



Alberta Labour Occupational Health and Safety Follow-up

November 2018

About this Audit

Albertans go to work each day with the expectation that they will come home to their community and loved ones free of injury, illness, or harm. Unfortunately, work-related illnesses, injuries, and deaths still occur. A recent report by the University of Alberta Parkland Institute¹ estimates that there were over 170,000 workplace injuries in Alberta in 2016, including 144 fatalities accepted as compensable by the Workers' Compensation Board (WCB).

The *Occupational Health and Safety Act, Regulation, and Code* exist to help employers in Alberta minimize occupational hazards. The Department of Labour is responsible for implementing and enforcing occupational health and safety (OHS) legislation, regulation, codes, and policies. The department works with employers to deliver various OHS programs to promote, monitor, and enforce laws. The department is also responsible for setting OHS programs' goals and objectives, analysing them to ensure that they are achieving the desired results, and reporting those results to the minister, the legislature, and all Albertans.

If the department does not regularly evaluate and report on its OHS programs, the department cannot provide effective oversight or assure Albertans that OHS programs are achieving expected results, providing value, and being cost-effective.

In April 2010,² we assessed whether the department had adequate systems to promote, monitor, enforce, and report on its OHS goals and objectives, and we made five recommendations. We assessed recommendations related to inspection systems, certificates of recognition, and permit and certificate programs as implemented during follow-up audits reported in July 2012³ and July 2016.⁴ In 2016, we found the department had still not implemented the following recommendations:

- plan and report on whether key OHS programs and initiatives achieve desired results
- clarify and enforce procedures on worksite compliance with OHS legislation

Audit Objective and Scope

The objective of the audit was to determine whether the department has implemented the two outstanding 2010 recommendations.

We applied the same criteria as the previous audit.

What We Examined

To assess whether the department had implemented our recommendations, we:

- interviewed key staff and examined relevant procedures
- examined the processes used to determine, calculate, verify, and report the performance measures/indicators
- examined management's program evaluation process, including the overall evaluation of cost-effectiveness and the assignment of accountability for future action plans derived from the evaluation

1 *Safer by Design: How Alberta Can Improve Workplace Safety*, University of Alberta Parkland Institute, April 2018, page 1.

2 *Report of the Auditor General of Alberta—April 2010*, pages 31–52.

3 *Report of the Auditor General of Alberta—July 2012*, pages 81–90.

4 *Report of the Auditor General of Alberta—July 2016*, pages 39–48.

- tested the processes for a sample of measures/indicators
- tested implementation of a new systems control and OHS officer training
- tested all OHS orders created from April 1, 2017, to September 30, 2017, confirming whether operating procedures relating to management approval of extensions were followed
- performed an analytical review of CMIS OHS order data for unusual patterns or unexpected parameters from April 1, 2017, to September 30, 2017
- tested management’s quality-assurance process related to the above data from April 1, 2017, to March 31, 2018

We conducted our fieldwork between November 2017 and June 2018 and completed our audit on August 21, 2018.

On June 1, 2018, the *Occupational Health and Safety Act, R.S.A. 2000, c.O-2* was repealed and the *Occupational Health and Safety Act, S.A. 2017, c.O-2.1* came into force. This change did not affect our audit’s subject matter, as we performed our testing of the department’s processes to enforce compliance with OHS legislation on OHS orders created prior to the date of the new legislation.

Conclusion

We conclude that for the period April 1, 2017, to March 31, 2018, the department had implemented the two outstanding recommendations.

The department has:

- implemented processes to plan and report on whether key OHS programs and initiatives have achieved their outcomes
- documented, without exception, orders to comply with OHS legislation, including proper management approval for compliance order extensions

Why this Conclusion Matters to Albertans

The impact of workplace injuries, illnesses, and fatalities reaches well beyond workers and their families and leads to broader negative economic and social consequences, which include:

- workers losing their level of income and health, and sometimes their lives
- employers facing costs such as legal expenses, additional hiring and training costs, loss of productivity, and WCB premium increases
- the healthcare system ultimately funding and treating unreported injuries and diseases
- pressures on government resources to inspect, investigate, and prosecute

Findings

Improve health and safety program planning and reporting—**recommendation implemented**

Context

In 2010, we recommended that the department improve its planning and reporting systems for OHS by completing its *Work Safe Alberta Strategic Plan* and by measuring and reporting on the performance of OHS programs and initiatives that supported the key themes of the plan. In 2012, we found that the department had made progress on the recommendation, but that the *Work Safe Alberta Strategic Plan* had not yet received approval by the minister.

In 2016, we found that the department:

- replaced the draft *Work Safe Alberta Strategic Plan*⁵ with the identification of 10 key programs⁶ to achieve its OHS vision, goals and objectives
- had not clearly defined how it would regularly evaluate and report whether the key programs achieved the desired outcomes or provided value for the money spent
- did some internal reporting on OHS programs or on achieving specific parts of programs; however, only some of this information was published publicly

We repeated the recommendation; as the department had identified key programs it would use to meet its goals and objectives, it had not yet evaluated and reported on whether those programs effectively achieved desired results.

Criteria: the standards of performance and control

The department should monitor, measure, and report on its progress against OHS program goals and objectives, and assess the cost-effectiveness of programs.

Our follow-up audit findings

The department identified nine key programs to achieve its OHS vision, goals, and objectives. The department set up an OHS Evaluation Committee that reviewed OHS strategic goals, outcomes, and programs; developed measures and indicators to evaluate the programs; and identified data sources. The committee identified 19 performance measures and 32 performance indicators to evaluate the programs. The measures and indicators include:

- percentage of identified (high-risk) employers inspected
- percentage of complaints responded to within program timelines
- injury rates by number of years in business
- change in injury rates over time for employers holding a Certificate of Recognition⁷

We examined the department's process, logic models, agendas and minutes of committee meetings, overall evaluation of cost-effectiveness, as well as the approved performance-measure-framework documents used to determine measures and indicators for each of its programs. We found that the department implemented

⁵ In 2016, the department decided to no longer proceed with a *Work Safe Alberta Strategic Plan*, focusing instead on a combination of individual OHS programs.

⁶ Currently nine programs since our last audit; one program concluded after having achieved its objectives.

⁷ A certificate of recognition is a voluntary program in which employers with appropriate health and safety programs can receive WCB rebates of up to 20 per cent.

an adequate process to determine measures and indicators for each of its programs; it evaluated the overall cost-effectiveness of the programs; and it linked the measures and indicators to its goals, objectives, and outcomes.

We examined the department's documented performance-measure control systems and found the department has implemented processes to calculate, verify, and report the measures and indicators for the nine programs. The department's *OHS Performance Management Response Guide* documents management's use of data to evaluate each program and document any required future action items. The department applied its process to determine the reporting audience for the measures and indicators. We found that the documented rationale only considered an internal assessment of reporting needs and did not include a consultation of external stakeholders. As a result, external stakeholders will not understand how OHS program measures and indicators link to the department's overall goals and objectives and if they achieved their outcomes. Management told us they would assess the current performance measures and indicators data over the next few years to determine whether providing additional external user reporting would be informative.

In addition, we examined a sample of measures and indicators through the complete process, from development to evaluation, and found the process to be adequate. We observed that the department had internally reported on a majority of the program's measures and indicators and had evaluated eight out of the nine programs. Management did not report on four performance measures and seven performance indicators, as the data was not available at the time of audit. Also, as the data was not available, department management did not evaluate one program. The program is scheduled to be evaluated later in fiscal 2019 and we will examine if the department completes these assessments during our fiscal 2019 ministry financial statement audit.

Enforce compliance—recommendation implemented

Context

In 2010, we recommended that the department ensure employers and workers comply with the *Occupational Health and Safety Act, R.S.A. 2000, c.O-2*, particularly for those who were repeat offenders. We noted weaknesses in tracking and applying the decision ladder for persistent non-compliers, a lack of systems to identify non-compliance, and inappropriate suspension of OHS orders.

OHS officers visit worksites throughout Alberta to promote and enforce workplace health and safety. When an OHS officer sees employers or workers not following the *Occupational Health and Safety Act, Regulation, or Code*, the officer issues a compliance order that requires compliance by a specific date. Violations that have the potential to cause serious injury result in a stop work or stop use order.⁸ The department's operating procedures only allow extensions on compliance orders. Extensions are not applicable to stop use and stop work orders. Officers give employers up to 30 business days to comply with a compliance order. The officer can grant an extension to the initial compliance date for up to 30 business days. The officer may grant a second extension

⁸ The *Occupational Health and Safety Act, R.S.A. 2000, c.O-2*, in Sections 9, 10, and 11, defines the requirements for the three types of orders.

up to 30 business days, with manager approval. Managers must document their approval in the CMIS.

For stop use and stop work orders, employers must fix violations specified in the order prior to using the equipment or resuming work. A stop use or stop work order remains in place until the employer demonstrates that the equipment or worksite is safe and workers are not in danger. As a result, there is no need to document a future date of compliance or to grant a time extension to fix the problem.

In 2012, we repeated our recommendation, as we found inaccurate data in the inspection reporting system and no documentation of manager approvals for compliance orders.

We found in 2016 that while the department had made significant improvements to the process, the department still lacked effective processes to document manager approval of time extensions for employers to remediate compliance orders. In addition, officers had documented time extensions on stop work and stop use orders when none were required.

Criteria: the standards of performance and control

The department should have clear procedures for OHS officers when they give employers and workers extra time to fix worksite health and safety problems, specifically:

- obtaining and documenting a manager's approval
- documenting the number of times an extension can be given
- ensuring extensions are given only when necessary

Our follow-up audit findings

Through interviews of department staff and examination of documentation, we found that the department implemented:

- clear operating procedures related to OHS orders and communicated the requirements to all OHS managers and officers
- training of all OHS officers and managers regarding responsibilities and requirements around time extensions
- an automated computer control in the CMIS to require management approval of extensions
- a quality assurance process to monitor proper entry of manager extension approvals

In addition, we tested all orders issued for a six-month period, and the department's quality assurance process for the 2018 fiscal year's order extensions.

We found no deviations in the department's compliance with its operational procedures on issued compliance, stop use, and stop work orders in our testing.