

Workers' Compensation Board

Assessment of Costs to Administer the Workers' Compensation Program for the Three State Fiscal Years Ended March 31, 2020

Report 2021-M-1 | September 2021

OFFICE OF THE NEW YORK STATE COMPTROLLER

Thomas P. DiNapoli, State Comptroller

Division of State Government Accountability



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Independent Practitioner's Report on Applying Agreed-Upon Procedures

September 29, 2021

Clarissa M. Rodriguez
Chair
Workers' Compensation Board
328 State Street
Schenectady, NY 12305

Dear Ms. Rodriguez:

An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed.

We have performed the procedures enumerated below related to the assessment of costs to administer the Workers' Compensation Program (Program) for the three State Fiscal Years (SFY) ended March 31, 2020. The Workers' Compensation Board (Board) is responsible for the assessment of these costs. Costs to administer the Program are recovered via assessments by the Board on participating insurance carriers, the State Insurance Fund, self-insurers, and self-insured political subdivisions of the State. The Board and the State Comptroller are required by the Workers' Compensation Law (Law) to ascertain the expenses of the Board. The Board has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of ascertaining the total expenses that the Board incurred in administering the Program for the three SFYs ended March 31, 2020. This report is not suitable for any other purpose. The procedures performed may not address all of the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. Procedure: We inspected the lists of Administrative Assessable Expenses (Lists) prepared by the Board. We determined if any categories of expenses were inappropriately included in or excluded from the Lists.

Finding: We did not identify any categories of expenses that were inappropriately included in or excluded from the Lists.

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2. Procedure: We compared and totaled the expenses from the reports the expenses are derived from (e.g., DW620, DW809, and GL3678). We inquired about any expenses that could not be confirmed or that may have been inappropriately included in or excluded from the Lists.

Finding: We did not identify any exceptions as a result of applying this procedure.

3. Procedure: We examined any individual expenses that the Office of the State Comptroller deemed necessary to assess the appropriateness of inclusion as an assessable expense to the corresponding assessment (e.g., Section 151 versus Section 50(5) of the Law).

Finding: We did not identify any exceptions as a result of applying this procedure.

4. Procedure: We notified the Board of any issues identified with respect to their calculation of expenses, and/or any other relevant matters identified during the engagement and obtained explanations for the issues or other matters identified.

Finding: We did not identify any exceptions as a result of applying this procedure.

5. Procedure: We confirmed that the written Statements of Administrative Assessable Expenses provided by the Board for the three SFYs ended March 31, 2020 correctly reflected resolution of any identified issues.

Finding: We confirmed the resolution of any identified issues. The Statements of Administrative Assessable Expenses for the three SFYs ended March 31, 2020, as agreed upon by the Board, are attached as Exhibit A (SFY ended March 31, 2020), Exhibit B (SFY ended March 31, 2019), and Exhibit C (SFY ended March 31, 2018).

We conducted this agreed-upon procedures engagement in accordance with generally accepted government auditing standards. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the total expenses that the Board incurred in administering the Program for the three SFYs ended March 31, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that we would have reported.

We are required to be independent of the Board and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

Office of the New York State Comptroller
Division of State Government Accountability
Albany, New York
September 29, 2021

Exhibit A

Workers' Compensation Board
Statement of Administrative Assessable Expenses
SFY Ended March 31, 2020

	Total Expenses	Section 151 WCL Workers' Compensation	Section 50(5) WCL Self-Insured
Personal Service	\$85,277,774	\$82,968,666	\$2,309,108
Maintenance and Operations			
Supplies and Materials	3,394,056	3,394,047	9
Travel	256,228	254,934	1,294
Contractual Services	46,900,627	45,379,287	1,521,340
Equipment	2,279,098	2,279,098	0
Total Maintenance and Operations	\$52,830,009	\$51,307,366	\$1,522,643
Fringe Benefit Charges	54,086,252	52,612,322	1,473,930
Indirect Expenses	2,891,008	2,812,082	78,926
Total Direct and Indirect Charges	\$56,977,260	\$55,424,404	\$1,552,856
Office of Information Technology Service Charges	\$12,299,000	\$12,299,000	\$0
Total Expenses	\$207,384,043	\$201,999,436	\$5,384,607

Exhibit B

**Workers' Compensation Board
Statement of Administrative Assessable Expenses
SFY Ended March 31, 2019**

	Total Expenses	Section 151 WCL Workers' Compensation	Section 50(5) WCL Self-Insured
Personal Service	\$82,529,329	\$80,446,297	\$2,083,032
Maintenance and Operations			
Supplies and Materials	3,903,370	3,884,077	19,293
Travel	285,274	282,573	2,701
Contractual Services	52,211,680	49,773,719	2,437,961
Equipment	267,841	267,841	0
Total Maintenance and Operations	\$56,668,165	\$54,208,210	\$2,459,955
Fringe Benefit Charges	54,168,846	52,806,006	1,362,840
Indirect Expenses	2,812,268	2,741,176	71,092
Total Direct and Indirect Charges	\$56,981,114	\$55,547,182	\$1,433,932
Office of Information Technology Service Charges	\$12,605,000	\$12,605,000	\$0
Total Expenses	\$208,783,608	\$202,806,689	\$5,976,919

Exhibit C

**Workers' Compensation Board
Statement of Administrative Assessable Expenses
SFY Ended March 31, 2018**

	Total Expenses	Section 151 WCL Workers' Compensation	Section 50(5) WCL Self-Insured
Personal Service	\$85,088,329	\$83,049,965	\$2,038,364
Maintenance and Operations			
Supplies and Materials	2,699,613	2,677,589	22,024
Travel	296,672	295,904	768
Contractual Services	48,817,328	45,430,452	3,386,876
Equipment	299,694	299,694	0
Total Maintenance and Operations	\$52,113,307	\$48,703,639	\$3,409,668
General State Charges	52,115,486	50,868,848	1,246,638
Indirect Expenses	2,225,782	2,172,250	53,532
Total Direct and Indirect Charges	\$54,341,268	\$53,041,098	\$1,300,170
Office of Information Technology Service Charges	\$13,326,000	\$13,326,000	\$0
Total Expenses	\$204,868,904	\$198,120,702	\$6,748,202

Contributors to Report

Executive Team

Andrea C. Miller - *Executive Deputy Comptroller*

Tina Kim - *Deputy Comptroller*

Ken Shulman - *Assistant Comptroller*

Engagement Team

Brian Reilly, CFE, CGFM - *Audit Director*

Sharon Salembier, CPA, CFE - *Audit Manager*

Christopher Herald, CIA, CGAP - *Audit Supervisor*

Michael Cantwell - *Examiner-in-Charge*

Chris Lance - *Senior Examiner*

Kelly Traynor - *Senior Editor*

Contact Information

(518) 474-3271

StateGovernmentAccountability@osc.ny.gov

Office of the New York State Comptroller
Division of State Government Accountability
110 State Street, 11th Floor
Albany, NY 12236



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