

ORDINANCE NO. 14-\_\_\_\_\_

AN ORDINANCE MODIFYING SECTIONS 502 (CLAIMS RESERVE FUND) and 503 (COMPROMISE OR SETTLEMENT OF CLAIMS) OF PART 5 (CLAIMS MANAGEMENT) AND SECTION 602 (WORKERS' COMPENSATION CLAIM RESERVE FUND) OF PART 6 (WORKERS' COMPENSATION) OF ARTICLE 5 (FINANCE MANAGEMENT PROCEDURES) OF CHAPTER 1 (ADMINISTRATION, PERSONNEL AND FINANCE) OF THE CODE OF THE CITY OF COLORADO SPRINGS 2001, AS AMENDED, PERTAINING TO REQUIREMENTS FOR THE FREQUENCY OF CERTAIN AUDITS

WHEREAS, the City Council finds that the City's interest to allow the City Auditor to exercise professional judgment in determining the required frequency for the audit of certain accounts; and

WHEREAS, the City Council finds that the City Auditor is in the best position to determine appropriate commitment of auditing staff in addressing all the City's audit requirements; and

WHEREAS, the City Council finds that providing the City Auditor greater flexibility in determining the frequency of certain audits will promote an efficient use of City audit resources.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COLORADO SPRINGS:

that Sections 502(H) (Claims Reserve Fund) and 503(E) (Compromise or Settlement of Claims) of Part 5 (Claims Management) and Section 602(I) (Workers' Compensation Claim Reserve Fund) of Part 6 (Workers' Compensation) of Article 5 (Finance Management Procedures) of Chapter 1 (Administration, Personnel and Finance) of the Code of the City of Colorado Springs 2001, as amended, are amended and restated as follows:

1.5.502: Claims Reserve Fund:

...

H. The City Auditor or any person authorized by the City Auditor shall conduct an examination **as frequently as required in the judgment of the City Auditor, and in accordance with applicable laws and auditing standards, but not less frequently than once every four (4) years** ~~at least once every two (2) years~~ to determine that proper underwriting techniques, sound funding procedures, loss reserves, claims procedures and accounting practices are being followed in the management and operation of the claims reserve fund or any other funds being used to cover deductible amounts when there is insurance coverage. The City Auditor shall present a report of findings to the City Council.

...

1.5.503: Compromise or Settlement of Claims:

...

- E. Examination Of Procedures; Report Of Findings: **As frequently as required in the judgment of the City Auditor, and in accordance with applicable laws and auditing standards, but not less frequently than once every four (4) years**~~At least once every two (2) years,~~ the City Auditor or any person authorized by the City Auditor shall conduct an examination of the claims procedures, use of settlement authority and management and operation of claims management to determine that the use and operation of the claims reserve fund is being accomplished in a prudent and reasonable manner. The City Auditor shall present a report of findings to the City Council.

...

1.5.602: Workers' Compensation Claim Reserve Fund:

...

- I. The City Auditor or any person authorized by the City Auditor shall conduct an examination **as frequently as required in the judgment of the City Auditor, and in accordance with applicable laws and auditing standards, but not less frequently than once every four (4) years**~~,at least once every two (2) years~~ to determine that proper underwriting techniques, sound funding procedures, loss reserves, claims procedures and accounting practices are being followed in the management and operation of the workers' compensation claim reserve fund. The City Auditor shall present a report of findings to the City Council. (Ord. 11-18)

This ordinance shall be in full force and effect after its final adoption and publication as provided by Charter.

Council deems it appropriate that this ordinance be published by title and summary prepared by the City Clerk and that this ordinance be available for inspection and acquisition in the office of the City Clerk.

Introduced, read, passed on first reading and ordered published this \_\_\_\_ day of \_\_\_\_\_ 2014.

Finally passed: \_\_\_\_\_

\_\_\_\_\_  
Keith King, Council President

**Mayor's Action:**

Approved: \_\_\_\_\_

Disapproved: \_\_\_\_\_, based on the following objections:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Steve Bach, Mayor

**Council Action:**

- Finally adopted on a vote of \_\_\_\_\_, on \_\_\_\_\_
- Amended and resubmitted \_\_\_\_\_

\_\_\_\_\_  
Keith King, Council President

ATTEST:

\_\_\_\_\_  
Sarah B. Johnson, City Clerk