

**Office of Inspector General
Safety and Loss Prevention**

Report #A-1415-013

June 2015

Executive Summary

In response to a request by Department of Education (department) management, the Office of Inspector General (OIG) conducted an audit of the department's safety and loss prevention program. The purpose of this audit was to ensure the Bureau of General Services (General Services) has sufficient controls in place to administer the safety and loss prevention program.

During the course of this audit, we noted that General Services has sufficient controls in place; however, there were instances where General Services could strengthen controls. For example, we cited discrepancies between the department's Safety and Loss Prevention Plan and the Safety Manual, instances where the department did not conduct required training, and instances where the department did not review lost-time claims. The Audit Results section below provides details of the instances noted during our audit.

Scope, Objectives, and Methodology

The scope of this audit included controls, policies, and processes in place during the period of January 1, 2014, through December 31, 2014. The objective of this audit was to determine if the safety and loss prevention program is operating in accordance with regulations, policies, and procedures.

To accomplish our objectives we reviewed applicable laws, rules, and regulations; interviewed appropriate department staff; reviewed policies, procedures, and related documentation; reviewed a sample of meeting and training records; and reviewed inspection and reporting documents.

Background

The Safety and Loss Prevention program is a comprehensive departmental safety program that is responsible for providing regular and periodic facility and equipment inspections, investigating job-related employee accidents, and establishing a program to promote increased safety awareness among employees. The program is required by Florida Statute, which mandates that each state agency designate a safety coordinator that is responsible for developing and implementing the program. The safety and loss prevention program is located within the Bureau of General Services.

The Division of Risk Management within the Department of Financial Services (DFS) is responsible for the management of claims reported by, or against, state agencies for coverage under the State Risk Management Trust Fund. The Division of Risk Management also provides loss prevention services and technical assistance to state agencies for managing risk. To better assist the safety coordinators with effective performance of their duties, DFS established the State Loss Prevention Standards (DFS standards) to provide a framework for development and implementation of an effective loss prevention program.

Audit Results

Finding 1: Department policy has not been updated.

Good business practices include the development and implementation of formal written policies and procedures in order to ensure consistency and compliance in a given process or function.

General Services developed the Safety and Loss Prevention Plan (Plan) and Safety Manual (Manual) to provide guidance to department employees regarding their responsibilities in ensuring an effective safety and loss prevention program. The Plan and Manual are intended to echo the requirements provided in DFS standards. Over the years, DFS has revised its standards to reflect input from DFS staff and safety representatives of other state agencies. Because risk management programs vary greatly by agency, the standards allow for administrative and organizational differences.

General Services strives to keep their Plan and Manual updated with each revision of the DFS standards. However, during the audit we found the department's Plan and Manual to be more reflective of previous DFS standards, with more stringent requirements that could place an increased strain on department resources. We also found that many discrepancies exist between the Plan and Manual, and there are also discrepancies within the same Plan or Manual. Some of the discrepancies noted are provided below.

Safety Committee

DFS standards and the department's Plan require the safety committee to meet quarterly. The department's Manual in one section also requires that they meet quarterly, but in other sections requires the safety committee to meet bimonthly. During the audit we confirmed that the safety committee met bimonthly.

The Plan further requires the safety committee to consist of representatives from designated key areas in the department, which includes the safety coordinator, emergency management director or designee, director of safety, representatives from the Office of Personnel Management and Labor Relations, the Turlington building manager, and a minute taker. This composition differs, however, from that required by the Manual, which requires the safety committee to consist of the safety coordinator, all unit safety representatives within the department, and the workers' compensation coordinator. In another section of the Manual, the required composition of the safety committee includes the risk management officer, safety coordinator, alternate safety coordinator, emergency management director, risk management attorney, director of safety, representatives from the Office of Personnel Management and Labor Relations, workers'

compensation coordinator, representatives from the Division of Vocational Rehabilitation (DVR), the Division of Blind Services (DBS), and the Daytona Beach Blind Services campus, the ADA coordinator, Turlington building manager, and a minute taker. Documents reviewed show the actual composition of the safety committee appears to align with the latter section of the Manual.

Meetings

DFS standards require the safety coordinator to communicate at least quarterly with the workers' compensation (WC) coordinator, the employee dispute resolution (EDR) coordinator, the property coordinator, and the designated risk management attorney to discuss issues relating to loss prevention and determine what, if any, corrective actions need to be taken. The department's Plan contains the same requirement, but requires the quarterly meetings to be held by the risk management officer. The Plan further requires the Risk Management Officer be provided bimonthly progress reports from these same employees. The risk management officer has not held quarterly meetings with the designated staff or required submission of bimonthly progress reports. However, the safety coordinator does communicate at least quarterly with the designated staff as required by DFS standards.

Recognition Program

DFS standards require senior management to establish a recognition program for the department that recognizes offices and programs for safety related initiatives and proactive measures to reduce employee accidents. The department's Plan further adds that all employees rewarded throughout the year will be eligible for the yearly award and prize pack, which includes two-nights deluxe accommodations at the Doubletree Hotel, \$50.00 gift card, an appreciation certificate, and recognition at a department event.

Three employees were recognized in 2014 and were awarded a framed certificate and a first aid kit. However, a yearly award and prize pack was not awarded as specified by the Plan. The resources to provide the annual award were no longer available and the prize pack was no longer feasible.

Inspections

DFS standards do not mandate the frequency of safety inspections. They only require that safety inspections be conducted as determined by the safety coordinator. The department's Plan addresses safety inspections in several sections, with some indicating the inspections will be performed quarterly, while other sections indicate they will be done semi-annually. The same is true of the Manual. In different sections of the Manual, it states that inspections are to be conducted quarterly, semi-annually and biannually. During the audit we confirmed that General Services conducts inspections semi-annually and keeps logs of all inspections. However, the persons conducting the inspection did not sign and date the facility safety inspection checklists, as required by the Plan.

Communication

DFS standards require each agency to have an employee communication system that regularly distributes accident prevention goals and objectives to all employees. The Plan further requires promoting safety awareness through activities such as safety audits, bimonthly newsletter articles, poster campaigns, safety/health training, and other safety awareness presentations. We found that while the department does have methods of communicating safety and loss prevention awareness to employees, the department did not conduct safety audits or provide bimonthly newsletters.

Policies and procedures are important management controls and are developed to ensure consistency and compliance with appropriate regulations. Inconsistencies between requirements in the Safety and Loss Prevention Plan and Safety Manual can create confusion, which results in inconsistencies and reduced quality and efficiency in the safety and loss prevention program.

Recommendation

We recommend General Services update their Plan and Manual to help ensure compliance with DFS standards, as well as consistency and quality in the safety and loss prevention program.

Management Response

The Bureau of General Services, Office of Emergency Management is currently updating the department's existing plans and manual to meet the current DFS Standards. (Please note that the 2013 DFS Standards were not provided to the safety coordinator until after the OIG's review had been initiated.) The Safety & ADA Committee will be meeting on June 24, 2015, to review the new standards and to recommend modifications to existing policies and procedures.

Finding 2: The department did not conduct required safety and loss prevention training.

DFS standards require all employees to take an initial basic safety training course upon employment. The standards also require the department to conduct initial and annual update training regarding federal civil rights and employment discrimination. Additionally, DFS standards require the workers' compensation coordinator to provide training to all supervisors regarding their responsibilities, the clinicians' responsibilities, and the contractor representative's responsibilities.

The department did not provide training on safety, federal civil rights, or employment discrimination as part of new employee orientation, nor were there refresher courses provided as required for these topics. The department also failed to provide supervisor training on workers' compensation. According to General Services, the department has not conducted new employee orientation or refresher courses since October 2012. This corresponded with the discontinuance of the training section, a unit responsible for providing training to the department. General Services provides safety trainings such as "lunch and learns" and floor warden training, but these trainings do not satisfy the requirements of DFS standards.

The absence of proper safety and loss prevention training increases the risk that injuries, property damage, legal liability, illnesses, workers' compensation claims, and missed time from work will occur. The increased risk due to the lack of training can also have a greater negative financial impact on the department.

Recommendation

We recommend the department provide the required training to all employees in accordance with DFS standards.

Management Response

The Office of Emergency Management will develop a webinar to include all required trainings. Training will be coordinated with Media Services, Personnel, Legal, and the Office of Research and Training.

Finding 3: The department did not review lost-time claims.

Best practices provided in DFS standards include regular interdisciplinary meetings to review lost-time claims and to take appropriate actions to reduce claims. The department's Manual states, "An interdisciplinary committee will review each lost-time claim monthly to determine the appropriateness and the necessary action to return the given employee to work, and to consider other issues related to lost-time claim. The committee will include the Risk Management Officer, Human Resources Chief, or Administrator; the WC Coordinator; the injured employee's supervisor, if available; and the Safety Coordinator."

The department does not currently have an interdisciplinary committee and there are no monthly meetings to review lost-time claims. The safety committee does not review lost-time claims, though the committee does review workers' compensation claims.

The absence of a committee designated to reviewing lost-time claims can have significant financial implications on the agency. The department may not know if lost-time claims are properly awarded to employees and may not be taking appropriate actions to reduce claims.

Recommendation

We recommend the department review lost-time claims on a regular basis and enhance its Plan and Manual to ensure appropriate action is taken to reduce claims.

Management Response

There is currently no requirement for reviewing lost-time claims as stated in the April 2013 DFS Standards. The department will ensure that a trend analyses on workers' compensation claim data is conducted as stated in the April 2013 DFS Standards. This will help identify potential problem areas so that mitigation measures can be put in place to reduce future claims. The

worker's compensation coordinator will provide a copy of the trend analysis at each Safety & ADA Committee meeting for review.

Finding 4: The safety coordinator does not chair the safety committee meetings.

DFS standards require the department to establish and maintain a safety committee that consists of the safety coordinator, unit safety representatives within the department, and the workers' compensation coordinator. It further requires the committee to meet quarterly, with the safety coordinator chairing the committee meetings.

The safety committee meets six times per year, approximately every other month. The safety committee consists of the risk management officer, safety coordinator, alternate safety coordinator, director of safety, risk management attorney, and other designated coordinators and representatives. At the time of the audit, the department's director of safety was the designated chair of the committee and the alternate safety coordinator acted as co-chair. The safety coordinator did not chair the safety committee meetings as required by DFS standards.

The safety coordinator's schedule does not always allow for attendance at safety committee meetings. However, due to the level of involvement and responsibilities placed upon the safety coordinator, this position must contribute an especially active role within the program. Lack of presence at the safety committee meetings may hinder the safety coordinator's ability to be fully aware of specific control hazards, which is vital to perform the required duties.

Recommendation

We recommend General Services amend the member roster for the safety committee, designating the safety coordinator as chair. We also recommend General Services, upon approval from DFS, designate an alternate chair to fill in when the chair is unable to attend a committee meeting.

Management Response

The member roster has been amended to reflect the safety coordinator as the chair of the Safety & ADA Committee. The safety alternate coordinator has been designated as the co-chair. Authority has been delegated to alternates should either of these members become unavailable.

Closing Comments

The Office of the Inspector General would like to recognize and acknowledge the Bureau of General Services and staff for their assistance during the course of this audit. Our fieldwork was facilitated by the cooperation and assistance extended by all personnel involved.

To promote accountability, integrity, and efficiency in state government, the OIG completes audits and reviews of department programs, activities, and functions. Our audit was conducted under the authority of section 20.055, F.S., and in accordance with the International Standards for the Professional Practice of Internal Auditing, published by the Institute of Internal Auditors, and Principles and Standards for Offices of Inspector General, published by the Association of Inspectors General. The audit was conducted by Jeremy Anderson and supervised by Janet Snyder, CIA, CGAP, Audit Director.

Please address inquiries regarding this report to the OIG's Audit Director by telephone at 850-245-0403. Copies of final reports may be viewed and downloaded via the internet at <http://www.fldoe.org/ig/auditreports.asp#F>. Copies may also be requested by telephone at 850-245-0403, by fax at 850-245-9419, and in person or by mail at the Department of Education, Office of the Inspector General, 325 West Gaines Street, Suite 1201, Tallahassee, FL 32399.