



**CITY OF COLORADO SPRINGS
OFFICE OF THE CITY AUDITOR**

**10-09 – CITY OF COLORADO SPRINGS
AND COLORADO SPRINGS UTILITIES
CLAIMS RESERVE AND WORKERS'
COMPENSATION FUND AUDIT**

PUBLIC REPORT

APRIL 28, 2010

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Interim City Auditor

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Office of the City Auditor Public Report

Date: April 28, 2010
To: Honorable Mayor and Members of City Council
Re: 10-09 City of Colorado Springs & Colorado Springs Utilities
Claims Reserve and Workers' Compensation Funds Audit

We performed an audit of the City of Colorado Springs (City) and Colorado Springs Utilities (CSU) Liability Claims Reserve and Workers' Compensation Self Insurance Funds. Previously, the Office of the City Auditor conducted separate audits of these two funds every two years per City Code. Both were included in this review to gain efficiencies. The audit of the Claims Reserve fund was performed for the period 2007-2008 and Workers' Compensation fund for 2008.

The City has been a self-insured, self-administered employer with regard to Claims Reserve and Workers' Compensation since January 1989 and is currently governed by the 2007 Colorado Workers' Compensation Act (the Act). Both the City and CSU pay its general liability and workers' compensation claims from these Funds. The Funds are also used by both organizations to set aside reserves for anticipated claims.

The purpose of the audit was to review the Claims Reserve and Workers' Compensation Self Insurance Funds to determine whether proper underwriting techniques, sound funding procedures, loss reserves, claims procedures, and accounting practices were being followed in the management and operations of these funds.

We conclude proper underwriting techniques, claims procedures, and accounting practices were followed in the management and operation of the Claims Liability Reserve and Workers' Compensation Funds. Claims Liability funding procedures and loss reserves were considered adequate for both the City and CSU.

However, City loss reserves were not considered adequate for Workers' Compensation in the prior audit report dated January 21, 2009. While the City has improved the condition of the loss reserve balance, continued improvement was considered necessary in this review. CSU Workers' Compensation loss reserves became inadequate in 2008 due to net losses for the past four years.

During the course of our audit, we identified several areas where we believe internal controls can be strengthened. Those areas are addressed in the pages that follow.

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As always, feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Denny L. Nester". The signature is fluid and cursive, with the first name "Denny" being more prominent and the last name "Nester" following in a similar style.

Denny L. Nester
Interim City Auditor

Cc: Steve Cox, Interim City Manager
Ann Crossey, Director of Human Resources
Terri Velasquez, Chief Financial Officer
Mark Anderson, Risk Manager
Victoria McColm, Risk Supervisor
John Davis, Risk Supervisor
Jerry Forte, Chief Executive Officer
Bill Cherrier, Chief Planning & Finance Director
Dave Maier, Strategic Planning & Deployment Manager

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Abbreviations and Acronyms Used in this Report

CSU Colorado Springs Utilities

Introduction

AUTHORIZATION

We performed an audit of the City of Colorado Springs and Colorado Springs Utilities Claims Liability Reserve and Workers' Compensation Funds. We conducted this audit under the authority of 1.2.709, 1.5.502(H), 1.5.503(E), and 1.5.602(I) of the City Code, which state:

1.2.709: MAKE PERIODIC REPORTS TO COUNCIL:

The City Auditor shall make periodic reports to Council which shall include the following:

- B. Information of proposals deemed expedient in support of the City's credit, and recommendations for lessening expenditures, for promoting frugality and economy in City affairs, and for an improved level of fiscal management;
- C. Matters concerning the effectiveness and efficiency of the programs and operation of the City;

1.5.502(H): CLAIMS RESERVE FUND:

The City Auditor or any person authorized by the City Auditor shall conduct an examination 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 of the claims reserve fund or any other funds being used to cover deductible amounts when there is no insurance coverage. The City Auditor shall present a report of findings to the City Council.

1.5.503(E): COMPROMISE OR SETTLEMENT OF CLAIMS

Examination Of Procedures; Report Of Findings: 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(I): WORKER'S COMPENSATION CLAIM RESERVE FUND

The City Auditor or any person authorized by the City Auditor shall conduct an examination 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.

Introduction

ORGANIZATIONAL PLACEMENT

The Office of the City Auditor is structured in a manner to provide organizational independence from the entities it audits. This independence is accomplished by the City Auditor being appointed by and reporting directly to the City Council. The audited entity in this audit was the Risk Management function of the City of Colorado Springs, under the direction of the City Manager. The City Manager is also a City Council Appointee.

SCOPE AND METHODOLOGY

The purpose of the Claims Reserve and Workers' Compensation Fund Audit was to evaluate the adequacy of existing underwriting techniques, funding procedures, loss reserves, claims procedures, and accounting practices in place in the management and operations of the Claims Reserve and Workers' Compensation Funds. We evaluated whether these processes were functioning as intended and enabled the organization's objectives and goals to be met.

We conducted our audit in accordance with the *International Standards for the Professional Practice of Internal Auditing*, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors. Our audit included such tests of records and other supporting documentation, as we deemed necessary in the circumstances.

Sufficient competent evidential matter was gathered to support our conclusions. Our audit period for the Workers' Compensation Fund was January 1 through December 31, 2008. Our audit period for the Claims Liability Reserve was January 1, 2007 through December 31, 2008.

BACKGROUND

The City and Colorado Springs Utilities (CSU) are self-insured for both Workers' Compensation and Liability Claims. The City administers the Workers' Compensation and Liability Claims processes on behalf of CSU.

The City Code requires that the City Auditor perform a review of the Claims Reserve and Workers' Compensation funds at least once every two years. Previously, the City Auditor's office conducted separate audits of these two funds. Both were included in this review to gain efficiencies as the Risk Management Department oversees both funds using the same software claims processing system.

Our prior audit of the Claims Reserve fund covered the period 2005-2006. The prior audit for the Workers' Compensation fund covered the period 2006-2007.

Risk Management Department employees administered all aspects of the claims process, to include initiating loss or injury reports, investigating claims, updating vendors, and authorizing and processing payments. In a larger organization, multiple departments might perform various aspects of these duties, providing greater opportunity for segregation of duties. For example, claims adjusting would be a separate function in a larger organization and those adjusting claims would not perform Accounts Payable related duties such as invoice entry.

Introduction

The Risk Management Department is organized into two sections—Claims Liability and Workers' Compensation. Each section had two adjusters reporting to a Supervisor, who in turn reported to the Risk Manager. The Supervisors also adjusted claims in addition to supervising the work of the adjusters reporting to them. An administrative employee performed much of the data input related to setup and payment processing. Claims were processed utilizing a vendor-hosted and supported software system.

Workers' Compensation adjusters were responsible for investigating employee injury claims and authorizing medical care. Risk Management adjusters also authorized payment of wages while injured employees were unable to perform assigned duties and any payments for full or partial disability.

Claims Liability adjusters were responsible for investigating general loss claims filed against the City and CSU for injuries and property damage sustained by the general public and authorizing any resulting claims payments.

For 2008, 1,034 liability claims and 493 Workers' Compensation claims were filed against the City and CSU.

Organizations that administered its own Workers' Compensation programs were required to have excess insurance policies for large claims. For 2008, this excess insurance policy covered Workers' Compensation claims over a \$750,000 deductible per claim.

Liability claims against the City were paid from the Claims Reserve Fund. Although City Risk Management administered claims on behalf of CSU, the CSU claims payments were not made from a common fund. Instead, CSU maintained a separate reserve account and paid claims directly as recommended by Risk Management.

Under City Code section 1.5.503, the Risk Manager was authorized to settle liability claims under \$50,000. Settlements between \$50,000 and \$100,000 were approved by a Claims Review Board comprised of the City Manager for claims against the City, CSU Executive Director for claims against CSU, the City Attorney, Director of Finance, and the affected group or department manager. Claims with proposed settlement amounts that exceeded \$100,000 required City Council approval.

COMMENDABLE PRACTICES

Risk Management benchmarked adjustment the cost per claim with outside vendors providing this service and indicated that the cost per claim is approximately \$150 less than the vendor's cost. Additionally, Risk Management estimates that providing in-house occupational health and physical therapy services results in a savings of approximately \$100,000 annually. Review of this data was not within the scope of our audit.

The Claim Reserve and Workers' Compensation staff were cooperative and responsive to our audit and recommendations as evidenced by the work they completed prior to the issuance of our report to correct issues brought to their attention.

Introduction

OVERALL OPINION

Based on the audit procedures performed, we conclude proper underwriting techniques, claims procedures, use of settlement authority and accounting practices were followed in the management and operation of the Claims Liability Reserve and Workers' Compensation Funds.

Claims Liability funding procedures and loss reserves were considered adequate for both the City and CSU.

However, City funding procedures and loss reserves were not considered adequate for Workers' Compensation in the prior audit report dated January 21, 2009. While the City has improved the condition of the loss reserve balance, continued improvement was considered necessary in this review. CSU Workers' Compensation loss reserves became inadequate in 2008 due to net losses for the past four years.

During the course of our audit, we identified areas where we believe internal controls can be strengthened. Those areas are addressed in the pages that follow.

***We have made no determination as to which findings are more important than others.
Therefore, the findings are not necessarily listed in order of importance.***

Findings, Recommendations and Responses

1. Internal controls were not sufficient to compensate for the lack of segregation of duties due to the small staff size.

Best practices and controls over activities include proper segregation of duties so employees do not both enter and approve transactions. When segregation of duties is not possible due to small staff size as was the case with the Risk Management function, compensating controls to review for validity and accuracy are necessary.

We noted the Risk Manager performs an overall monthly reasonableness review of reports of claims entered, closed, settled, and outstanding.

We noted the following processes with segregation of duties concerns related to small staff size:

- The same employee set up new vendors through Accounts Payable, entered new claim data, made changes to reserves, and entered claim payment requests.
- Authorization for disbursements to Accounting, in some cases, were approved by employees who also created the payment request.
- A Supervisor may enter invoices, export vouchers for payment and authorize payments when providing backup support to the administrative assistant.
- Cash Receipts were circulated to department employees responsible for adjusting claims and reserves.

Auditor's Recommendation:

We recommend the following for improving internal controls:

1. Risk Management should separate responsibility for vendor maintenance from invoice processing. Ideally, Risk Management should separate responsibility for vendor setup and maintenance (e.g. address changes) from invoice processing by having someone in the department that does not adjust claims or enter invoices perform this task. If original entry cannot be performed by someone without claims processing responsibility, then an employee who does not process claims should perform a proofing of entry to original documents. Alternatively, invoice processing could be performed by City Accounts Payable and uploaded to the claims processing system.

If complete separation of payment processing from vendor master setup is not possible, the Workers' Compensation Supervisor should not perform vendor setup due to the responsibility for reviewing payments, and consideration given to other possible mitigating controls.

2. Adjusters should not be authorized to approve voucher payments by Accounts Payable as this practice results in approving their own payment requests. We understand that prior to the end of our review, the claims adjusters were removed from the authorized approver lists.
3. An employee who opens the mail should restrictively endorse the checks and make a list for the day's receipts or photocopies of receipts, which would then be agreed to the deposit. The employee opening the mail and listing receipts should not be responsible for adjusting claims and reserves.

Findings, Recommendations and Responses

City's Response:

1. We agree with the audit findings and recommendations however, we do not have the available staff to segregate the duties of vendor maintenance and invoice processing (claim payments). These duties can not be transferred to other City departments. Our supervisors do review the payment lists. The vendors list at the time of the initial audit contained over 5,028 entries and is maintained by accounts payable. Accounts payable does monitor all new vendor activity at the supervisory level of accountability.
2. We agree with the audit findings and recommendation and have removed the names of the claim adjusters at the time of the audit.
3. We agree with the audit findings but believe the recommendations are burdensome and will not guarantee internal control of our check process. In discussing this recommendation with the auditor the added procedure would not provide assurance that a check could not be converted. The process would add duties to two employees work. Currently checks are processed through our supervisors and reconciled on a monthly basis by administrative personnel. File reviews are performed periodically by claims personnel for follow up on check requests. The current accounting process may have some risk of loss and this risk is covered by an employee dishonesty insurance policy.

Findings, Recommendations and Responses

2. A Risk Management employee had the ability to process unauthorized transactions.

A Risk Management Supervisor acted as System Administrator for the web-based claims system. System Administrator duties included adding and deleting users, creating user profiles, and entering all passwords for risk management employees. The claims system did not allow users to enter and change their own password. Additionally, the System Administrator was able to delete transactions and turn audit trails on and off. During our audit period, audit trail reports were not routinely generated.

In addition to system administration, this employee performed adjuster activities, supervisory activities, and backup administrative activities. The System Administrator had access to perform all system transactions for both Workers' Compensation and General Liability claims, including updating the vendor master file for payments, entering claims, making changes to reserves, entering invoices, and approving vouchers for payment. This employee's duties included development and processing of reports.

These abilities created the opportunity to process unauthorized transactions or to enter transactions under another employee's ID. An improper payment might be detected by existing processes such as the Risk Manager's review of large claims and claims in litigation. However, reviews were not in place that would provide assurance such payments would be detected.

Auditor's Recommendation:

We recommend the following improvements over system administration:

1. System administration duties should be performed by someone who does not have transaction processing responsibilities. Ideally, this responsibility would be performed outside of the Risk Management department (e.g., by the claims processing application vendor or by City Information Technology).
2. Risk Management should contact the Claims Processing software vendor to determine if the System Administrator's ability to turn audit trails off can be eliminated. If this is possible, a letter of understanding that documents disabling of this feature should be obtained.
3. Audit trail logs of all activity should be routinely generated or audit log data should be stored by the web-based software provider in a database not available to Risk Management. This ensures that data could be queried for review of activity.

City's Response:

1. We agree and appreciate the audit recommendation however we have not been able to find a cost effective solution. System administration performed by the vendor would add cost to our licensing (\$175 an hour with a minimum of one hour). We do not believe City IT has the personnel to perform this function. Further investigation will be conducted and documented.
2. We agree with the audit finding and recommendations and the Risk Supervisor no longer performs daily functions in the system administrator's role. Should a system administrative function be required the supervisor documents the activity, logs in as the

Findings, Recommendations and Responses

system administrator, performs the function, then logs out and returns to the supervisor role. To the best of our knowledge there have been no unauthorized transactions.

3. We agree with the audit finding and recommendation and all audit logs have been activated. The ability to change the audit log has been disabled. We can currently produce an audit log report however we have requested format changes from our software vendor to make the report more usable. Audit logs will be produced and given to the Risk Manager. We will check with the software provider regarding the cost to have them preserve audit log data if it is cost effective.

Findings, Recommendations and Responses

3. **City Workers' Compensation funds available for claims, while improving, were not adequate.**

For the calendar year 2008, fund contributions and revenues exceeded expenses and claim payments by almost \$500,000, improving the fund balance by approximately that amount. This improvement was due to the increased funding for the year.

Due to net losses experienced in prior years and significant budget constraints by the City of Colorado Springs, the Fund Balance at December 2008 was \$500,000 with outstanding claims of \$3.8 million. The December 2007 Fund Balance and outstanding claims were \$60,000 and \$4.3 million respectively. The Fund Balance for City Workers' Compensation funds, net of outstanding claims has improved over the prior year-end net balance. Ideally, the year-end Fund Balance should be much closer to the year-end outstanding claims.

Annual Workers' Compensation claim payments appeared to be relatively stable over the last eight years reviewed. However, if all claims estimated payable became due, the fund balance would not be sufficient for payment. If the Workers' Compensation fund were not sufficient to pay obligations, the General Fund would have to fund claims in excess of fund balance.

Auditor's Recommendation:

We recommend the City continue to increase funding to the City Workers' Compensation fund with the objective of improving the Net Assets amount available for claims.

City's Response:

We agree with the recommendation of the auditor. Each year the claim reserve funding committee meets to consider this recommendation. The Risk Manager provides comprehensive statistics and funding recommendations to the committee that enables the committee to predict the amount of money needed to pay the City's liability in any given year. The committee provides funding recommendations for the budget. Governance of the fund has been adopted by the committee and it has defined the function of 'adequate funding' – June 2008.

Findings, Recommendations and Responses

4. Colorado Springs Utilities Workers' Compensation funds available for claims were not adequate.

For the calendar year 2008, expenses and claim payments exceeded contributions and revenues by approximately \$750,000, decreasing the Fund Balance by approximately this amount.

This Fund has experienced a similar net loss for the past four years, reducing the Fund Balance by an average \$540,000 per year to the current December 2008 deficit of approximately \$435,000. The 2008 year-end Fund Balance was \$1.4 million with claims outstanding of \$1.9 million, resulting in a net deficit of \$500,000.

The 2009 funding recommendation did not include any increases in funding amounts over prior year despite the Fund Balance. However, after our fieldwork and prior to the issuance of the report, we were informed the 2010 recommended funding included an increase of \$630,000 to improve Fund Balance.

Auditor's Recommendation:

We recommend the CSU funding amounts be increased so that year-end Fund Balance is much closer to the year-end outstanding claim liability. In addition, annual contributions should be sufficient to pay anticipated claims and expenses for the year.

CSU's Response:

We agree with the auditor's recommendation to increase the fund balance to an adequate level of funding. Additional funding has already been included in the 2010 budget, based on Risk Management's funding recommendations. Workers compensation rates will be adjusted in 2010 to account for this increase in funding and to ensure that sufficient revenue will be collected to cover the projected claims and other expenses.

Opportunities for Improvement

The following finding is presented in the context of City Code 1.2.709, which instructs the City Auditor to make periodic reports to Council that include “recommendations for lessening expenditures, for promoting frugality and economy in City affairs and for an improved level of fiscal management.”

1. Reducing Workers’ Compensation salary continuation benefits for sworn and non-sworn personnel and eliminating off-duty fitness related claims for sworn personnel could result in savings.

Risk Management previously identified two areas in the City’s Workers’ Compensation Policy where costs could be reduced. These are percentage and length of any salary continuation, and payments to sworn personnel for physical fitness injuries incurred while off-duty.

Salary Continuation

Workers’ Compensation law required the employee receive 66.67% of his normal pay while on leave. The City and CSU have elected to continue paying the employee 100% of his salary while on leave up to 2080 hours. This additional one-third of the salary amount for the City was \$262,814 for 2008, and \$244,804 in 2007. This practice has been in place at least since the early 1990s, per discussion with Risk Management personnel.

Salary payments under Workers’ Compensation were not taxable to the employee for Federal, State, or Medicare taxes. Because of this tax benefit, employees received more compensation while on leave due to injury or illness than when working at their regular employment, which could have been a disincentive to return to work. Both employee and employer continued to pay retirement contributions.

Risk Management compared this policy with 19 other municipalities in Colorado, summarized as follows:

Length of Salary Continuation	Sworn	Non-sworn
Less than 90 days	8	8
90 days	4	6
More than 90 days	7	5

The median of sampled entities was about 90 days of salary continuation benefit. Although comparison with other public entities was not extensive, the City of Colorado Springs salary continuation plan may provide longer salary continuation benefits than the median. (See attached exhibit at Attachment A.) Additionally, we obtained data for California municipalities from an audit performed by the City Auditor’s Office for the City of San Jose, and from regional entities El Paso County, CIRSA (Insurance Pool for 150 small Colorado Municipalities), and Memorial Health System. (Also included in Attachment A.)

Because personnel were assigned to cover the duties of employees on Workers’ Compensation leave, especially in the case of sworn positions, the possible disincentive to return to work could also have resulted in additional overtime payments.

Opportunities for Improvement

Off-duty Fitness-related Injuries for Sworn Personnel

Sworn personnel injured while engaged in a fitness activity while off duty were covered for Workers' Compensation injuries under the City's Fire and Police policies. For 2008, \$35,597 was incurred for sworn Fire personnel and \$36,824 for sworn Police. For 2005 and 2006, fitness-related claims for Police were \$126,975 and \$164,752, respectively.

The City Auditor's Office and Risk Management contacted several other municipalities in Colorado about Workers' Compensation coverage for off-duty fitness injuries. (See Attachment A.) Risk Management indicated they were not aware of any other entities offering this coverage. None of the entities we contacted offered this benefit.

Auditor's Recommendation:

We recommend the following:

Salary Continuation: As benchmarking indicated the length of the salary continuation benefit exceeds the median of that offered by other municipalities contacted, and given the significant budget shortfall facing the City, consideration should be given to:

1. Eliminating the additional benefit, above 66.67%, not required by law or reducing salary continuation percentage to a level that ensures the employee is not compensated more on leave than in regular employment.

If the one-third of salary continuation were eliminated, savings of approximately \$263,000 would have been realized in 2008. If the salary paid to employees on Workers' Compensation were reduced to a total compensation of 85%, so that the employee did not benefit from the tax exemption benefit related to taking leave, savings accruing to the City would have been approximately \$115,000 in 2008. These figures do not include the possible additional overtime costs associated with a policy that might provide a disincentive for employees to return to work.

Salary continuation figures were not readily available for CSU. This policy should also be reviewed for CSU employees.

2. Reducing length of salary continuation period (e.g. 90 days) verses a full year.
3. In lieu of salary continuation, allow the employee to use accrued Paid Time Off for salary continuation.

Another alternative for Management's consideration identified by Risk Management was to maintain the benefit for sworn public safety employees injured on the job, but implement a reduced benefit for non-sworn employees. City Financial Services Division provided the office of the City Auditor with a breakdown that indicated payments to non-sworn employees under the one-third salary continuation paid by the City for 2008 were \$115,667.

Off-duty Fitness-related Claims for Sworn Personnel: We understand the value of encouraging physical fitness for sworn personnel. However, as noted by Risk Management, given initial benchmarking results and the current financial shortfall, City Management should consider whether off-duty fitness-related injuries should be compensated under Workers' Compensation.

Opportunities for Improvement

Based on previous claims experience, revising this policy would have resulted in savings to the City of at least \$70,000 in 2008.

City's Response:

Risk Management would be most willing to change our salary continuation policy as adopted and directed by the organization.

Fitness related injuries and the compensability for these injuries is currently being reviewed by both the Police and Fire Departments. We anticipate the policy will be amended before year's end.

CSU's Response:

Colorado Springs Utilities is willing to consider appropriate, market-based changes to the salary continuation benefit, and will explore options through its annual salary and benefits review process.

Attachment A Workers' Compensation Salary Continuation Plan Comparison

Data obtained by Risk Management (Unaudited)

Entity	Length of Salary Continuation <i>Non- sworn</i>	Length of Salary Continuation – <i>Sworn</i>
Arapahoe County	10 days	10 days
City of Aurora	90 days	180 days Fire Sworn, 148 days Police sworn
City of Brighton	no limit	no limit
City of Fort Collins	130 days	130 days
City of Craig	180 days	180 days
City and County of Denver	90 days	365 non-concurrent days for Police/Fire sworn, 180 days for Sheriff
City of Englewood	90 days	90 days
City of Fountain	178 days	178 days
City of Glendale	90 days	90 days
City of Golden	30 days	30 days
City of Gunnison	45 days	45 days
City of Longmont	60 days	60 days
City of Montrose	60 days	60 days
City of Springfield	no limit	no limit
City of Westminster	60 days	84 days for Firefighters on shift work
City of Wheatridge	90 days	90 days
City of Thornton	90 days	90 days
Larimer County	65 days	65 days
City of Grand Junction	No salary continuation but may use paid time off (PTO) to 85% of full wage	No salary continuation but may use PTO to 85% of full wage

Data obtained by Colorado Springs City Auditor's Office

Entity	Length of Salary Continuation <i>Non-sworn</i>	Length of Salary Continuation - <i>Sworn</i>
CIRSA (Insurance Pool -approximately 150 Members- primarily smaller Colorado Municipalities)	Approximately 10% of CIRSA members pay above the 66 2/3% required by law	Approximately 10% of CIRSA members pay above the 66 2/3% required by law
San Jose, CA*	Salary Continuation to 85% level for 9 months	Salary continuation to 100% level for 12 months
City/County of San Francisco*	No Salary Continuation for non-sworn, allowed to use PTO to 100% level	100% for Police/Fire – time period not indicated in report
Santa Clara County*	No Salary Continuation for non-sworn, allowed to use PTO to 100% level	100% for Corrections/Probation/Sheriff for 12 months
San Diego, CA*	100% for 90 days, then employee may use PTO to 100%	100% for 90 days, then employee may use PTO to 100%
El Paso County, CO	No salary continuation above the 66 2/3% required by law	No salary continuation above the 66 2/3% required by law
City of Colorado Springs and Colorado Springs Utilities	100% Salary Continuation for 12 months	100% Salary Continuation for 12 months
Memorial Health System, Colorado Springs	Salary continuation policy for first 90 days from date of injury. Claimants who lose time after 90 days receive 2/3 of avg. weekly wage as specified by state law. May use PTO to supplement in order to continue to receive full wages.	n/a

*Source: "Audit of the City of San Jose's Workers' Compensation Program" Report 09-03, April, 2009, Office of the City Auditor, City of San Jose. www.sanjoseca.gov/auditor.

Attachment B Fitness-related Workers' Compensation Claims for Sworn Personnel

Data obtained by Colorado Springs City Auditor's Office

	Coverage of Fitness-related Claims for Sworn Personnel
CIRSA (Insurance Pool – approximately 150 members, primarily smaller Colorado Municipalities)	No entities represented covered this type of claim
Grand Junction, CO	No policy for coverage of fitness related claims
El Paso County, CO	Policy does not include coverage for fitness-related claims
City of Colorado Springs	Policy covers off-duty fitness-related claims as workers' compensation injuries