the Ethics 4 BWC intranet page. Here you will be able to find resources and information regarding BWC's ethics policy, education, frequently asked questions and more. I have said before, as public employees, we occupy a position of public trust so our behavior must consistently demonstrate that we are impartial and fair. Furthermore, we must act only in the public interest, uninfluenced by any consideration of self-interest, except those inherent in the proper performance of our duties. It is in support of these guiding principles that this page has been created.

As you use this resource, I encourage you to submit your ethics questions or concerns to the Ohio Ethics Commission, whose link is located above. Also, you can send your questions, comments and suggestions to the [Ethics 4 BWC](#) email box.

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Memo 4.04

GIFT ACCEPTANCE POLICY

This policy is based upon the Ohio Ethics Law, Rule 4121-15-03 of the Ohio Revised Code (as applicable to BWC), and the Governor Strickland's Executive Order 2007-01S, January 8, 2007, titled "Establishing New Ethics Requirements."

DEFINITIONS:

Gift and/or gratuity: anything of economic value, including money, service, hospitality, loan or promise.

Economic value: includes money, goods, future employment, interest in property, and "every other thing of value."

Improper party(ies): for purposes of this policy, any individual or entity who is

- doing or seeking to do business with BWC,
- regulated by BWC, or
- interested in any matter before BWC.

Done Unknown Zone



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Ethics Training Requirements

POSITION	MANDATORY TRAINING REQUIREMENT	TRAINING REQUIRED
<ul style="list-style-type: none"> BWC administrator 	At least three hours of ethics training each year	Three hours annually
<ul style="list-style-type: none"> Senior staff Financial disclosure filers 	At least one three-hour training session each year	Three hours annually
<ul style="list-style-type: none"> Chief ethics officers 	One three-hour training session each year; and one additional hour of training quarterly	Seven hours annually
<ul style="list-style-type: none"> Board and commission members Board senior staff who are financial disclosure filers 	At least one two-hour training session every other year	Two hours every two years
<ul style="list-style-type: none"> Other staff at board and commissions 	Ethics training plan determined by board and submitted to governor's chief legal officer	As determined by board
<ul style="list-style-type: none"> All other BWC employees 	One hour of training every other year	One hour every two years
<ul style="list-style-type: none"> New hires 	Must obtain requisite training within nine months of hire	Requisite training within nine months of hire

Questions

