

Position Code
1. AUDITORA

State of Michigan
Civil Service Commission
 Capitol Commons Center, P.O. Box 30002
 Lansing, MI 48909
POSITION DESCRIPTION

This position description serves as the official classification document of record for this position. Please complete this form as accurately as you can as the position description is used to determine the proper classification of the position.

2. Employee's Name (Last, First, M.I.)	8. Department/Agency
	INSURANCE AND FINANCIAL SERVICES
3. Employee Identification Number	9. Bureau (Institution, Board, or Commission)
4. Civil Service Position Code Description	10. Division
AUDITOR 12	INSURANCE LICENSING, INVESTIGATIONS, AND AUDITS
5. Working Title (What the agency calls the position)	11. Section
SENIOR AUDITOR	AGENCY AUDIT SECTION
6. Name and Position Code Description of Direct Supervisor	12. Unit
HOLLY ZHU, STATE ADMINISTRATIVE MANAGER 15	
7. Name and Position Code Description of Second Level Supervisor	13. Work Location (City and Address)/Hours of Work
MICHELE RIDDERING, OFFICE DIRECTOR	530 W. ALLEGAN STREET, LANSING 8:00 A.M. – 5:00 P.M., MONDAY - FRIDAY
14. General Summary of Function/Purpose of Position	
<p>This position will conduct audits of licensed resident insurance agencies/business entities or other assignments which have been recognized as having significantly greater complexity. Determines audit objectives, methodology, and procedures. Exercise significant independent judgment related to accounting methods and business practices of insurance agencies/business entities. Identifies potential or existing areas of concern, determine causes of said deficiencies, and recommend resolution. Prepares audit reports containing data on records audited, conclusions reached, exceptions taken and proposed action. Prepares referral report and exhibits for enforcement area to determine administrative and/or legal action to be taken against the licensee.</p>	

15. Please describe the assigned duties, percent of time spent performing each duty, and what is done to complete each duty.

List the duties from most important to least important. The total percentage of all duties performed must equal 100 percent.

Duty 1

General Summary of Duty 1

% of Time 60

Serves as the senior level auditor for the most complex agency audits. Undertakes complex and challenging audit/investigation assignments to ensure conformity with the Michigan Insurance Code. Prepares audit reports and enforcement referral reports including statutory citations and exhibits supporting the allegations of statutory violations. Develops/constructs and executes new audit programs.

Individual tasks related to the duty.

- Independently determines audit scope and objectives based on identification of key risks and analysis of consumer complaints, and investigation results.
- Schedules, organizes and conducts targeted audits of insurance agencies in Michigan for conformity with the Insurance Code.
- Audits will examine the following areas: financial condition, billings and customer accounts, producer licensing records, complaint records, sales and advertising, and other areas as necessary.
- Develops audit guidelines and testing approaches when precedent audits do not exist.
- Clearly identifies audited agency's business practices, including accounting methods.
- Performs significantly involved complex agency audits, with factors including agency bill, higher direct written premium, and larger staff/producers.
- Exercises independent judgment with regards to sampling methodology and analysis.
- Authors detailed audit reports identifying the scope of the audit, methodology used and audit findings.
- Communicates deficiencies and recommends a plan to resolve identified deficiencies/concerns with the agencies.
- Conducts on-site audits for sample documentation review and provides direction to assisting auditors.
- Proactively interacts with agency contact/management to gather information, resolve problems, and make recommendations for business and process improvements.
- Corresponds with outside parties (insurers, banks, general agencies, and financing companies, etc.) to obtain relevant evidence if deemed necessary. May involve obtaining a subpoena for records.
- Interacts with general counsel to prepare necessary documentation for possible administrative action.
- Carries out special investigations into allegation of fraud and/or noncompliance with the Insurance Code at the request of management.
- Prepares enforcement referrals including background information, violations, factual allegations, exhibits to support allegations, and recommendations for market conduct or civil penalty or other action. Testifies as needed in the prosecution of the complaint.
- Has knowledge of and ability to detect fraudulent practices, working with the Office of General Counsel, the Office of Attorney General, and law enforcement agencies when fraud is detected.
- Creates and organizes work paper and utilizes the TeamMate library to complete and document audit working papers.

Duty 2

General Summary of Duty 2

% of Time 20

Performs risk assessments on selected agencies. Assists in the process of selecting agencies to perform risk assessments on.

Individual tasks related to the duty.

- Assists in selecting agencies to receive risk assessment reviews.
- Conducts risk assessments of agencies which can include the following areas: licensing and appointment, premium handling, surplus lines, and complaints.
- Reviews agencies' responses to initial questionnaires to obtain an understanding of their business operations and to identify areas of concern.
- Conducts onsite visits to review selected sample transactions.
- Prepares working papers as requested in the Risk Assessment procedure.
- Makes an assessment of the overall risk affecting the agencies' compliance with the statutory requirements.
- Has knowledge of and ability to detect red flags of potential outliers and makes recommendations for audits or other actions.
- Communicates to the agencies the final results of the reviews.

Duty 3

General Summary of Duty 3

% of Time 10

Conducts research and performs policy analysis, legislative analysis and performs other administrative tasks. Drafts guidance such as agency best practice documents and other communications to agencies. Drafts and updates procedures for audit processes. Responds to inquiries regarding agency law and operations.

Individual tasks related to the duty.

- Drafts communications, such as general newsletters, to agencies.
- Drafts, reviews, and updates internal procedures relative to audit processes.
- Stays informed of current accounting and auditing literature through available materials and resources.
- Researches and prepares analysis of the impact of proposed legislative changes.
- Prepares special reports and documents analyzing problems and issues in the insurance market.
- Determines factors to be considered in audit selection.
- Performs market analysis and assists in the selection of agencies for audit, prioritizing the audits based on the analysis and assessment of risk.
- Recommends a plan based on outcome of analysis/surveys.

Duty 4

General Summary of Duty 4

% of Time 10

Assists in training market conduct agency auditors. Assists less experienced auditors in preparing for and undertaking agency audits. Completes special assignments and other duties as assigned.

Individual tasks related to the duty.

- Provides assistance in training staff auditors in auditing standards and procedures.
- Attends and provides onsite agency audit assistance to newer auditors for the gathering of pertinent audit information from the agencies/business entities.
- Assists other auditors with the creation of enforcement referrals including background information, identification of violations, factual allegations, exhibits supporting allegations and recommendations for penalty.
- Provides assistance in training of Insurance Market Analysis guidelines and the Michigan Insurance Code.
- Performs reviews of surplus lines tax findings and makes recommendations for audits based on tax filing reviews.
- Completes special assignments.
- Performs other job related duties as necessary.

16. Describe the types of decisions made independently in this position and tell who or what is affected by those decisions.

Selection of audit samples. Preliminary determination of which agencies/business entities to audit. Determination of documentation required to complete audits. Recommendations of problems, causes, and resolutions. Determination of enforcement actions. Interpretation of laws, policies and procedures.

17. Describe the types of decisions that require the supervisor's review.

Approval of selection of agencies/business entities to be audited. Decisions on whether to proceed with recommendation of problem resolution. Matters related to DIFS policy determinations.

18. What kind of physical effort is used to perform this job? What environmental conditions is this position physically exposed to on the job? Indicate the amount of time and intensity of each activity and condition. Refer to instructions.

Position requires extensive in-state travel by automobile and very limited out-of-state travel usually by air. Additional position duties and tasks are performed in a traditional office environment which includes considerable sitting, occasional standing, limited lifting, microcomputer usage and normal office routines.

19. List the names and position code descriptions of each classified employee whom this position immediately supervises or oversees on a full-time, on-going basis. (If more than 10, list only classification titles and the number of employees in each classification.)

<u>NAME</u>	<u>CLASS TITLE</u>	<u>NAME</u>	<u>CLASS TITLE</u>

20. This position's responsibilities for the above-listed employees includes the following (check as many as apply):

- | | |
|---|--|
| <input type="checkbox"/> Complete and sign service ratings. | <input type="checkbox"/> Assign work. |
| <input type="checkbox"/> Provide formal written counseling. | <input type="checkbox"/> Approve work. |
| <input type="checkbox"/> Approve leave requests. | <input type="checkbox"/> Review work. |
| <input type="checkbox"/> Approve time and attendance. | <input type="checkbox"/> Provide guidance on work methods. |
| <input type="checkbox"/> Orally reprimand. | <input type="checkbox"/> Train employees in the work. |

22. Do you agree with the responses for Items 1 through 20? If not, which items do you disagree with and why?

Yes

23. What are the essential functions of this position?

Independently examining and evaluating the complex business practices of insurance agencies/business entities, determining existence of difficulties, ascertaining the cause of problems, and making recommendations to the market conduct audit manager for resolution of problems.

24. Indicate specifically how the position's duties and responsibilities have changed since the position was last reviewed.

The position has increased in decision-making responsibility, independence in the performance of complex audits, and responsibility for assisting other auditors.

25. What is the function of the work area and how does this position fit into that function?

The Office of Insurance Licensing, Investigations and Audits is responsible to oversee the licensing of insurance agents/agencies, solicitors, counselors, adjusters and the registration/certification of Third Party Administrators, Foreign Risk Retention Groups, Purchasing Groups and Premium Finance Companies. Additionally, the office is responsible to licensee self-reports, data ALERTS, oversee surplus lines tax reporting, company examinations relating to process and agency audits. This position serves as an auditor within the Agency Audit Section monitoring the activity of licensed insurance agencies and premium finance companies.

26. What are the minimum education and experience qualifications needed to perform the essential functions of this position?

EDUCATION:

Possession of a bachelor’s degree with not less than 24 semester or 36 term credits in accounting.

EXPERIENCE:

Auditor 9 – No specific amount or type of required.

Auditor 10 – One year of professional experience in auditing, accounting, financial and operations records, equivalent to an auditor in state services.

Auditor P11 – Two years of professional experience in auditing, accounting, financial and operations records, equivalent to an auditor in state services, including one year equivalent to an intermediate-level auditor.

Auditor 12 - Three years of professional experience in auditing, accounting, financial and operations records, equivalent to an auditor in state services, including one year equivalent to the experienced (P11) level in state service.

ALTERNATE EDUCATION AND EXPERIENCE:

Auditor 9 – 12

Possession of a bachelor’s degree with at least 24 semester (36 term) credits in one or a combination of the following: finance, economics, information systems, business analytics, data analytics, statistics, quantitative methods, data science, or management may be substituted for the education for agency positions responsible for internal auditing or Office of Auditor General positions responsible for auditing.

Possession of a Certified Internal Auditor certification or a Certified Information System Auditor certification may be substituted for one year of experience at the P11 level for positions responsible for internal auditing.

Possession of a Certified Management Accountant certification (CMA) may be substituted for six months of experience at the P11 level. Possession of a Certified Public Accountant certification (CPA) may be substituted for one year of Auditor experience.

KNOWLEDGE, SKILLS, AND ABILITIES:

Knowledge of statutory accounting and auditing principles and practices.

Knowledge of government auditing standards.

Previous insurance accounting experience is a plus, and required for higher classifications.

Excellent verbal and written communication skills.

Ability to interpret laws, bulletins and regulations.

Excellent analytical skills.

Knowledge and experience in detecting fraud is desired for higher level classifications.

CERTIFICATES, LICENSES, REGISTRATIONS:

NOTE: Civil Service approval of this position does not constitute agreement with or acceptance of the desirable qualifications for this position.

I certify that the information presented in this position description provides a complete and accurate depiction of the duties and responsibilities assigned to this position.

Supervisor’s Signature

Date

TO BE FILLED OUT BY APPOINTING AUTHORITY

Indicate any exceptions or additions to statements of the employee(s) or supervisors.

I certify that the entries on these pages are accurate and complete.

Appointing Authority Signature

Date

TO BE FILLED OUT BY EMPLOYEE

I certify that the information presented in this position description provides a complete and accurate depiction of the duties and responsibilities assigned to this position.

Employee's Signature

Date

NOTE: Make a copy of this form for your records.