



HARFORD COUNTY, MARYLAND

Office of the County Auditor

AUDIT OF SAFETY COMPLIANCE AND RISK MANAGEMENT PRACTICES

Report Highlights

Why We Did This Audit

This audit was conducted as part of the County Auditor's risk-based Annual Audit Plan approved by the County Council for FY2019.

What We Found

Controls can be improved to ensure proper follow-up action is performed after safety incidents.

Safety policies are not regularly updated or distributed to employees.

Internal safety inspections have not been performed.

Report Number: 2019-A-05

Date Issued: 03/08/2019

Council Members and County Executive Glassman:

In accordance with Section 213 of the Harford County Charter, we have performed an audit of Harford County's safety compliance and risk management practices. The results of that audit, our findings and recommendations for improvement are detailed in the attached report. We would like to thank the members of management for their cooperation during the audit.

The audit found the County provided safety training to its employees and the County's safety standards generally conform to State and Federal requirements. However, controls can be improved to ensure proper follow-up action is performed after safety incidents. The audit also found the County's Safety Manual is not regularly updated or distributed to employees and internal safety inspections have not been performed.

A significant number of departments were involved in this review; we would like to thank the members of management for their cooperation. The audit team is available to respond to any questions you have regarding the attached report.

Sincerely,

Chrystal Brooks, CPA

Chrystal Brooks
County Auditor

cc: Mr. Billy Boniface, Director of Administration
Ms. Melissa Lambert, County Attorney



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REVIEW RESULTS

We have audited the County's Safety Compliance and Risk Management practices for the period of 7/1/2016 through 6/30/2018 with the objective of confirming that safety training is provided to all employees and that the County's safety standards meet State and Federal requirements.

Our conclusion, based on the evidence obtained, is the County lacks controls to ensure follow-up action is performed after safety incidents occur nor does it adhere to County policies regarding performance of internal safety inspections and regular updating and distribution of County safety policies to employees. The audit approach focused on testing the key controls that address management's objectives for the process. Conclusions drawn are below.

Risk	Expected Control	Conclusion
Non-compliance with federal (OSHA) and state (MOSH) regulations	<ul style="list-style-type: none"> • County policies are implemented to ensure compliance with OSHA and MOSH requirements • Proof of compliance is documented and retained • Policies and procedures are in place to track and follow-up on corrective actions issued by OSHA • Management routinely reevaluates its risk approach; updates to which are reviewed or approved 	<p style="color: green;">Satisfactory</p> <p style="color: green;">Satisfactory</p> <p style="color: red;">Needs Improvement</p> <p style="color: green;">Satisfactory</p>
Employees do not receive relevant and/or required training	<ul style="list-style-type: none"> • Newly hired or transferred employees receive safety training as a part of orientation • Management has processes to track employee training activities, both required and elective • Management requires or encourages continuing education opportunities 	<p style="color: red;">Needs Improvement</p> <p style="color: green;">Satisfactory</p> <p style="color: green;">Satisfactory</p>
Employees do not follow safety protocols	<ul style="list-style-type: none"> • Management enforces safety protocols through disciplinary actions • Employees are made aware of safety requirements through meetings, signs, email, and literature 	<p style="color: green;">Satisfactory</p> <p style="color: green;">Satisfactory</p>

Risk	Expected Control	Conclusion
Internal safety audits are not performed and/or results are not communicated	<ul style="list-style-type: none"> • Policies are in place requiring periodic inspections of all Harford County locations and operations • Internal audits are completed and results are communicated to relevant parties • Previous internal audit reports are reviewed to ensure results reflect current risk and safety environment 	<p>Satisfactory</p> <p>Needs Improvement</p> <p>Needs Improvement</p>
Procedures for employee safety are not updated, complete or distributed to employees.	<ul style="list-style-type: none"> • County-wide safety policies and guidelines are codified to ensure a safe working environment • Policies require every employee receive and review County-wide safety policies and guidelines • Safety guidelines are routinely reviewed, updated, and disseminated to employees. 	<p>Satisfactory</p> <p>Satisfactory</p> <p>Needs Improvement</p>
Safety incidents are not properly reviewed and documented, necessary corrective actions are not identified, and follow-up procedures are not performed	<ul style="list-style-type: none"> • A standardized incident form is required to be completed timely for any incident which may result in loss, damage or injury. • Documentation related to safety incidents is retained and available. • Procedures are in place to ensure proper corrective action and follow-up is performed and documented on all safety incidents. 	<p>Satisfactory</p> <p>Satisfactory</p> <p>Needs Improvement</p>

Areas for improvement are described in the Findings and Corrective Actions section of this report. Management has been provided an opportunity to respond to this report; the responses provided follow each finding.

FINDINGS AND CORRECTIVE ACTIONS

Finding Number: 2019-A-05.01 Safety Manual Distribution and Updates

The Harford County Safety Manual is not regularly updated or distributed to employees.

Analysis: Harford County Policy 02-90-04 states, "Every County employee shall receive and maintain a copy of the Harford County Safety Manual and shall be responsible for following the standards and procedures included in this manual. Each employee attending the County's Basic Orientation shall be given a Safety Manual."

When employees attending new hire orientation they are provided an overview of the Safety Manual and more specific guidance for their position, but they are not provided a copy of the Safety Manual. It is not clear when this practice was discontinued. Given the length of the manual, it would not be feasible for new employees to review the entire manual during the orientation. In October 2018, the safety manual was made available online to employees.

Additionally, Management is not sure when there were updates to the Safety Manual. The County's Auditor's version is dated July 2009 and no updates have been provided since it was provided in March 2012. The online version is dated July 2004.

Consequently, employees may not be aware of the safety guidelines they should be following and may be referencing out dated guidance.

Recommendation: We recommend Risk Management review, update and distribute the Harford County Safety Manual to all employees electronically.

Management Response: Management is in the process of reviewing and updating the Harford County Safety Manual. Management disagrees with the recommendation that the County distribute the Safety Manual to all employees electronically because the updated Safety Manual will be available online for current employees and new employees will be directed during Orientation to the website with instructions on how to access the Manual.

Expected Completion Date: 18 months

Finding Number: 2019-A-05.02 Risk Management Audits

Risk Management has not been performing internal Safety inspections.

Analysis: County Policy 02-90-02 states "The Risk Management Office will conduct periodic inspections of all Harford County locations and operations, in accordance with the Maryland Occupational Safety and Health Administration and recognized safety and housekeeping standards." These audits are intended to "identify and mitigate any unsafe working conditions and practices that may contribute to or cause a loss incident.....". They

also " provide an opportunity to increase safety awareness and promote a commitment to safety from supervisors and subordinates."

Safety audits have not been conducted by Risk Management. Management was not aware of any inspections that had been done internally, either by the current or former Risk Managers. Without these reviews, non-compliance with safety guidelines may go unidentified until an incident occurs.

Recommendation: Risk Management should develop procedures for Safety Audits and a plan to execute those audits.

Management Response: Management is in the process of developing and documenting these procedures. However, the previous Risk and Safety Officers are no longer employed with the County so confirmation of follow up internal inspections was not possible.

Expected Completion Date: 18 months

Finding Number: 2019-A-05.03 Missing Documentation of Incident Follow-up

For some safety incidents, documentation of follow-up action was not provided.

Analysis: The Harford County Safety Manual, Chapter 1: Additional Responsibilities of Supervisory Personnel, states, "In addition to any responsibilities specifically included in this Manual, all supervisory personnel have the following responsibilities: ... 9. To take immediate corrective action when an unsafe action or condition is observed." These are not "the only responsibilities a supervisor must be concerned with. Supervisory personnel are expected to be innovative in their approach to managing safety situations."

We reviewed a sample of safety incidents to confirm that Risk Management completed a review and that corrective action was taken, if appropriate. In addition, we reviewed all Occupational Safety and Health Administration (OSHA) reports and Maryland Occupational MOSH housekeeping inspections during the audit period, to confirm any violations were remedied and unrepertitive. Of the incidents reviewed, there were three (3) for which no documentation was provided regarding after action review or follow-up.

Recommendation: We recommend Risk Management provide refresher training to all supervisory personnel to ensure follow-up actions are performed documented.

Management Response: Risk Management agrees to provide general information on the need for follow up on audit issues. However, with regard to more detailed training, the Risk and Safety Officer will provide training options to supervisors to aid them in obtaining the appropriate classes for themselves or employees that they identify to be in need of such training.

Expected Completion Date: 18 months

BACKGROUND INFORMATION

PROGRAM DESCRIPTION

Harford County is required to comply with safety standards issued by the federal Occupational Safety and Health Administration (OSHA) and the Maryland Occupational Safety and Health department (MOSH). The County also produces a Safety Manual that contains requirements and procedures to facilitate a safe work environment by mitigating safety risks. County Safety Policy dictates each new employee receive a copy of the Manual and be responsible for the standards within it. Safety and risk management are functions of the Law Department. The County government's Risk Management function involves reducing the risk of workplace injuries and dealing with insurance matters (workers comp, liability, etc.) and does not necessarily include an entity-wide assessment of risks.

REVIEW OBJECTIVE, SCOPE AND METHODOLOGY

The objective of this audit was to confirm that safety training was provided to all employees and that the County's safety standards meet State and Federal requirements. The scope was limited to the controls impacting the County's compliance with State and Federal health and safety requirements and the County's risk management processes implemented to reduce the risk of workplace injuries and handle insurance matters. The review focused on activity during the review period of 07/01/2015 through 06/30/2018.

Our audit procedures included interviewing personnel, observation and testing. Specifically, we met with personnel from the Department of Law, the acting Risk and Safety Coordinator, and various departments whose operations perform high-risk activities (e.g., Emergency Services, Water & Sewer, Highways) to gain an understanding of the County-wide and department-specific safety compliance and risk management practices. We reviewed previous compliance audits performed by Risk Management to confirm reasonability and consistency with current risk environment. In addition, we looked to confirm the adequacy of the scope and methodology of the audits as well as confirm proper follow-up was performed on all violations and remediation action plans noted in the reports.

We looked to confirm the existence of formal policies and procedures, that the procedures addressed all common events and were routinely evaluated for effectiveness, sufficiency and compliance with Federal and State regulations. We looked to determine that processes were in place to ensure all claims were reviewed and approved by management and Law and that all qualifying incidents of injuries and illnesses are documented per County safety policies and Federal and State regulations. We reviewed standard forms and documents pertaining to claims and incidents for consistency. We reviewed all OSHA reports and MOSH housekeeping inspections during the audit period, with specific concern to any reports resulting from a referral or complaint, to confirm any violations were remedied and unrepeatitive.

For a sample of departments, specifically those with an inherently risky work environment, we performed a walkthrough to confirm adherence to safety policies and regulations. For a sample of employees, we looked to confirm employees received required safety training timely. Finally, we tested a sample of incidents to determine if documents were properly retained, completed and filed timely and corrective actions were taken and follow-up procedures administered, if appropriate.

Harford County management is responsible for establishing and maintaining effective internal controls. Internal control is a process designed to provide reasonable assurance that objectives pertaining to the reliability of financial records, effectiveness and efficiency of operations including safeguarding of assets and compliance with applicable laws, rules and regulations are achieved. Because of inherent limitations in internal control, errors or fraud may nevertheless occur and not be detected.

The audit was performed in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Team:

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