



Report Highlights

Office of Risk Management

DARYL G. PURPERA,
CPA, CFE

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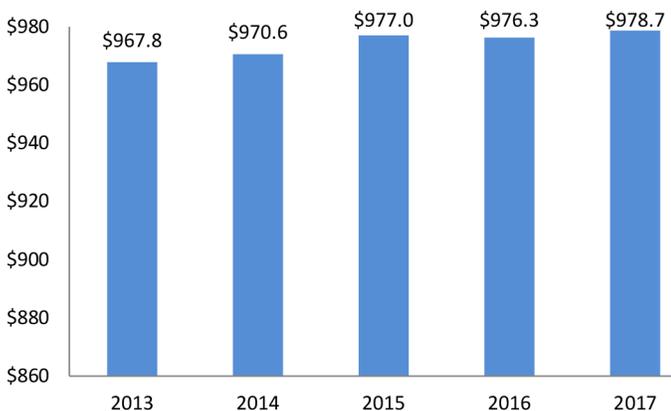
Why We Conducted This Work

We conducted procedures at the Office of Risk Management (ORM) to evaluate certain internal controls ORM uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide overall accountability over public funds for the period July 1, 2017, through May 29, 2018.

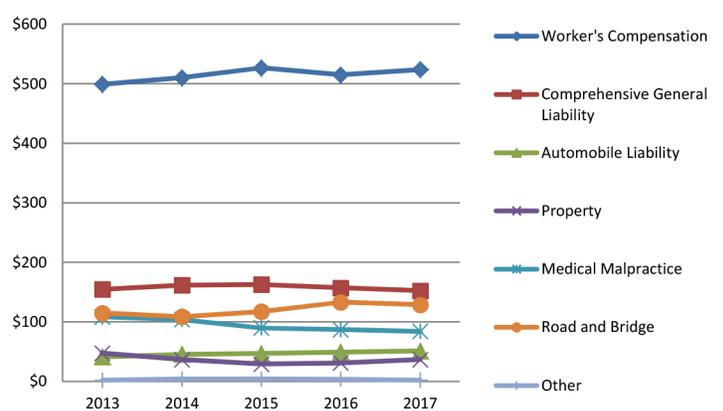
What We Found

- We evaluated the internal controls and transactions relating to monitoring of claims payment expenditures, claims liabilities for reserves and annuities, professional services contracts, insurance premium revenues, movable property, purchasing card and Controlled Billed Account (travel) expenditures, and other procedures - internal audit function. We found that those controls provided reasonable accountability over public funds and compliance with applicable laws and regulations for the period examined.
- In analyzing net reserve estimates over the past five fiscal years, total net reserves for claims liability increased slightly by \$11 million, or 1%, resulting from a wide variety of factors. ORM reserve liabilities include case reserves, expense reserves, incurred but not reported reserves, and unallocated reserves covering multiple lines of business. Per ORM, while the reserve projections are reviewed by the actuary for reasonableness and consistency, any estimate of future costs has inherent limitations in predicting the ultimate loss over time.

Total Net Reserves for Estimated Claims Liability, by Fiscal Year (in millions)



Net Reserves, by Line of Insurance, by Fiscal Year (in millions)



Source: Fiscal Year 2013-2017 ORM Schedule of Reserves

View the full report at www.lla.la.gov.