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Internal Audit Services



November 2007

Audit of

Occupational Health and Safety

Audit of Occupational Health and Safety

Project No: 6506

November 2007

SP-833-11-07E
(également disponible en Français)

Paper

ISBN: 978-0-662-47563-7

Cat. No.: HS28-138/2007E

PDF

ISBN: 978-0-662-47564-4

Cat. No.: HS28-138/2007E-PDF

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EXECUTIVE SUMMARY

This report presents the results of an internal audit of the Occupational Health and Safety Program (OHS) which operates under the umbrella of the Labour Program within Human Resources and Social Development Canada (HRSDC). The OHS Program's main purpose is to prevent accidents and/or injury in the workplace that could affect an employee's health and/or well-being.

The main objectives of the audit were to provide reasonable assurance to senior officials that: 1) the Management Action Plan that was developed in response to the 2001 report on the *Review of the Labour Branch, Occupational Safety and Health Program* had been implemented; 2) the Division was able to deliver on its objectives adequately, and; 3) the services rendered by the Canada Appeals Office on Occupational Health and Safety as per its mandate in regards to Occupational Health and Safety were adequate.

Audit Conclusion

Internal Audit Services (IAS) found that the OHS Program has made improvements, but the Management Action Plan of the 2001 review has not been entirely implemented. In addition, improvement is required within the control framework of the OHS program to allow for greater success in the achievement of program objectives. IAS also found that the Canada Appeals Office on Occupational Health and Safety responds adequately to its mandate by providing accessible services.

Audit Recommendations

As a result of the audit, the following three recommendations are addressed to Senior Management:

1. The management of the OHS program should conduct a risk-based prioritization of all outstanding actions from the Management Action Plan of the 2001 review. The incomplete actions should be implemented where possible given the available resources.
2. OHS Program Management should undertake the following recommended actions to improve the management of the Program:
 - Work with provincial Workers' Compensation Board (WCBs) to improve employer electronic data by obtaining data from appropriate sources to further identify and update the population of federally regulated employers;
 - Increase and prioritize the coverage of Employer's worksites inspected by Health and Safety Officers (HSOs) based on the levels of risk associated to the worksites;
 - Modify the existing training program to address the training needs of HSOs including the development of procedural guidelines to demonstrate acceptable data entry practices;

- The OHS Program should include risk-based and random quality control checks for high-risk sectors in the current monitoring system to enable a better assessment of the quality, accuracy and completeness of operational assignments; and
 - Ensure significant risks and corresponding mitigation strategies are identified in the Risk Based Audit Framework or other corporate risk profile documents.
3. The Canada Appeals Office on Occupational Health and Safety is encouraged to establish service standards for activities that precede the assignment of the case to an Appeals Officer.

GLOSSARY

Assignment	An activity performed by a Health and Safety Officer to either enforce or promote Part II of the <i>Canada Labour Code</i> . For example, inspections, counselling sessions, investigations, promotions, etc.
Assurance of Voluntary Compliance (AVC)	An AVC is the employer's or employee's written commitment to a Health and Safety Officer that a contravention of the Code will be corrected within a specified period. An AVC is accepted by the HSO in cases of minor infractions, but never in situations that constitute a danger.
Cross-reference	To research, verify, or organize by means of cross-references [i.e. a notation or direction at one place (as in a book or filing system) to pertinent information at another place].
Directions	A direction is a written notice ordering the employer or employee to terminate a contravention of the Code within a specified period.
Disabling injury incidence rate (DIIR)	<p>The DIIR is a calculation of the rate of injury or illness at work for any given worksite or industry, so that it can be compared to other worksites or industries. The formula is calculated for each worksite and industry; it is the number of disabling injuries (including fatalities — which are reported separately) multiplied by a factor of 100, divided by the number of FTEs (full-time equivalents) for that worksite or industry.</p> $\frac{\text{Total number of disabling and fatal work injuries} \times 100}{\text{Total number of FTEs}}$ <p>DIIR is a key performance indicator used by OHS management for the work planning exercise in order to establish performance targets.</p>
Employer's Annual Hazardous Occurrence Report (EAHOR)	The EAHOR is a written report, which records the number of accidents, occupational diseases and other hazardous occurrences in the workplace. This report shall contain this information and be in the form set out by the Canada Occupational Health and Safety Regulation (COHS Regulations) Part XV, section 15.10, Schedule II, pursuant to Part II of the <i>Canada Labour Code (Code)</i> . EAHOR was previously known as Employer's Annual Hazardous Occurrence Investigation Report (EAHOIR). The data in the EAHOR is self-reported by the employer.
FJID	The Federal Jurisdiction Injury Database contains injury information reported by federally regulated employers.

Intervention Model	The Intervention Model is a voluntary and collaborative approach designed to assist clients in establishing an effective Internal Responsibility System, to make them more self-reliant and able to effectively address current and future OHS issues in their workplace. The Model is intended to address individual worksites. It focuses on clients with high Disabling Injury Incident Rates, in high-risk sectors, or with large numbers of work refusals or complaints, and includes a monitoring period following the Intervention, to gauge the success of the Intervention, and provide remedial support if necessary. The Intervention Model consists of six stages (selection of client, client commitment, appraisal, assessment, work plan and monitoring).
Labour Applications 2000 (LA2000)	LA2000 is a suite of client applications, which support the operational and management needs of the Labour Branch of HRSDC. It provides up-to-date client and activity information for use at the local level for work planning and case management. It is also used at the regional and national level for program delivery and evaluation as well as policy and program development.
Non-Investigative Assignments	<p>Non-investigative assignments do not require an investigative report to be completed. However, for investigative assignments, reports are completed and require the signatures of the HSO. The Following are a few examples of non-investigative assignments:</p> <ul style="list-style-type: none">• Follow-up – OHS• Counselling – Individual – OHS• Promotion – OHS• Special Assignment – OHS• Inspections
Occupational Health and Safety (OHS) Program	The OHS Program is delivered by several units including the OHS Program, Program Coordination and Planning and regional offices.
Selected Companies	Workplace Health and Safety Committees must be established in workplaces where there are 20 or more employees. At least half of the committee members must be employees who do not have managerial functions. Two Occupational Health and Safety Committees were selected from each region that was visited by the audit team.

Tiering	<p>Tiering is a process used for establishing the order of priorities. The local tiering process is a risk assessment process that involves assessing the level of risk associated with a particular employer/site based on certain factors, such as an employer's history of non-compliance, information submitted to the WCBs and the injuries reported on the Employer Annual Hazardous Occurrence (EAHOR) report.</p>
Workplace Health and Safety Committee	<p>A Workplace Health and Safety Committee should have access to, and the necessary time for, training and be equipped in such a manner to effectively fulfill its responsibilities, such as:</p> <ul style="list-style-type: none">• Cooperate with Health and Safety Officers;• Participate in all of the inquiries, investigations, studies and inspections pertaining to the health and safety of the employees, including any consultations that may be necessary with persons who are professionally or technically qualified to advise the Committee on those matters; and• Ensure that adequate records are maintained on work accidents, injuries and health hazards related to the health and safety of employees and regularly monitor data relating to those accidents, injuries and hazards.

BACKGROUND

The Labour Program promotes a fair, safe, healthy, stable, cooperative and productive work environment, which contributes to the social and economic well-being of all Canadians. The National Labour Operations Directorate is responsible for managing the Occupational Health and Safety (OHS) Program through Part II of the *Canada Labour Code*.

The Directorate carries out its responsibilities through headquarters operations and provides functional direction to five regional offices and their corresponding district offices.

The clients of the OHS program include organizations operating in various industries such as Railway, Highway and Air Transport, Indian Reserves, Ferries, Tunnels, and Pipelines.

The objective of the OHS Program is to prevent accidents and injury to health arising out of, linked with, or occurring in the course of employment to which Part II of the *Canada Labour Code* applies. This Code prevents accidents by introducing the principles, requirements and the general duties of employers, workers and the federal government. It carries out its objective by conducting the following activities related to Part II of the *Canada Labour Code*:

- The program develops regulatory frameworks with the input of stakeholders such as unions and their employees. OHS policy is developed in consultation with OHS specialists to provide direction on OHS program activities conducted by Health and Safety Officers (HSOs) for the regional directors. In addition, the program develops interpretative guides to provide HSOs with consistent interpretations of the Code.
- The HSOs of the regional offices perform various assignments such as counseling, investigation, promotion and inspection to ensure that employers meet requirements of the *Canada Labour Code*. When laboratory analysis is required during complex field surveys related to hygiene, mining and industrial safety, HSOs forward the information to the Technical Services unit for examination.
- The Research and Analysis unit analyzes the injury data which employers are legally required to submit annually. Based on this analysis, the unit computes the indicator known as the Disabling Injury Incident Rate (DIIR) for regions and industries to highlight regions and industries with the highest number of injuries.
- The Client Education and Training unit produces promotional materials such as brochures to create awareness and organizes training sessions to educate and train employees and employers on OHS topics.

The OHS Program currently operates with a total of 38.5 full-time equivalents (FTEs). Their operating fund was \$2,857,001 in the fiscal year 2004-2005, \$2,654,288 in 2005-2006 and \$3,221,734 in 2006-2007.

The Canada Appeals Office on Occupational Health and Safety functions as an administrative tribunal. Appeals Officers receive, hear and dispose of appeals of decisions issued under Part II of the *Canada Labour Code* in all sectors under federal jurisdiction — the focus being the prevention of workplace accidents and injuries. The mission of the Appeals Officers is to ensure expert, independent, unbiased quality service to all parties by treating them equally, fairly and with understanding, respect and dignity.¹

¹ Website of the Canada Appeals Office.

1. INTRODUCTION

In February 2001, the report named *Review of the Labour Branch, Occupational Safety and Health Program (OHS)* was tabled at the Audit and Evaluation Committee (AEC). The report reflected that the OHS Program has undertaken many business improvement initiatives; however, the report also addressed the need to strengthen and rebalance the OHS Program. In response to the findings, a Management Action Plan was approved by the AEC.

The 2006-2007 Internal Audit Transitional Plan identified the OHS program as an audit priority. This 2006-2007 audit has taken into consideration the status of the previous review conducted in 2001.

1.1 Objectives and Criteria

Objective 1

Verify whether the OHS Program has implemented the Management Action Plan developed in response to the recommendations made in the 2001 report on the *Review of the Labour Branch, Occupational Safety and Health Program (OHS)*.

Objective 2

Determine if the OHS Program is appropriately managed to be able to deliver on its objectives. Conclusions will be based on evidence examined in support of the following criteria.

Criterion 2.1

The OHS Program has mechanisms in place to ensure that employers meet requirements of Part II of the *Canada Labour Code*:

2.1.1

OHS ensures that sufficient promotion of Part II of the *Canada Labour Code* requirements is conducted.

2.1.2

OHS takes appropriate measures to ensure employer compliance to the Code.

2.1.3

OHS has mechanisms in place to manage situations of non-compliance.

Criterion 2.2

Staff has the necessary training and tools to complete their tasks.

Criterion 2.3

Operational outputs are continuously monitored, and used for reporting and decision-making.

Criterion 2.4

Management has identified risks facing the OHS Program and mitigation strategies were developed and implemented.

Objective 3

Assess the adequacy of the services rendered by the Canada Appeals Office on Occupational Health and Safety (CAOOHS) as per its mandate based on evidence in support of the following criteria.

Criterion 3.1

Services rendered by the CAOHS on OHS are accessible.

Criterion 3.2

Services rendered by the CAOHS on OHS are conducted within a reasonable time frame.

Criterion 3.3

Services rendered by the CAOHS on OHS are based on processes that demonstrate impartiality.

1.2 Key Risks

The audit team has identified the following key risks that the program faces:

- Deterioration in the confidence of the public in the program as departmental legal obligations related to Part II of the *Canada Labour Code* may not be fulfilled.
- Inadequate identification of the population of clients to proactively prevent injuries or accidents.
- Inaccurate measurement of program performance due to the lack of procedures to validate performance indicators.

1.3 Scope

The OHS Program realizes its responsibilities through headquarters operations, which includes the provision of functional and operational direction to regional offices. As a result, the audit was conducted at the National Headquarters (NHQ), Regional Headquarters (RHQ), and at selected businesses in the regions.

Since the activities under Federal Workers Compensation are legislated by several other acts including provincial legislations, they will not be included in this audit. Moreover, the audit only examined operations related to Part II of the *Canada Labour Code*.

1.4 Methodology

The following audit procedures were used:

- Survey addressed to Work Place Health and Safety Committees;
- Interviews with selected companies in three regions;
- Interviews with management and staff of the Program;
- Examination of relevant documentation from judgmental samples, including grant files; and
- Analysis of Program data and information.

A survey was designed and sent to a sample of Workplace Health and Safety Committees of federally regulated employers; however, the response rate from this survey was too low to incorporate the results into this report.

The audit included interviews with employees and managers at National Headquarters. Three of the five regions were visited (Ontario, Quebec, and North-West Pacific)² as part of the audit based on the number of employers which have been reporting to OHS on an annual basis since 2002. The audit team also interviewed employees and managers at each of the three regional offices and the district office of South Western Ontario.

Debriefings on preliminary findings were conducted to validate and obtain feedback.

² The North West Pacific Region is made up of the North West Territories, the Yukon, Nunavut, and the provinces of British Columbia and Alberta.

2. AUDIT FINDINGS

2.1 Implementation of the Management Action Plan of the 2001 review

Although the Occupational Health and Safety (OHS) Program has taken action on some of the items in the Management Action Plan (MAP) of the 2001 review, the MAP is yet to be fully implemented.

Condition

This audit identified areas of the 2001 Management Action Plan that have not been completed. For example, the OHS Program has not signed Memorandums of Understanding with any of the provincial Workers' Compensation Boards (WCBs) for the purpose of sharing detailed workplace injury data as recommended in the 2001 report.

Causes and Impacts

- The injury data of the Provincial WCBs is currently the most useful source to reconcile the accuracy of the self-reporting of hazardous occurrence information. Management of the OHS Program indicated that Provincial and Federal Privacy Legislation has impeded the development of data sharing agreements with the WCBs since at least 2001. Furthermore, OHS officials specified that they are currently unaware of the status of these negotiations.
- The Disabling Injury Incidence Rate (DIIR) is used as one of the sources of information that management uses during the planning process and as the sole performance measure of the OHS program.
- Without access to WCBs data, the accuracy of the injury information used to compute the DIIR figures cannot be verified for federally regulated employers covered by the WCBs. Thus, performance reporting for decision-making at the corporate level is limited.

We have come to the conclusion that the Management Action Plan of the 2001 review was not fully implemented.

For more detailed information on the status of tasks of the Management Action Plan, please refer to Appendix A.

Recommendation

1. The management of the OHS Program should conduct a risk-based prioritization of all outstanding actions from the Management Action Plan of the 2001 review. The incomplete actions should be implemented where possible given the available resources.

2.2 Appropriateness of the Management of the OHS Program

The management practices of the OHS Program enable the achievement of some program objectives. However, there is room for improvement within the control framework to enable greater effectiveness in the achievement of these objectives.

2.2.1 Identification and Updates to Client Universe

Condition

The OHS Program does not have the procedures in place to ensure that the client universe is up to date and complete. The OHS Program is not always made aware of federally regulated employers that are currently operating, have ceased to operate or have recently incorporated.

Causes and Impacts

The audit revealed that the Program does not have data sharing agreements with other public entities to identify and continuously update the client universe. As a result, the OHS Program may be unable to fully and proactively achieve its objective of accident and injury prevention to health in the course of employment.

2.2.2 HSO Visits to Worksites of Federally Regulated Employers

Condition

A significant number of high-risk employers that are known to the Program are not visited annually despite the Program having a model that allows for reallocation of FTEs from one region to another.

Causes and Impacts

- The audit team examined the required frequency of assignments by risk level for the last three Fiscal Years (2004-2007) in the Labour Applications 2000 (LA2000) system and compared the actual number of visits with the required number of visits for each risk level. The analysis demonstrated that the average percentage of visits made to employers deemed as very high-risk was 16% — as opposed to the target of 100% — across the country in 2006-2007. **Appendix B** provides the details of the computations.
- The number of resources and the absence of weights related to assignments based on factors such as required travel time and the number of employees per site hinders management's ability to increase OHS activity site coverage. A concern exists that by not increasing coverage, the Program will be unable to further increase the focus on accident prevention.

2.2.3 *Provision of Training*

Condition

OHS personnel including non-HSOs identified a number of training weaknesses some of which are recurring since the 2001 review.

Causes and Impacts

- According to regional staff, some sources of the shortcomings related to OHS training are: the need for OHS training in French; the lack of practical application in the introductory OHS course; and the need for continuing education on evolving OHS materials and modern technological methods for training delivery.
- The training program for HSOs is in the process of being updated. This has led to an inconsistent application of exams in the introductory OHS courses.
- Until the training program is restructured and implemented, the performance of the staff will not reach optimal levels.

2.2.4 *Release of Directives/ Legal Interpretations/ Policies and Guidelines*

Condition

Directives and legal interpretations, policies and guidelines such as the definition of “danger” remain unapproved and under development for extended periods of time without explicit publication deadlines.

A revised operational program directive (OPD) related to the ranking of worksites by risk level, called tiering, was supposed to improve data and information so that Program Management could more accurately target high risk employers for inspections. However, the directive was still under review at the time of the audit.

Causes and Impacts

- To promote consistency, NHQ Program Management provides access to legal interpretations limited only to Technical Advisors (TAs) so as to reduce the risk of legal misinterpretation.
- If OPDs are not updated and reviewed in a timely fashion, the regional operations may not be providing consistent service and direction.

2.2.5 *Mechanisms in place for Continuous Monitoring*

Condition

The controls in place are not sufficient to continuously monitor operational results. The LA2000 system used for monitoring operations faces data integrity weaknesses. In addition, the current quality assurance framework can detect errors, but there are gaps which prevent a more comprehensive identification of potential errors in the assignments.

Causes and Impacts

- There are no policies or operational guidance to explain and detail the standard information that must be entered into the system. Consequently, HSOs may misinterpret or enter inconsistent information.
- The remote nature of the assignments increases the difficulty in monitoring. High-risk assignments such as investigations and inspections are monitored using non-standardized documentation; as a result, TAs and Managers could still be left with incomplete information. For example, if an HSO overlooks a critical finding at a high-risk site, it will not be documented, and the TA will not be made aware of it.
- TAs are a critical component of the Quality Assurance (QA) regime of the OHS Program. The current QA process excludes field monitoring procedures that could better ensure that possible errors made during high-risk assignments, such as inspections, are identified and quickly rectified. For example, TAs do not randomly accompany HSOs visiting high-risk sites to determine whether assignments are meeting standards. The presence of the TA could also identify areas for professional development.
- According to program staff, it is difficult to develop standard checklists to guide HSOs during the assignments because Part II of the *Labour Code* consists of numerous regulations for different industries. Hence, there are potential inconsistencies in the rigour applied to the assignments.
- Each region that was visited has only one Technical Advisor, which makes it difficult for TAs to be able to review more than the current 2% - 4% of assignments per HSO.
- Appendix C illustrates the process of conducting an assignment and highlights the control weaknesses found.

2.2.6 Risk Management

Condition

Many of the risks facing the OHS Program have been identified in the Risk Based Audit Framework documents (RBAFs) of fiscal years 2005 and 2007.³ Despite the fact that the Management Action Plan of the 2001 review is yet to be fully implemented, the risk of not completing the Management Action Plan was overlooked.

Causes and Impacts

- If key risks are neglected, the Program may be unable to effectively achieve its objective.

2.2.7 Grants

The OHS Program is responsible for administering a small grant program of \$27,000 annually. The purpose of the grants is to assist recipients with OHS activities. Thirteen grant files were reviewed from fiscal years 2002-2003 to 2005-2006 and all recipients met the eligibility criteria.

Recommendations

2. OHS Program Management should undertake the following recommended actions to improve the management of the Program:
 - Work with provincial WCBs to improve employer electronic data by obtaining data from appropriate sources to further identify and update the population of federally regulated employers;
 - Increase and prioritize the coverage of Employer's worksites inspected by HSOs based on the levels of risk associated to the worksites;
 - Modify the existing training program to address the training needs of HSOs including the development of procedural guidelines to demonstrate acceptable data entry practices;
 - The OHS Program should include risk-based and random quality control checks for high-risk sites in the current monitoring system to enable a better assessment of the quality, accuracy and completeness of operational assignments; and
 - Ensure significant risks and corresponding mitigation strategies are identified in the Risk Based Audit Framework or other corporate risk profile documents.

³ The Risk Based Audit Frameworks are developed by OHS Program Management to obtain funding approval from the Treasury Board.

2.3 Canada Appeals Office on Occupational Health and Safety

The Canada Appeals Office on Occupational Health and Safety responds adequately to its mandate by providing accessible services.

2.3.1 Fulfillment of mandate

Condition

The Canada Appeals Office on Occupational Health and Safety, as an administrative tribunal, was reviewed in terms of accessibility, reasonableness of time frame for services and impartiality. Due to the lack of service standards and an outstanding case before the courts, the audit team's conclusions are limited to the accessibility of service.

Based on a review of 24 out of 114 appeals files, or 21%, the documentation indicated that the Canada Appeals Office on Occupational Health and Safety is accessible to all parties during all hours via email, faxes and telephone.

Recommendation

3. The Canada Appeals Office on Occupational Health and Safety is encouraged to establish service standards for activities that precede the assignment of the case to an Appeals Officer.

Statement of Assurance

In our professional judgment, sufficient and appropriate audit procedures have been conducted and evidence gathered to provide a high level of assurance on the findings contained in this report. The conclusions were based on a comparison of the situations as they existed at the time against the audit criteria. This internal audit was conducted in accordance with the Treasury Board Policy on Internal Audit and the Institute of Internal Auditors Standards for the Professional Practice of Internal Auditing.

APPENDIX A

EVALUATION OF THE IMPLEMENTATION OF THE 2001 MANAGEMENT ACTION PLAN

Evaluation of the Implementation of the 2001 Management Action Plan				
Recommendation	Activities/Actions	Outcomes/Results	Status (as per Internal Audit Services)	Comments (from Internal Audit Services)
1. OHS strategic direction and priorities should be updated to ensure clarity, to promote consistency of planning, to improve co-ordination and to facilitate strategic allocation of resources.	<ul style="list-style-type: none"> The recent amendments to Part II of the <i>Canada Labour Code</i> have legislated the new strategic direction of the OHS program and necessitated the updating of priorities. The strategy behind the amendments is to strengthen the internal responsibility system (IRS) thereby allowing more of the existing resources to be directed at achieving the purpose of the Code, namely prevention of accidents and injuries, in places where the IRS is either not functioning or has failed. Orientation sessions for safety officers, their managers, and clients are being organized to clarify the new regulatory approach. 	a. More self-reliant worksites. b. More resources for prevention. c. Fewer accidents and injuries.	Fully completed	Part II of the <i>Labour Code</i> has been amended to establish an internal responsibility system that provides more resources for prevention. Training sessions have been provided on the 2000 amendment of the Code.
	<ul style="list-style-type: none"> The Operations Program Directive (OPDs) on priorities of interventions (for Parts II and III combined) and tiering (i.e. ranking) of worksites under Part II are being updated, and analytical tools are being developed, which will result in high-risk worksites being targeted for prevention activities. 	a. More coherent and focused interventions. b. Activities more clearly linked to purpose of Code (i.e. prevention). c. Re-alignment of resources between and within programs, if necessary. d. More effective use of available resources.	Partially Completed	<ul style="list-style-type: none"> The OPD on tiering has never been made official. OPD 700-3 on Priorities for Interventions exists —dated from 2004-07-05. There is a targeting tool which is based on the DIIR.

Evaluation of the Implementation of the 2001 Management Action Plan (continued)				
Recommendation	Activities/Actions	Outcomes/Results	Status (as per Internal Audit Services)	Comments (from Internal Audit Services)
	<ul style="list-style-type: none"> A five-year strategic plan and accompanying business plans will be developed to translate legislative and program orientations into action. The plan will be developed in collaboration with client groups and will be widely communicated internally and externally. 	Clear and communicated program strategies, objectives, action plans and expected results.	Fully completed	The five-year strategic plan has been developed.
2. Continue to address the long-standing issue of limitations in program data and management information through various measures. One possible means of improving the timeliness, accuracy and comprehensiveness of program databases is agreements with provincial Workers' Compensation Boards to obtain injury information.	<p>Maintain and strengthen internal data collection to provide necessary information for strategic allocation of resources, risk management and program performance monitoring. Rationalize databases and integrate with WCBs data as it becomes available. Specific steps taken to address data limitations include:</p> <ol style="list-style-type: none"> Improved collection of Employer's Annual Hazardous Occurrence Investigation Reports (EAHOIR). Develop and implement quality assurance program for EAHOIR data including production of client education tools. 	<p>a) Higher response rate. b) More accurate client universe. c) More consistent enforcement of reporting requirements.</p> <p>More accurate information for targeting, allocation of resources and monitoring.</p>	Partially Completed	<ul style="list-style-type: none"> EAHOR remains limited because it is strictly based on self-reporting without any cross-referencing. Client universe is not accurately known. Follow-ups are conducted on known employers.
			Partially Completed	Federal Jurisdiction Injury Database (FJID) has a mechanism to flag EAHOR data exceptions for some of the data that has been reported. However, the QA program did not improve the limitations regarding the data related to disabling injuries and fatalities because this information is not cross-referenced to other sources of information, such as the WCBs.

Evaluation of the Implementation of the 2001 Management Action Plan (continued)					
Recommendation	Activities/Actions	Outcomes/Results	Status (as per Internal Audit Services)	Comments (from Internal Audit Services)	
	3. Cross-validation of data from various sources to ensure employers comply with reporting requirements.	Higher compliance with reporting requirements.	Not Completed		
	4. Regions to enter all Hazardous Occurrences Investigation Reports (HOIRs) in LOIS/ LA2000.	a. More complete injury records. b. More reliable performance indicators.	Unable to Assess	We did not have time to confirm whether all hazardous occurrence investigation reports from regions are entered in LA2000.	
	5. OPD on tiering (i.e. ranking) of Part II interventions will be revised to include employers not submitting HOIRs.	More compliance with HOIR provisions of Code.	Not Completed	The OPD on tiering has never been made official.	
	6. New injury coding system compatible with WCBs information will be implemented with the commissioning of LA2000.	Deficiencies in quality of HOIR data corrected and coding standardized (using CSA standard) to facilitate data mining.	Not Completed	The WCBs information is unavailable.	
	7. Develop and implement quality assurance program for HOIR data.	Improved quality and consistency of data.	Partially Completed	FJID has mechanism to flag injury data exceptions. However, given that this information is not cross-referenced, the audit team cannot confirm the accuracy of data.	
	8. Improve HOIR and EAHOIR forms and enable electronic reporting.	a. Simplified reporting of data. b. Reduced workload for program and employers. c. Implementation of government on-line.	Partially Completed	The form has been improved; however, there is no website to allow employers to report hazardous occurrence information electronically.	
	9. Federal jurisdiction injury database (FJID) updated annually and linked with LA2000.	Up-to-date client registers.	Fully Completed	FJID and LA2000 are linked. Client registries are only updated for the name, address and postal code of the employers.	

Evaluation of the Implementation of the 2001 Management Action Plan (continued)					
Recommendation	Activities/Actions	Outcomes/Results	Status (as per Internal Audit Services)	Comments (from Internal Audit Services)	
	10. Develop and implement quality assurance program for LAO assignments.	Consistent quality of Program data.	Partially Completed	<ul style="list-style-type: none"> QA has questions for which supporting documentation may not be obtained. For example, the verification on whether or not LA2000 has been updated by HSO for a specific assignment. 	
	LA2000 contains the following enhancements: a. Information entered at the district level will be accessible at the regional and national level as soon as it is entered instead of being updated monthly.	More timely information available at the regional and national level.	Fully Completed		
	b. Complete electronic inventory of all documents produced by LAOs.	Electronic search of all documents pertaining to user-defined key words, e.g. asbestos fibres.	Unable to Assess	Did not have direct access to the LA2000 system during the conduct phase.	
	Improved on-line edits and drop-down menus.	More accurate data.	Fully Completed		
	The OHS Program has been pursuing and continues to pursue the obtainability of federal injury information from provincial and territorial Workers' Compensation Boards (WCBs). Several regions have or have had access to data from their local WCB; the information supplied varies widely. As a result of provincial privacy issues, the Quebec Region has lost access to CSST data. Recent public attention to privacy issues involving HRSDC has complicated matters. The initiative is nevertheless continuing:	While it is expected that when WCBs information is integrated with program information, it will improve the quality and timeliness of decision-making, in the short to medium term, its greatest opportunity resides in supplementing program information to assist in focusing on high-risk areas, particularly health hazards.	Not Completed		

Evaluation of the Implementation of the 2001 Management Action Plan (continued)				
Recommendation	Activities/Actions	Outcomes/Results	Status (as per Internal Audit Services)	Comments (from Internal Audit Services)
	a. A review of local data-sharing agreements, whether formal or informal, has been undertaken. This review will provide information on key issues and potential partners for pilot agreements.	In order to ensure national consistency in strategic planning, program delivery and performance assessment and monitoring, strategic allocation of resources, targeting and tiering of work sites must continue to be based on program data. This data must be available in comparable quality and form to all regional components.		
	OSHFP has established contacts with the Chief Financial Officers of WCBs and with members of the OHS Committee of the Canadian Association of Administrators of Labour Legislation (CAALL-OHS committee) to promote injury information sharing agreements. Some provinces have shown interest and contacts are being established between NHQ, the local regions and the WCBs to initiate discussions. Based on preliminary discussions, one or two WCBs will be selected to pilot negotiations for data-sharing agreements.		Unable to Assess	Scope was limited to the OHS Program of the Labour Program. To avoid scope creep, we did not probe into relationships with entities such as CAALL which are excluded from the scope of the project.

Evaluation of the Implementation of the 2001 Management Action Plan (continued)				
Recommendation	Activities/Actions	Outcomes/Results	Status (as per Internal Audit Services)	Comments (from Internal Audit Services)
3. Implement the new key performance indicator (DIIR) and monitor and report on progress towards goal attainment. The utility of this indicator will depend on the quality of underlying OHS program data (see previous recommendation).	<ul style="list-style-type: none"> The old performance indicator was based on the percentage of minor violations resolved through Assurances of Voluntary Compliance (AVCs). The National Labour Operations Committee (NLOC) concluded in Sep. 1997 that this was insufficient to assess the effectiveness of the OHS Program and commissioned a working group to propose a more appropriate performance indicator. The WG recommended a performance indicator based on the disabling injury incidence rate (DIIR). NLOC adopted it in Oct. 1999 and the following implementation plan in Feb. 2000 which includes steps to overcome data limitations and integrate the DIIR into the program's performance measurement framework. 	<p>a. Performance indicator based on DIIR is a direct measure of the effectiveness of the Program in achieving the purpose of the Code — the prevention of injuries.</p> <p>b. DIIR will force resources to be directed to where they will have the greatest impact on reducing injuries.</p> <p>c. When WCBs data becomes available, more occupational health hazards will be addressed.</p>	Partially Completed	<ul style="list-style-type: none"> DIIR was implemented, but was supposed to be cross-referenced and validated with data from WCBs. No raw data of WCBs is available.
	<ul style="list-style-type: none"> Phase I includes improvements to EAHOIR data collection described in recommendation #2 — see above. The DIIR will be based on EAHOIR data only. Reference values will be based on data from calendar years 1998 and 1999. 	Interim annual DIIR values until up-to-date injury information from HOIRs is fully entered and available.	Partially Completed	FJID has mechanism to flag EAHOR data exceptions. However, given that this information is not cross-referenced, the audit team cannot confirm the accuracy of data.
	<ul style="list-style-type: none"> Phase II includes the improvements to HOIR data collection described above and the linking of FJID with LA2000. The DIIR will be based on employment data from FJID and injury data from LA2000. Reference values will be based on data from fiscal years 1999-2000 and 2000-2001. It will be possible to monitor DIIR of worksites that were inspected. 	Full implementation of DIIR.	Fully Completed	DIIR was implemented and is available for worksites.

Evaluation of the Implementation of the 2001 Management Action Plan (continued)				
Recommendation	Activities/Actions	Outcomes/Results	Status (as per Internal Audit Services)	Comments (from Internal Audit Services)
Use the DIIR data in day-to-day program management, setting performance targets for managers, and directing resources to higher-risk areas within and across regions.	<ul style="list-style-type: none">Phase III includes the acquisition and integration of WCBs injury information from all 14 WCBs and the calculation of performance indicators based on employment data from the FJID and injury data from the WCBs.	Ultimate DIIR.	Not Completed	
	Data similar to the DIIR is being used since 1999 in the planning of interventions. NLOC adopted the 1999 OHS Planned Interventions Targeting Tools in Oct. 1999 to assist in selecting employers for inspection and in focusing on the most common risks. The targeting tools are based on disabling injury frequency rate (DIFR), which is based on hours worked rather employment, but is essentially equivalent to the DIIR. Updated targeting tools will be produced in year 2000.	Resources directed at reducing injuries in most dangerous worksites.	Partially Completed	According to OHS Program Management, the DIIR is not used as the only indicator to allow regions to direct resources to high-risk areas. In addition, the DIFR is no longer used.
	A proposed revised OPD on tiering (i.e. ranking) will direct regions to use the DIIR in selecting worksites for inspection.	Improved and consistent targeting.	Not Completed	The proposed revised OPD on tiering has never been made official.
	Higher-risk areas are identified by comparing the worksite DIFR or DIIR to that of the industry it belongs to and selecting those with the highest ratios for the most frequent inspections.	More effective utilization of resources.	Fully Completed	

Evaluation of the Implementation of the 2001 Management Action Plan (continued)				
Recommendation	Activities/Actions	Outcomes/Results	Status (as per Internal Audit Services)	Comments (from Internal Audit Services)
	<ul style="list-style-type: none"> A five-year strategic plan and accompanying business plans, as well as performance measurement management framework, will address performance targets at all levels as well as strategic allocation of resources. More specifically, the performance measurement management framework will set overall program goals/targets for reducing the DIIR, will discuss how to integrate performance targets in strategic plans, business plans and local performance objectives and the overall accountability structure, and will discuss the form, manner and timetable for performance reporting and monitoring. 	Clear Program performance expectations and accountability, roles and responsibilities for results.	Partially Completed	<ul style="list-style-type: none"> The only targeting measure used is the DIIR. A targeting measure is established in the Performance Indicators Evaluation and Proposal Summary. The target is to reduce the disabling injury incidence rate by 10% over five years (from 2001 to 2006) in those high-risk (priority) industries where OHS Operations is targeting proactive interventions. The high-risk priority industries are also established in the Performance Indicators Evaluation and Proposal Summary: air transport, waterfront (long shoring and water transport), road transport, rail transport, grain elevators and feed and seed. Targeting industries remain the same for many years. The data in the report is not timely.

Evaluation of the Implementation of the 2001 Management Action Plan (continued)				
Recommendation	Activities/Actions	Outcomes/Results	Status (as per Internal Audit Services)	Comments (from Internal Audit Services)
				<p>Strategic Allocation of resources:</p> <ul style="list-style-type: none"> It's a reallocation of resources rather than an allocation of resources since the model uses the actual resources and reallocates them between regions. The reallocation of Part II doesn't affect Part III or fire protection. Existing resources remain the same for each part of the Code. No resource is taken from one part to another (example from Part III to Part II). Actual resources for Part II are reallocated between regions. <p>The model doesn't propose new resources just a new reallocation of existing resources.</p>

Evaluation of the Implementation of the 2001 Management Action Plan (continued)				
Recommendation	Activities/Actions	Outcomes/Results	Status (as per Internal Audit Services)	Comments (from Internal Audit Services)
5. Ensure that tracking of operational measures is adequate and meaningful.	<ul style="list-style-type: none"> Operational performance measures will be integrated with the performance measurement management framework discussed in recommendation #4 — see above. For example, LA2000 will provide managers at all levels with the tools to monitor and assess the performance of their resources towards meeting their goals and adjusting their work plans in response to shortfalls. Requirements for new and updated operational performance measures will be reviewed. Additional performance measures recommended for development by the OHS Performance Indicators Working Group will be considered for implementation. 	Adequate and meaningful tracking of operational measures.	Not Completed	<ul style="list-style-type: none"> LA2000 has limited reporting capability, e.g. LA2000 staff does not provide historic data of work sites for trend analysis. Data integrity problems because not all employers are in the system. In addition, there are no operating procedures to direct the entry of information in a consistent fashion. DIIR is the only performance measure that continues to be limited. LA2000 is not designed to be a managerial performance tool.
6. Continue development and implementation of a national client education strategy, including appropriate resourcing and tools.	<ul style="list-style-type: none"> A client education strategy for the implementation of Part II amendments has been drafted. Three approaches will be used: tripartite, sectoral and individual client (employer/employees). The objective is to leverage the clients in disseminating the desired information. 	<p>a. Clear and consistent understanding of a new regulatory approach based on a strengthened internal responsibility system, including the roles and responsibilities of employers and employees.</p> <p>b. Establish and maintain working relationship with clients.</p>	Not Completed	We cannot find documentation regarding a client education strategy.

Evaluation of the Implementation of the 2001 Management Action Plan (continued)				
Recommendation	Activities/Actions	Outcomes/Results	Status (as per Internal Audit Services)	Comments (from Internal Audit Services)
	<ul style="list-style-type: none"> • Clients will be surveyed to determine their publication needs and results will be used to update publications. 	a. More responsive publications. b. Up-to-date publications.	Not Completed	Clients have not been surveyed for this purpose.
	<ul style="list-style-type: none"> • A plan to resource client education is being developed. Additional resources will be assigned to Client Education. 	Resources re-deployed to adequately fund client education activities.	Unable to assess	

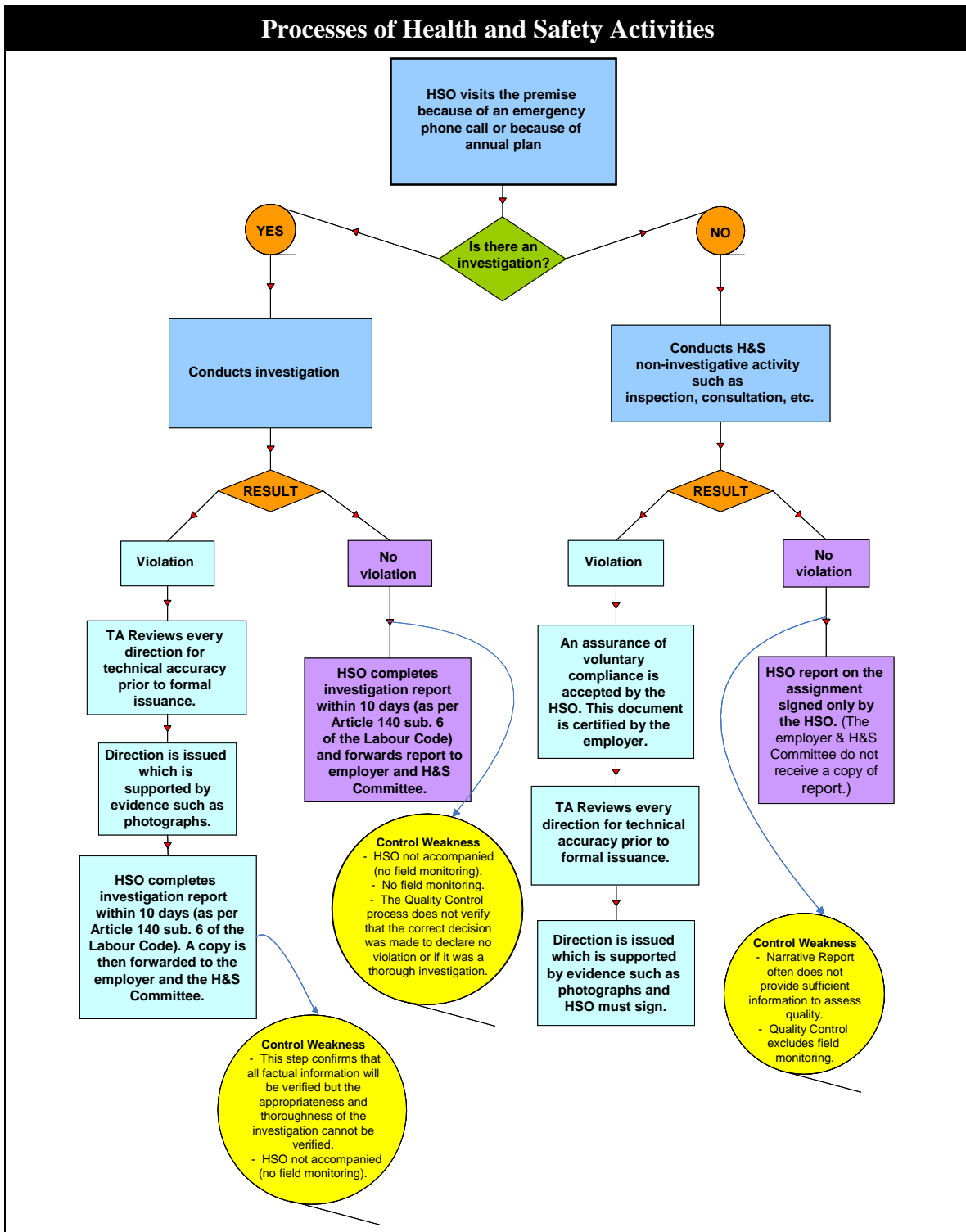
APPENDIX B

WORKSITE COVERAGE BASED ON TIERING PROCESS

Very High Tiering										
Tiering OHS	Labour Centre	# of Active Worksites 04-05	# Of Worksites Visited Twice	% Of Worksites Visited Twice	# of Active Worksites 05-06	# Of Worksites Visited Twice	% Of Worksites Visited Twice	# of Active Worksites 06-07	# Of Worksites Visited Twice	% Of Worksites Visited Twice
Very High (should be visited every 6 months)	Atlantic	34	8	23.53%	34	8	23.53%	34	11	32.35%
	Central	15	0	0%	15	0	0.00%	15	0	0.00%
	Ontario	69	15	21.74%	69	5	7.25%	69	9	13.04%
	N W Pacific	11	3	27.27%	11	1	9.09%	11	2	18.18%
	Quebec	27	2	7.41%	27	0	0.00%	27	3	11.11%
AVERAGE				17.95%			8.97%			16.02%
High Tiering										
Tiering OHS	Labour Centre	# of Active Worksites 04-05	# Of Worksites Visited at least Once a Year	% Of Worksites Visited at least Once	# of Active Worksites 05-06	# Of Worksites Visited at least Once a Year	% Of Worksites Visited at least Once	# of Active Worksites 06-07	# Of Worksites Visited at least Once a Year	% Of Worksites Visited at least Once
High (should be visited every 12 months)	Atlantic	1,065	352	33.05%	1,065	334	31.36%	1,065	260	24.41%
	Central	1,863	183	9.82%	1,863	170	9.13%	1,863	113	6.07%
	Ontario	3,994	306	7.66%	3,994	325	8.14%	3,994	328	8.21%
	N W Pacific	2,643	220	8.32%	2,643	246	9.31%	2,643	252	9.53%
	Quebec	2,756	216	7.84%	2,756	189	6.86%	2,756	224	8.13%
AVERAGE				10.37%			10.26%			9.55%
Auditor's Assumption: As LA2000 could not capture the number of active sites for a given point in time other than what is in the system at present, the audit team assumed that numbers for each fiscal year would be fairly consistent. All numbers used were current as of July 25th, 2007, generated by LA2000 reports.										
Please note: The number of sites visited as per the required frequency includes all types of site visits whether they were general inspections, counselling, etc. Hence, it does not mean that each site was inspected, but rather was visited.										

APPENDIX C

PROCESSES OF HEALTH AND SAFETY ACTIVITIES



APPENDIX D

MANAGEMENT ACTION PLAN

This appendix provides the details of management's response to the recommendations. Detailed management action plans should use the following table format.

Management Action Plan				
Internal Audit Recommendations	Management Plan Actions to be Undertaken	Planned Completion Date	Responsibility Title	
1. 2001 Management Action Plan: The management of the OHS Program should conduct a risk-based prioritization of all outstanding actions from the Management Action Plan of the 2001 review. The incomplete actions should be implemented where possible given the available resources.				
<ul style="list-style-type: none"> OHS strategic direction and priorities should be updated to ensure clarity, to promote consistency of planning, to improve coordination and to facilitate strategic allocation of resources. 	Confirm consistency of the national priority setting process with the strategic plan. (Includes the principles of tiering, DIIR and the national intervention strategy).	April 2008	DG NLOD Senior Director OHS Director PCP	
<ul style="list-style-type: none"> Continue to address the longstanding issue of limitations in program data and management information through various measures. One possible means of improving the timeliness, accuracy and comprehensiveness of program databases is agreements with provincial Workers' Compensation Boards to obtain injury information. Maintain and strengthen internal data collection to provide necessary information for strategic allocation of resources, risk management and program performance monitoring. Rationalize databases and integrate with WCB data as it becomes available. 	1. Officers while conducting site visits will validate that the employer has sent in the annual report. 2. Where feasible, negotiate agreements with provincial WCBs to access injury data for federally regulated employers, so that it can be used as another tool to develop work plans and to potentially strengthen the reliability of the performance measures (i.e. Disabling Injury Incident Rate). 3. Ensure regions enter HOIRs into LA2000 in a timely and complete manner. 4. In work planning, address employers not submitting HOIRs.	June 2008 December 2009 April 2008 April 2008	DG NLOD Regional Directors Senior Director - OHS DG NLOD Regional Directors Regional Directors	

Management Action Plan (continued)			
Internal Audit Recommendations	Management Plan Actions to be Undertaken	Planned Completion Date	Responsibility Title
	<ol style="list-style-type: none"> 5. Study feasibility and benefits of totally harmonizing LA2000 with CSA Standard. 6. Develop and implement a quality assurance program for HOIR data. 7. Develop and implement a system for electronic reporting. 8. Fully implement the QA program developed. 	<p>March 2008</p> <p>March 2008</p> <p>December 2009</p> <p>March 2008</p>	<p>Senior Director – OHS</p> <p>Regional Directors</p> <p>Senior Director - OHS</p> <p>Regional Directors</p>
<ul style="list-style-type: none"> • Use the DIIR data in day-to-day program management, setting performance targets for managers, and directing resources to higher-risk areas within and across regions. 	Ensure incorporation of DIIR in the 5-year strategic plan.	March 2008	Director – PCP Senior Director - OHS
<ul style="list-style-type: none"> • Ensure that tracking of operational measures is adequate and meaningful. 	Review and update operational performance measures.	December 2008	DG NLOD Director - PCP
<ul style="list-style-type: none"> • Develop and implement national client education strategy, including appropriate resourcing and tools. 	Formalize the client education strategy.	December 2008	Director - PCP
<p>2. Management of the Program:</p> <p>OHS Program Management should undertake the following recommended actions to improve the management of the program:</p>			
<ul style="list-style-type: none"> • Work with provincial WCBs to improve employer electronic data by obtaining data from appropriate resources to further identify and update the population of federally regulated employers. 	<ol style="list-style-type: none"> 1. Investigate the feasibility of entering into data sharing agreements with other public entities to access data on FI employers. 2. Liaise with and attend meetings of regional associations of employers under federal jurisdiction. Use this opportunity to disseminate health and safety information to member employers. 	<p>March 2008</p> <p>December 2007</p>	<p>Senior Director - OHS</p> <p>Senior Director – OHS Regional Directors</p>

Management Action Plan (continued)			
Internal Audit Recommendations	Management Plan Actions to be Undertaken	Planned Completion Date	Responsibility Title
<ul style="list-style-type: none"> • Increase and prioritize the coverage of Employer Worksites inspected by HSOs based on the level of risk associated to the worksite. 	Evaluate service delivery methodology and implement ways to maximize field coverage of high-risk sites.	December 2008	Regional Directors
	Fill current HSO vacant positions.	January 2008	Regional Directors
	Give consideration to time invested in high-risk sector specific initiatives such as inspection, education, consultation etc. This comprehensive approach supports our focus on prevention and value added services.	December 2008	Senior Director – OHS Regional Directors
<ul style="list-style-type: none"> • Modify the existing training program to address the training needs of HSOs including the development of procedural guidelines to demonstrate acceptable data entry practices. 	Ensure continual revisions and modernization of OHS training programs and ensure consistent delivery across the Program.	On-going	Director – PCP
	Formalize policies on standard information that must be entered into LA2000.	April 2008	Director – PCP
	Train Officers on LA2000 data entry practices, and make Officers aware of the process to follow to recommend enhancements to LA2000, and address the recommendations in a timely manner.	July 2008	Director – PCP Regional Directors
<ul style="list-style-type: none"> • The OHS Program should include risk-based and random quality control checks for high-risk sectors in the current monitoring system to enable a better assessment of the quality, accuracy and completeness of operational assignments. 	QA program implemented will be reviewed with particular attention to the frequency of reviews by TAs and the quality of documented information.	December 2008	DG NLOD Senior Director - OHS
	In addition, the QA will ensure that TAs will target assignments in high-risk sectors and use the review outcomes for officer training and feedback to the officers.		

Management Action Plan (continued)			
Internal Audit Recommendations	Management Plan Actions to be Undertaken	Planned Completion Date	Responsibility Title
<ul style="list-style-type: none"> Ensure significant risks and corresponding mitigation strategies are identified in the Risk Based Audit Framework or other corporate risk profile documents. 	Ensure corresponding Management Action Plans are implemented according to specified timelines.	December 2007	Senior Director – OHS
	Ensure that significant risks and mitigation strategies are identified in the corporate risk profile documents (i.e. Risk Register).	June 30, 2008	
	Ensure that significant risks are identified in the Risk Based Audit Framework (RBAF) documents.	Date to be determined based on RBAF development	