

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: March 23, 2015

To: Supervisor Willie Johnson, Jr., Co-Chair, Committee on Finance, Personnel & Audit
Supervisor Theodore Lipscomb, Sr., Co-Chair, Committee on Finance, Personnel & Audit
Supervisor Michael Mayo, Sr., Chairperson, Committee on Transportation, Public Works & Transit

From: Jerome J. Heer, Director of Audits

Subject: Status Report – Courthouse Fire Audit (File No. 14-952)

At its meetings in January 2015, the Committee on Finance, Personnel and Audit and the Committee on Transportation, Public Works and Transit reviewed our audit report, "Aftermath of Courthouse Fire Illustrates Need for Improved Insurance Claims Management and Business Continuity," and adopted a resolution stating County Board concurrence with the report recommendations. Further the committees requested a status report for the April 2015 committee meeting cycle.

Attached is the status report for your review. The implementation status of the recommendations is reported by departmental management under the "Comments" heading. Please note we have added comments in instances where deemed appropriate.

This status report is informational and we will plan to provide an updated status report in the October 2015 committee cycle.



Jerome J. Heer

JJH/PAG/cah

Attachment

cc: Scott Manske, Milwaukee County Comptroller
Finance, Personnel & Audit Committee Members
Transportation, Public Works & Transit Committee Members
Chris Abele, Milwaukee County Executive
Teig Whaley-Smith, Director, Department of Administrative Services
Christine Westrich, Director, Office of Emergency Management
Kelly Bablitch, Chief of Staff, County Board Staff
Steve Cady, Research & Policy Director, Office of the Comptroller
Janelle Jensen, Chief Committee Clerk, Office of the County Clerk

STATUS OF IMPLEMENTING DEPARTMENT OF AUDIT REPORT RECOMMENDATIONS

Audit Title: Aftermath of Courthouse Fire Illustrates Need for Improved Insurance Claims Management and Business Continuity

File Number: 14-952

Audit Date: December 2014

Status Report Date: April 2015

Department: Administrative Services

Number & Recommendation	Deadlines Established		Deadlines Achieved		Implementation Status		Comments
	Yes	No	Yes	No	Completed	Further Action Required	

<p>1. The final cause and origin report(s), if any, be obtained and shared with appropriate County officials, including the County Executive and County Board of Supervisors so the County can assess any further action that may be needed.</p>							<p>DAS: Neither the Local Government Property Insurance Fund (LGPIF) or Lexington Insurance Company have released their cause and origin reports. On 12/22/14, LGPIF filed suit in state court (Case #14CV010361) seeking a declaratory judgment with respect to the coverage disputes involved in this claim. The cause and origin reports will be disclosed during the discovery phase of the litigation.</p>
<p>2. Work with the appropriate parties to institute back-up alarm monitoring procedures and protocols so that County facilities aren't dependent on one monitoring site.</p>							<p>OEM: There is not an ability to have back-up alarm monitoring physically installed at our back-up Call Center and Dispatch Center (MCSO Sheriff Training Academy and Waukesha Communications Center, respectively) without substantial capital cost. OEM cannot institute procedures without the equipment in place to alarm. In an effort with Facilities Management, OEM can pursue such a capital project; however, it is doubtful that this could compete among other Facility priorities.</p> <p>Audit Services Response: <i>Audit Services understands the conflicting capital priorities the County faces. Until a more suitable approach to E911 can be addressed (recommendation #13), Audit Services is interested in an update on any alternatives that are being pursued to ensure more timely emergency response to Courthouse incidents.</i></p>
<p>3. Explore the possibility of relocating Emergency 911 Communications to a more secure location.</p>							<p>OEM: Quorum Architects, Inc., is currently conducting final phases of a consolidated OEM space study. This entails bringing the four divisions (Radio Services, 911 Communications, EMS, and EM) into a central location. Currently, they are dispersed amongst BHD #9201, CATC,</p>

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4. The Department of Administrative Services examine the Courthouse Complex's current fire alarm system and associated fire response protocols to ensure the County is properly positioned to respond to future fire incidents.							<p>Froedtert Medical Hospital, Safety Building Room 305 and B12, and the Courthouse Room 308.</p> <p>As good stewards of taxpayer dollars, the relocation of 911 will be incorporated into the grander move of centralizing OEM services. OEM is pursuing a partnership with the Medical Examiner's Office as both public safety entities share common requirements (e.g., loading dock, steel/copper cages).</p> <p>Audit Services Response: <i>Due to the importance of this item, Audit Services requests a timeline for implementation be provided.</i></p> <p>OEM: The 911 Communications Center has established protocol in place for Fire/EMS notifications to the City of Milwaukee Fire Department. This protocol is used on a daily basis for local emergencies and therefore, well-practiced.</p> <p>Assessment of a valid fire alarm is balanced with inmate activity in the CJF. OEM 911 confirms alarms with CJF Master Control and Facilities. OEM 911 then acts upon verification by these two entities.</p>
5. The Milwaukee County Board of Supervisors amend s.99.02 of the General Ordinances of Milwaukee County to comply with §323.14(1)(a)2, Wis. Stats.					X		<p>Sections 99.01 and 99.02 of the Milwaukee County Code of General Ordinances amended by County Board in December 2014 (File No. 14-919).</p> <p>OEM: Sections 99.03 through 99.09 are still out of date with references to MCSO and the Sheriff. OEM will work with PSB to update the remaining Sections of Chapter 99.</p>
6. Continue work on the Milwaukee County COOP, including regular exercises and training for both new and veteran employees.							<p>OEM: OEM just completed the final COOP Workshop with 23 Departments and Agencies in attendance (of 51). A total of nine Workshops have been conducted with a start date of November, 2013. Approximately six weeks were scheduled between events with 20 - 30 Departments/Agencies attending each.</p>

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<p>7. Provide regular informational updates on the County's COOP so that County officials, employees, and the public are aware of the County's emergency plan.</p>							<p>Currently, OEM has 26 Continuity Plans in DRAFT and 3 that are FINAL (Aging, Comptroller, Treasurer). The DUE DATE of all County COOP Plans has been set for Sunday, May 31st. On Monday, June 1st, the OEM Director will present a "State of Continuity" to the County Executive and his Cabinet. On Thursday, June 4th, the OEM Director will present this "State of Continuity" to the Workgroup as final wrap-up in COOP Planning. The same Workgroup will begin work on the OSHA-mandated Emergency Action Plans following this presentation. OEM: Please see #6 for additional detail. OEM has designated February as the annual COOP training month. The COOP Workgroup did meet February, 2015, in order to stay true to the February designation of COOP. This will continue in 2016, etc. The public is not informed of the COOP plans as they are designated For Official Use Only (FOUO). Plans contain mobile phone numbers of staff and sensitive information on relocation sites which would make the County very vulnerable to terrorism nexus should a nefarious party obtain them. The greater County Comprehensive Emergency Management Plan (CEMP) is located on the internet for public perusal, however. The current link (soon to be updated) remains on the MCSO page at: http://county.milwaukee.gov/Planning15643.htm?docid=15643</p> <p>Audit Services Response: <i>This recommendation was never intended to compromise sensitive information. Rather, it is intended to provide the public with some assurance that we have a functional</i></p>

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8. The Department of Administrative Services enhance its procurement card policy and procedures manual to state that all procurement cards stored within County facilities be secured in locked cabinets and drawers at all times when not in use, and further, that all check stock also be secured.	x		x		x	None	COOP. DAS: Completed, policy in manual distributed to all cardholder now states: 3.9.1 It is the cardholder's responsibility to safeguard the purchasing card and account number information to the same degree that a cardholder safeguards their personal credit card information and that all procurement cards stored with County facilities be secured in locked cabinets and drawers at all times when not in use or the physical possession of cardholder. Cardholder's responsibility to assure the card is safe and secure DAS:
9. The Department of Administrative Services provide the County Executive and County Board of Supervisors with a detailed final breakdown of the four cost categories listed on pages 41-45 of the audit report, once all payments associated with the Courthouse fire are made.							Audit Services Response: <i>Open – response will be requested for the updated status report planned for October 2015.</i>
10. The Division of Risk Management establish a process to vet restoration firms prior to the need for emergency services. Such a process should include the establishment of mutually agreed upon rates for a predetermined scope of services.						X	DAS: Risk Management has authored a draft RFP to establish an approved contractor list wherein financial stability, insurance requirements, profit margin mark up, time and material guidelines, and general terms of service for contractors are set forth and agreed upon prior to a claim / emergency action. The RFP is being circulated and vetted through stakeholders prior to release and implementation. DAS: A detailed property claim process model, along with a comprehensive associated training was created, prepared, and presented County-wide in January of 2015. The documents are accessible on the Risk page of the intranet. This new and well defined claim process includes
11. The Division of Risk Management prepare a detailed policy and procedures manual for the handling of property restoration claims, which includes record retention and claim management procedures with							

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<i>internal controls that can be transitioned seamlessly in a time of staff turnover.</i>							step by step instructions along with forms, deadlines, and tracking spreadsheets. All claim records spanning back the past two years, sparsely maintained in paper by the prior Risk administration, have been recreated electronically after extensive research with contractors, accounts payable, insurance carriers and TPAs. This information has been shared with the Comptroller's Office as well as the DA.
12. <i>Maintain maintenance and service logs on all major County building systems such as electrical, HVAC, UPS, fire, plumbing, roof, façade, etc.</i>							DAS: <u>Audit Services Response:</u> <i>Open – response will be requested for the updated status report planned for October 2015.</i>
13. <i>Ensure that resources, whether internal or external, necessary to adhere to appropriate systems inspections/servicing schedules are a top operating budget priority.</i>							DAS: <u>Audit Services Response:</u> <i>Open – response will be requested for the updated status report planned for October 2015.</i>