



May 3, 2018

Via electronic and hand delivery

Inspector General Randall J. Meyer
Office of the Inspector General
30 East Broad Street, Suite 2940
Columbus, OH 43215

2018 MAY -3 PM 2:43
INSPECTION

Re: File ID No. 2017-CA00019
Response to the Office of the Inspector General's Report of Investigation
Michele Wedemeyer

Dear Inspector General Meyer:

The Ohio Bureau of Workers' Compensation (BWC) has completed its review of your office's recommendations contained in the above-referenced report. I respectfully submit this response regarding the recommendations outlined in the report.

Recommendation #1: BWC should review the actions of Michele Wedemeyer to determine if administrative action or additional training is needed.

Response: BWC has reviewed the facts relating to Michele Wedemeyer's actions and corrective action was imposed in accordance with BWC's Disciplinary Policy.

Recommendation #2: BWC should consider the merits of requiring employees to sign-off and acknowledge new and revised departmental policies and procedures implemented to ensure the employee is aware of what actions can or cannot be taken.

Response: New and revised accounting departmental policies and procedures are distributed and reviewed in team meetings. This allows for questions to be answered and should provide staff with a better understanding of their roles and responsibilities.

Recommendation # 3: BWC should consider revising the existing Refund Approval and Release policy to provide guidance when an explanation is required to be entered into PowerSuite supporting the issuance of a manually generated refund and what documentation and approvals are required when only a portion of an employer's credit balance will be refunded.

Response: BWC made several procedural changes to the refund approval and release process prior to the initiation of this investigation. These changes included information needed to document the release of a refund and the required approval

levels. Refunds that are processed for an amount different than the credit listed on the monthly report of credit balances are notated on the report. This documentation is included in the daily packet of information reviewed by the Director of Accounting.

Recommendation #4: BWC should consider the benefits of generating a monthly report identifying all manually generated refunds of employers' credit balances and reviewing the monthly activity to identify multiple warrants being issued to the same employer, warrant amounts ending with multiple zeros, or other unusual trends. Should these be identified, further research should be conducted to ensure the manually generated refund was valid, appropriate, and in accordance with departmental policies and procedures.

Response: Reports of manually generated refunds are reviewed daily by the Director of Accounting to ensure there is documentation to support the release of all manual refunds. A sample review is also conducted daily to identify and review policies with any remaining credit balance that has not been refunded. Enhancements to the current daily report are being explored to provide the balance on the account after the release of the refund.

Recommendation #5: BWC should consider implementing computerized controls which prohibit the release of a refund for less than the amount of the employer's credit balance unless the computerized records contain an explanation as to why only a portion of the credit balance is being issued and that the refund for a partial credit balance was approved by a supervisor.

Response: The implementation of computerized controls prohibiting the release of a refund for less than the amount of the employer's credit balance would require significant changes to PowerSuite. We believe the daily review process being conducted by the Director of Accounting and enhancements to the daily refund reports are a more cost-effective way to ensure the refund for a partial credit balance has been approved by a supervisor.

Recommendation #6: BWC should consider designating another OBWC employee as the Accounts Receivable manager's backup to allow for the timely processing of manually released refunds when the Accounts Receivable manager is absent or unable to process refunds due to workload.

Response: To allow for more timely processing of manually released refunds, responsibility for the review of credit balances and the preparation of documentation to support the manual refund request has been delegated to several Accounts Receivable staff members. Documentation is routed for review and approval based on the levels outlined in BWC's signature authority document and refund procedures.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah D. Morrison". The signature is fluid and cursive, with a large initial "S" and "M".

Sarah D. Morrison
Administrator/CEO