

Securities Audit Process Fact Sheet

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Green Belt Report out

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The Superintendent of the Ohio Department of Insurance has control over Securities held on deposit by licensed insurance companies in Ohio. Insurance companies domiciled in Ohio and companies who do not hold enough in their home state, must have a deposit of a specified amount required by Ohio Revised Code dependent on the type of company. The Fiscal division is responsible for keeping the security files maintained. There are 300 companies holding deposits with a total of \$395,990,010.00. An annual fiscal audit is done on the files to ensure the companies are still in compliance with the Ohio Revised Code.

The fiscal audit is done by two staff members in the fiscal division, with a supervisor overseeing the process. In the past the process has not been documented and deadlines have not been set. Each year the definition of what the audit should be changed per the state auditor. A conference call with the state auditor's office cleared up what was expected from the audit.

This project helped us do the following:

- Define the process and all involved
- Document the process
- Set Deadlines and goals
- Layout the responsibilities of each individual
- Determine the procedure for non-compliant companies

The results are as follows:

- Three contact attempts to complete the audit when we do not have statements on hand
- Reporting to our supervisor weekly with our audit results
- 10 securities audited per week for 15 weeks
- A deadline for each round of attempts
- A final deadline about 45 days before the end of the fiscal year

These changes have made us 72% more effective in our first attempt at the audit and the audit was completed 51 days before the deadline!