
CITY OF SAN ANTONIO

OFFICE OF THE CITY AUDITOR



Audit of Office of Risk Management

Safety Programs

Project No. AU20-031

July 9, 2021

Kevin W. Barthold, CPA, CIA, CISA
City Auditor

Executive Summary

As part of our annual Audit Plan approved by City Council, we conducted an audit of the Office of Risk Management (ORM), specifically citywide safety programs. The audit objectives, conclusions, and recommendations follow:

Determine if citywide safety programs are implemented, monitored to measure performance, and updated to consider risk areas.

The Office of Risk Management encourages safety practices by providing citywide web-based safety trainings and instructor led trainings that compliment department safety feedback. Risk Management also communicates City occupational health and safety expectations utilizing the City Safety Manual. Additionally, Risk Management conducts annual facility inspections to monitor general environmental safety. Overall, Risk Management strives to ensure a safe environment for employees and citizens.

However, there are multiple opportunities to strengthen controls associated with updating the City's Property Listing for scheduling safety inspections, identifying high-risk areas in the City to ensure adequate training is provided, and overseeing departmental adherence to City Safety Manual guidelines.

We recommend that the Office of Risk Management:

- Strengthen the current process to ensure the key Property Listing is updated and communicated timely.
- Ensure that safety inspections are scheduled utilizing the most accurate Property Listing available.
- Ensure all departments and personnel who meet a specified, high-risk criteria are appropriately identified and have the required training.
- Implement controls that allow for the monitoring of departmental adherence to the City Safety Manual's stated guidelines.

The Office of Risk Management agreed with the audit findings and has developed positive action plans to address them. Management's verbatim response is in Appendix B on page 8.

Table of Contents

Executive Summary	i
Background.....	1
Audit Scope and Methodology	2
Audit Results and Recommendations	4
A. CoSA Property Listing.....	4
B. Training for High Risk Areas	4
C. Departmental Safety Oversight.....	5
Appendix A – Staff Acknowledgement	7
Appendix B – Management Response.....	8

Background

The mission of the Office of Risk Management is to deliver a quality risk management program that focuses on the prevention of injuries and collisions, the protection of City assets, and the development and implementation of sound safety programs for the welfare of employees and citizens.

City departments implement their own job and environmental safety trainings and safety practices. The Office of Risk Management complements departmental efforts by being available for safety feedback when departments inquire.

The key occupational and environmental safety initiatives conducted by the Office of Risk Management are Safety Trainings and Facility Inspections. Approximately 11 Safety Coordinators are charged with providing annual inspections and instructor led trainings to 37 City departments.

Annual inspections primarily focus on general office safety with most inspections occurring in the departments with the highest number of reported preventable collisions and workers' compensation claims. For the scope period, Risk Management completed approximately 430 inspections each year.

Annually, Risk Management creates a Quarterly Training Schedule. This schedule incorporates safety interests and/or concerns mentioned by city departments and sets the training goal for that year. Trainings may be either Instructor Led or Web-based. For the scope period, Instructor Led trainings averaged 156 per year.

Additionally, Risk Management is responsible for more specific programs that identify personnel susceptible to Bloodborne Pathogen Exposure (BBP), Hearing, Respiratory and Fall risks by ensuring personnel training and risk awareness.

Audit Scope and Methodology

The audit scope consisted of the inspection process, inspection completion and safety program oversight for fiscal years 2018 through 2020 Q1.

We interviewed Risk Management staff and performed walkthroughs to gain an understanding of the implemented controls associated with the oversight of citywide safety programs. Testing criteria included the CoSA Safety Statement, CoSA Safety Manual, City Administrative Directives and Internal Policies and Procedures.

The City Property Listing was reviewed for accuracy and completeness. For verification of citywide oversight, all scheduled and completed inspections for the scope period were compared to the City Property Listing.

A sample of 23 inspection forms and memos were analyzed for relevancy and for the value added to the respective department.

Furthermore, for the scope period, all Instructor Led and Web-based Trainings were evaluated for content.

We assessed internal controls relevant to the audit objective. This included a review of high-level areas such as written policies and procedures and Risk Management's role in safety assurance. We determined that significant internal control components and principles include the following:

The *Control Environment* principle assessing that management evaluate performance and hold individuals accountable for their internal control responsibilities.

The *Control Activities* principle stating that management should design control activities to achieve objectives and respond to risks.

Risk Assessment principles that consider whether management defines objectives clearly to enable the identification of risk and define risk tolerances; whether management identifies, analyzes, and responds to risks related to achieving the defined objectives; and whether management identifies, analyzes, and responds to significant changes that could impact the internal control system.

We did not rely on computer-processed data. Our reliance was based on performing direct tests on the data rather than evaluating any system's general and application controls. Our direct testing included evaluating the accuracy of Risk Management's key City Facility Listing utilized to schedule inspections and report inspection goals. Trainings, inspections, and safety program implementation were evaluated against internal policies and procedures and the City Safety

Statement and City Safety Manual standards. We do not believe that the absence of testing any general and application controls had an effect on the results of our audit.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate 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 Results and Recommendations

A. CoSA Property Listing

The City Property Listing used by ORM's Safety Division is not updated timely to reflect changes in the environment.

The audit team reviewed the safety inspections scheduled and completed by the Safety Division and identified instances where the inspection address was not listed on the Property Listing. Additionally, some addresses on the Property Listing have no evidence of being inspected or scheduled for inspection. These factors affected the audit team's ability to accurately recreate and verify ORM's reported Inspections Completed. Further review by the Safety Division indicated that the division was utilizing an outdated copy of the Property Listing.

Per Administrative Directive 8.7, Financial Management of Capital Assets and Tracked Property, departments are responsible for reporting any changes to physical property within 30 days to ORM's Claims Division. Additionally, departments are asked to respond annually to verify their assigned facility listing is accurate. As updates are received, the Claims Division updates the Property Listing. The Safety Division then utilizes the Property Listing to schedule inspections and ensure an annual 25% internal inspection goal is met.

Without adequate controls to ensure that ORM's key Property Listing is updated and reported timely to all Risk Management divisions, the inspection process and the City's safety mitigation efforts cannot be appropriately measured or assessed. Additionally, the lack of a clear identification system for City facilities does not allow for the clear tracking of properties across all three monitoring tools which may further impair the assessment of internal performance metrics. Finally, untimely updates may also misguide departments that rely on ORM's key Property Listing.

Recommendation

The Director of the Office of Risk Management should

- Strengthen the current process to ensure the key Property Listing is updated and communicated timely.
- Ensure that safety inspections are scheduled utilizing the most accurate Property Listing available.

B. Training for High-Risk Areas

Risk Management has not created controls to ensure all susceptible departments are identified and routinely receiving training for key high-risk areas.

High-risk areas receive additional training such as Bloodborne Pathogen Training, Fall Risk Training, Hearing Conservation Training and Respiratory Awareness Training. Through review of instructor led training and web-based training, we determined that the content is relevant to safety and is routinely rotated. However, training for certain high-risk programs were inconsistent. We determined that:

- 2 departments were identified by ORM as a Respiratory Awareness risk
 - 1 of the 2 received Respiratory Awareness training, 1 did not.
 - 2 additional departments not recognized by ORM as a Respiratory Awareness risk received training.
- 1 department was identified as a Fall Risk with no Fall Prevention training
- 3 departments were identified as a Hearing Conservation Risk with no reported training.

The CoSA Safety Manual states that occupational safety and health training needs will be identified by Risk Management. However, personnel are not receiving all appropriate and required training in key areas/topics that may result in public and personnel harm, disability, death, viral infection, and potential litigation.

Recommendation

The Director of the Office of Risk Management should ensure all departments and personnel who meet a specified, high-risk criteria are appropriately identified and have the required training.

C. Departmental Safety Oversight

The Office of Risk Management has no controls to ensure the key elements of the City Safety Manual are implemented by city departments.

The City Safety Manual states that it is the responsibility of the department to establish policies, procedures, and associated forms to address all safety hazards specific to their departmental activities. Additionally, the City Safety Manual states specific key elements must be followed to effectively implement the guidelines of the City's Safety Manual. Key elements include:

- ensuring all employees are informed and accountable for achieving goals,
- developing standardized programs to serve as the basis in creating safe work processes,
- performing routine hazard and risk assessments,
- establishing and tracking program effectiveness,
- conducting periodic reviews of department policies and procedures to ensure information is current and remains relevant.

The sole responsibility being left to the department itself does not allow for the City's assurance that all departments are adhering to City Safety Standards. The Safety Division's assessment of occupational safety and health training needs does not incorporate the review of the required elements. As a result, there is no

oversight that allows for the timely discovery of outdated or poorly implemented department training programs that increase risk exposure.

Recommendation

The Director of the Office of Risk Management should implement controls that allow for the monitoring of departmental adherence to the City Safety Manual's stated guidelines.

Appendix A – Staff Acknowledgement

Gabriel Treviño, CISA, Audit Manager
Denise Trejo, Auditor in Charge

Appendix B – Management Response



CITY OF SAN ANTONIO

SAN ANTONIO TEXAS 78283-3966

June 10, 2021

Kevin W. Barthold, CPA, CIA, CISA
City Auditor
San Antonio, Texas

RE: Management's Corrective Action Plan for the Risk Management Safety Programs Audit

The Office of Risk Management has reviewed the audit report and has developed the Corrective Action Plans below corresponding to report recommendations.

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
1	Facility Listing <ul style="list-style-type: none">• Strengthen the current process to ensure the key Property Listing is updated and communicated timely.• Ensure that safety inspections are scheduled utilizing the most accurate Property Listing available.	4	Accept	Jodie Brown/Safety Administrator	4/1/2021

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
	Action plan: <ul style="list-style-type: none"> • ORM's Statement of Value Updating Process: <ul style="list-style-type: none"> • Annually (six months prior to insurance renewal), ORM will send each department their facilities listed on the SOV and request verification of properties. • Upon receipt of the department's edits, ORM reviews and update the SOV with those changes submitted. • For facilities missing property values, the department is requested to submit the construction costs. ORM will request appraisal to be included in the upcoming appraisal cycle. • If the facility is missing content values, ORM request the value listed in the fixed asset inventory for that location. • Annually, the City's appraisers will appraise facilities and submit those values to ORM. ORM updates the SOV within 30 days of receiving those values. • Any requests for changes to the SOV (new facilities, sold City property, etc.) should occur within 30 days of notification. • Each quarter, ORM submits a copy of the SOV to Broker highlighting any changes that have taken place. • Quarterly, Claims Division will upload the updated SOV to ORM's shared drive • ORM revised its internal process to ensure accuracy when developing the facility safety inspection calendar. Each quarter the Safety Manager will coordinate with the Claims Division to utilize updated property listing (SOV) loaded onto the departmental Shared drive. Safety Managers will review the quarterly facility safety inspection list against the quarterly property listing before inspections commence. 				
2	Training for High Risk Areas Ensure all departments and personnel who meet a specified, high-risk criteria are appropriately identified and have the required training.	4	Accept	Jodie Brown/Safety Administrator	8/30/2021
	Action plan: <ul style="list-style-type: none"> • The Hearing Conservation Program is in its developmental stage and has not yet been funded or implemented • All other currently identified high-risk training is complete and documented in SAP • During the development of each fiscal year's training calendar, ORM will work with departments to identify any new operations and positions which may fall into the high-risk category. Training will be developed and/or reviewed by ORM and tracked through SAP following ORM's current process 				

Recommendation					
#	Description	Audit Report Page	Accept, Decline	Responsible Person's Name/Title	Completion Date
3	Departmental Safety Oversight The Director of the Office of Risk Management should implement controls that allow for the monitoring of departmental adherence to the City Safety Manual's stated guidelines.	5	Accept	Jodie Brown/Safety Administrator	10/1/2021
Action plan: <ul style="list-style-type: none"> The purpose of the Safety Manual is to complement existing Administrative Directives, establish and clarify general procedures and best management practices into one document for easy reference and as a resource tool, not as a compliance measure ORM currently monitors the safety program through conducting safety trainings published on the safety training calendar, inspections, work-site observations (physical monitoring field-work performance), ergonomic assessments, and vehicle blitzes (safety inspection conducted on City vehicle warning devices and related components) To address the auditor's concern, ORM will require departmental safety training material be reviewed and approved by ORM prior to training; all employee training will then be tracked through SAP These revisions will be included in the 10/1/2021 Safety Manual 					

We are committed to addressing the recommendations in the audit report and the plan of actions presented above.

Sincerely,

Debra M. Ojo

Debra Ojo
Director
The Office of Risk Management

6/15/2021

Date

Ben Gorzell

Ben Gorzell
Chief Financial Officer
City Manager's Office

6/17/2021

Date