

MANAGEMENT AUDIT REPORT

OF

LOSS PREVENTION SECTION

RISK MANAGEMENT DIVISION

DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES

REPORT NO. 01-113



**CITY OF ALBLUQUERQUE
OFFICE OF INTERNAL AUDIT**

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Internal Audit Committee
City of Albuquerque
Albuquerque, New Mexico

Audit: Loss Prevention Section, Risk Management Division
Department Of Finance And Administrative Services
01-113

FINAL

INTRODUCTION

The Office of Internal Audit (OIA) conducted a management audit of the Loss Prevention Section (Loss Prevention), Risk Management Division, Department of Finance and Administrative Services (DFAS) Citywide. This audit was included in the Fiscal Year (FY) 2001 Audit Plan.

The mission of the Risk Management Division is “. . . to promote health and safety, and to minimize the financial consequences of the City’s exposure to risk.” Loss Prevention administers the City’s safety program. Loss Prevention’s responsibilities include guiding management in formulating safety policies, developing an attitude of safety culture, and providing technical expertise in establishing safety procedures and standards. Loss Prevention performs routine safety inspections of facilities and work sites as well as investigations and inspections in response to accidents. Inspections prevent accidents and injuries by encouraging compliance with State and Federal Occupational Health and Safety Act (OSHA) standards and by eliminating hazards. The Loss Prevention staff also teaches the defensive driving course and controls and issues the City Operator Permits required for all City drivers.

According to Administrative Instruction No. 8-5, “[i]t is the policy of the City of Albuquerque to ensure that safe and healthful working conditions exist for its employees, contractors and the general public whose work involves the conducting of business in city-owned buildings, on city-owned properties or in the course of normal business, with the aim of reducing damage to property and assuring that no person suffers diminished health, functional capacity or life expectancy.”

Safety procedures vary among the City's departments. Loss Prevention has full-time safety personnel assigned to two City departments. Six City departments and one department division have their own full-time safety personnel who report to the respective department directors. Loss Prevention staff is also responsible for the other twelve City departments. A few departments are in contact with and work with Loss Prevention, but most do not.

SCOPE

Our audit did not include an examination of all the functions, activities and transactions of Loss Prevention. Fieldwork was completed on May 9, 2002. The audit report is based on our review of the auditees' activities through the completion date of our fieldwork and does not reflect events or transactions subsequent to that date.

This audit and its conclusions are based on information taken from a sample of transactions and do not purport to represent an examination of all related transactions and activities. Our audit test work was limited to the following areas:

- Loss Prevention's compliance with City and Departmental policies and procedures.
- Loss Prevention's compliance with State and Federal regulations.
- Loss Prevention's tracking of safety inspection reports.
- Loss Prevention's follow-up of reported safety problems.
- Loss Prevention's coordination with other City departments' loss prevention personnel.
- Loss Prevention's strategy outcomes, priority objectives, and associated measures.

The audit was conducted in accordance with Government Auditing Standards, except Standard 3.33, which requires an external quality control review.

FINDINGS

The purpose of an internal audit is to identify changes in the auditee's activities which would improve its effectiveness, efficiency and compliance with administrative policies and applicable rules and regulations. Therefore, the auditee's activities which appear to be functioning well are not usually commented on in audit reports. The following findings concern areas that we believe could be improved by the implementation of the related recommendations.

1. THE CAO SHOULD INSTRUCT THE EXECUTIVE SAFETY COMMITTEE TO MEET

ON A REGULAR BASIS.

The Chief Administrative Officer's (CAO) Risk Management Manual (Risk Manual), Section 8 Safety Committees Created, Subsection 8.10 Executive Safety Committee states "There is hereby established an Executive Safety Committee whose purpose shall be to develop and recommend to the Chief Administrative Officer safety policies which are applicable on a City-wide basis encompassing all City departments and agencies and to assist individual directors in addressing major safety related issues within his/her specific department."

Subsection 8.11, Executive Safety Committee (ESC) Structure states, "The ESC shall meet not less than quarterly and shall be chaired by the Chief Administrative Officer or his/her designee and shall be administratively supported by the Loss Prevention staff of the Risk Management Division. The City's Risk Manager and Director of Labor Relations shall serve as permanent members of the ESC. The Chief Administrative Officer shall appoint or remove additional members as appropriate to achieve the purpose of the Committee." The composition of the Committee should include City personnel who are at a high enough level and capable of implementing policy changes.

According to Subsection 8.12, Executive Safety Committee Responsibilities, "The focus of the ESC shall be concentrated on creating a safety culture and awareness throughout City government operations. In accomplishing this mission, the Committee may:

- a) Develop and recommend to the Chief Administrative Officer City-wide policy aimed at reducing the frequency and/or severity of accidents.
- b) Recommend to the Risk Manager the implementation of City-wide training to assure that employees are knowledgeable in applicable OSHA and other safety regulations pertaining to their assigned tasks.
- c) Recommend to the Chief Administrative Officer a City-wide system of accountability of all employees for their individual safety performance as well as the safety performance of their subordinates.
- d) Upon the request of a specific department director, assist him/her in addressing a safety issue specific to the director's department.
- e) Periodically monitor the effectiveness of safety policies and recommend modifications to the Chief Administrative Officer as deemed necessary."

The Executive Safety Committee last held a meeting in December 1998. Since that time there has been a change in Administration. As a result, the CAO and DFAS Director may

not be aware of all of the requirements related to the Executive Safety Committee. This is a repeat finding from Management Audit #96-102 of Risk Management Division dated October 2, 1996. "Although required to meet quarterly, the ESC only met twice in 1995."

As stated in several findings within this report, there is no City-wide enforcement of safety policies or the Risk Manual, and there is little accountability for safety performance. The Executive Safety Committee could assist the City by addressing major safety related issues and encouraging a safety culture at the highest level.

RECOMMENDATION

The CAO should appoint members to the Executive Safety Committee as appropriate to achieve the purpose of the Committee. The members should include employees who are at a high level and are capable of implementing policy changes.

The CAO should ensure that the Executive Safety Committee meets on a regular basis, as required, to discuss and to resolve City safety issues.

EXECUTIVE RESPONSE FROM THE CAO

"The Office of the CAO will appoint new members to the Executive Safety Committee and will coordinate with the DFAS/Risk Management Division to ensure the committee meets quarterly to provide guidance to City Departments in the area of Loss Prevention."

2. PROCEDURES SHOULD BE DEVELOPED TO RESOLVE UNCORRECTED INSPECTION ISSUES AND/OR DEFICIENCIES.

Loss Prevention needs a method for resolving inspection issues when departments respond to inspection reports as follows: 1) no money to fix the deficiency, 2) planning to renovate in the future, or 3) dispute the finding/deficiency. When departments give these responses, the inspection issues and/or deficiencies should go in front of the Executive Safety Committee to resolve the issues. For example:

- Libraries In May and June 2000, Loss Prevention performed safety inspections at 15 City of Albuquerque libraries. All 15 libraries had open deficiencies. Examples include one library with 23 deficiencies; other libraries had 20, 15, and 13 deficiencies. In August 2000 Loss Prevention received a memorandum from the Associate Director of the Library Division. The memorandum stated, "We truly appreciate the need to improve our facilities, but given our budget and staffing, we will need years, not 30 days to make all these changes. Some of the changes in the list will involve significant capital dollars and design work. Others are minor, such as the grill on a return air vent and just need manpower and time to accomplish."

City departments have claimed that there is no money to fix unbudgeted problems or deficiencies brought up in the safety inspections. For example:

- Loss Prevention along with a hired engineer determined that the diving boards at the Highland Pool were unsafe and removed the diving boards. Highland Pool does not have funding to replace the diving boards, so the pool remains without diving boards.
- A recent condition arose within the basement of the City/County Building. The Critical Safety Response Program money could have been utilized to fund the study of the problem if there had been an appropriation to continue the program.

Loss Prevention conducts safety inspections and then issues an inspection report listing the deficiencies with recommendations. The safety inspection transmittal letter states "One copy is for your record and the second copy is to be returned to Risk Management, Loss Prevention Section, within 30 calendar days with the annotated corrections. If the corrections have not been initiated, please state the reason for not taking action."

When an inspection identifies safety issues, there are instances when the department does not respond whether or not the safety issue has been corrected or why it has not been corrected. Loss Prevention asks for a response within 30 days, not necessarily to have the issue fixed in 30 days. The effect is unresolved safety issues. For example:

- Building A, 1801 4th NW/APD Vehicle Maintenance Shop On October 10, 2000, Loss Prevention performed an indoor air quality survey of Building A offices which are next to the automotive repair shop. The Summary and Recommendations stated "It is clear that carbon monoxide, chemical odors, exhaust odor and fumes, and other contaminants are making their way into the office environment from the auto shop. At the very least, carbon monoxide can render the Parks and Recreation Department staff incoherent with headaches and nausea. Or, gravely ill . . . It is critical to make building component and operational changes as soon as possible for the long-term health of the occupants." Loss Prevention recommended several facility and operational changes that needed to be made as soon as possible. As of February 20, 2001, these changes had not been made. Loss Prevention performed an air quality survey of this same building and made similar recommendations on June 15, 1998, which were not implemented. According to the Design Safety Inspector, the October 10, 2000 indoor air quality survey was a repeat inspection of the June 15, 1998 survey with the same open items and recommendations.

In some circumstances, a department may not complete the review process or may not make the recommended changes as necessary. For example:

- Polar Bear Exhibit at the Zoo On May 18, 1994, three sets of drawings for the polar

bear exhibit were made available by Zoo staff for review by the City's Design Review Committee Chairman, the Legal Department, and the City Architect only. Documents were not provided for distribution to other City Design Review Committee participants. With the exception of one review at an unknown stage of development or milestone, the Design Review Committee review meetings for this project were not held as required.

On October 23, 1998, Loss Prevention along with Zoo Officials, Risk Management, an Insurance Representative and Claims Service Consultant participated in a meeting in response to a flooding event within the Polar Bear Exhibit's mechanical and control rooms. Repair costs amounted to \$112,529. The City paid a \$50,000 deductible and the City's insurance carrier paid \$62,529. At this time, Loss Prevention made several observations and recommendations for improvement for this exhibit. However, the recommended changes were not implemented. Again in 1999 the mechanical room flooded, with repair costs amounting to \$94,227. The City paid \$50,000 and the City's insurance carrier paid \$44,227.

The first flood repair costs of \$112,529 might have been avoided if this project had gone through the Design Review Process as required. If the four recommendations made by Loss Prevention in October 1998 had been carried out by the Zoo, the second flood repair costs of \$94,227 might have been avoided. In addition, the City's insurance premium for July 1, 2001 increased by \$85,764; that may be due in part to the claims made for these two floods.

The Risk Manual, Section 6 Loss Prevention, Subsection 6.22 (e) states, "Each supervisor shall . . . Promptly correct deficiencies observed or reported concerning facilities, work procedures, employees' job knowledge, or attitudes that adversely affect the City's Loss Prevention Program." Subsection 6.11 Management Commitment states "Management commitment represents a major factor in a successful organization. A safety culture represents the integration of safety into every aspect of conducting business so that safety becomes 'the way of life' for all employees at every level . . . Management commitment is a controlling influence in attaining success in accident prevention efforts. If management insists that safety and loss prevention objectives be met, then employees will follow their lead."

Departments are not following Risk Manual procedures that require discontinuing the use of facilities and equipment when unsafe conditions are noted. Therefore safety hazards continue to exist.

This is a repeat finding and recommendation from Management Audit #96-102 of Risk Management Division, dated October 2, 1996. That report states: "In various ways and in various departments, the City is not taking action to correct known unsafe situations for long periods of time. This is unacceptable risk control. DFA should recommend to the CAO proposed procedures for the quick resolution of serious safety hazards, regardless of budget

constraints or other impediments.” This audit also recommended that “. . . the RMD manager could request assistance of the Executive Safety Committee . . . (which) might either have the authority to initiate corrective action or to recommend action to the CAO.” This process is not currently working, as the Executive Safety Committee has not met since December 1998.

One reason safety issues may not be resolved is that there is no Department accountability. Departments may not respond to Loss Prevention’s inspection reports because Loss Prevention is unable to enforce its recommendations for resolution. Loss Prevention should report uncorrected/unresolved safety issues to the Executive Safety Committee for resolution.

Some departments do not have sufficient funds available to make the needed repairs. For FY98 and FY99 there was money set aside to enable rapid abatement of City-wide safety deficiencies which were unknown at the time the annual operating budget was submitted. However this no longer exists. The Executive Safety Committee should have an appropriation that the Executive Safety Committee may make expenditures from to correct serious safety issues. The lack of budgetary resources should not be an excuse for an unsafe environment.

The effect of unresolved safety issues is the potential for a large liability if someone should get hurt and the City knew about the safety issue, but had not corrected it.

RECOMMENDATION

DFAS should take inspection issues and/or deficiencies to the Executive Safety Committee to resolve safety issues.

The Executive Safety Committee should hold departments accountable for unresolved safety issues. If a department does not respond to a safety inspection report within 30 days, the Risk Manager should send a follow-up memorandum to the department and the CAO or other appointed authority stating the date the inspection was done, and that Loss Prevention has not received a response to the inspection.

The CAO should consider requesting an appropriation for correction of safety issues to be administered by the Executive Safety Committee.

The Cultural Services Department should ensure that all construction projects are properly reviewed and approved by the Design Review Committee prior to the start of construction.

The Planning Department should develop a process to ensure that all projects are properly reviewed and approved by the Design Review Committee prior to the start of construction.

RESPONSE FROM THE CAO

“The issue of funding a Critical Loss Program has been discussed numerous times over the years and in fact was actually budgeted at one time. This issue will be reviewed again in the upcoming budget cycle and may be considered depending on the financial condition of the Risk Fund.”

RESPONSE FROM DFAS

“The Loss Prevention Section will develop a formalized process for presentation of inspection issues and/or deficiencies to the Executive Safety Committee. In addition, the Loss Prevention Manager will review accident information and present to the committee a recommended approach to identify the root causes of those accidents. After an appropriate analysis has been made, information will be provided to the committee on recommended actions intended to prevent future losses. This program will incorporate professional loss control leadership practices.”

RESPONSE FROM THE CULTURAL SERVICES DEPARTMENT

“All projects are presently reviewed by the Design Review Committee, Licensed professional Architects and engineer and licensed contractors.

“The library will continue to work on all safety issues and will cooperate fully with all recommendations from the safety committee.”

RESPONSE FROM THE PLANNING DEPARTMENT

“The Planning Department agrees with this recommendation. The Department will assure that all projects, including CIP projects, are properly reviewed and approved by the DRC prior to construction. The Department (City Engineer) will coordinate the ‘pre-design’ of all CIP

projects and sign off on approved utility plans within the public right-of-way. DRC reviews are limited to utilities constructed within public right-of-way. The City Architect will be required to sign off on all CIP projects

prior to issuing a building permit.”

3. LOSS PREVENTION NEEDS THE AUTHORITY TO GUIDE ALL DEPARTMENTS' SAFETY PROGRAMS INCLUDING THOSE WHO HAVE THEIR OWN SAFETY PERSONNEL.

Administrative Instruction No. 1-12-1, Subject: Claims and Litigation Deductible Initiative, dated September 6, 2000 states, "Several large departments have loss prevention staff within their budgets. These staff members have primary responsibility to assist their departments in reducing incidents leading to claims and litigation. The loss prevention staff within Risk Management is available to provide loss information and suggest methods to assist departmental staff in implementing successful initiatives." It also states, "The majority of departments do not have staff dedicated to loss prevention. Each of these departments has a safety professional from Risk management assigned to it. These individuals will work with the departments to assist the directors in identifying the root cause(s) of their claims and establishing a successful loss prevention program." Loss Prevention should be able to not only provide guidance but also have enforcement authority related to safety matters.

As most of the findings in the report indicate, there is no consistency or uniformity within the City departments' safety programs. Loss Prevention's role in working with all City department safety programs should be more clearly defined. Loss Prevention does not have recognized authority to control the activities related to safety City-wide. The variations in departmental safety activities may, to some extent, be a result of Loss Prevention's lack of authority in enforcing the manual policies and procedures. There are many safety regulations including OSHA that the City must comply with. Loss Prevention is unable to determine if all departments are complying with or performing at the levels they should be.

For example:

- A. Tracking OSHA Violations There is not a method for communicating to Loss Prevention all OSHA violations or OSHA fines paid by City departments. The departments who have their own safety personnel conduct their own inspections and track their own violations. Loss Prevention does not know what OSHA inspections have been performed in these departments, if there were fines assessed or paid and how these departments track their violations.
- B. Root Cause Analysis Loss Prevention does not have the authority to investigate the root cause of accidents occurring in departments that have their own safety personnel. In some cases departments may have multiple accidents or injuries of the same kind. The Loss Prevention personnel have the training and experience to perform an analysis to determine the root cause of these recurring safety issues and to recommend actions to prevent or decrease the likelihood of recurrence.

- C. Safety Inspection Reports There are six departments and one department division who perform their own safety inspections. These safety personnel operate independent of Loss Prevention and do not routinely provide copies of their inspections to Loss Prevention. Without this information Loss Prevention does not know what inspections have been performed in these departments, if there are City-wide safety issues that should be addressed, or if these safety deficiencies have been corrected.
- D. Safety Committee Meetings City departments are not complying with the Risk Manual or the Administrative Instruction requiring safety committees. The Risk Manual, Section 6 Loss Prevention, Subsection 6.43 Safety Meetings states “Supervisors are responsible to assure that periodic safety meetings are available to their respective employees, documenting attendance of employees and retraining records for periodic review by Risk Management’s Loss Prevention Section.” Section 8 Safety Committees Created states, “Each department or agency shall create a Departmental Safety Committee whose purpose shall be to assure departmental compliance with City-wide safety policies and to develop and recommend to the department director supplemental safety policies specific to the department or agency . . . The DSC shall meet not less than monthly and shall be chaired by the director of the department.

Administrative Instruction No. 8-5, Subject: Safety Policy, states, “It is the responsibility of each department director to develop and promulgate rules, regulations and operating procedures specific to the safety of their employees to include training sessions, identification of safety hazards, formation of safety committees . . .”

Many City departments do not have Departmental Safety Committees. These include:

- Convention Center
- Council Services
- Cultural Services (Zoo/BioPark has a Safety Committee but the Albuquerque Museum and Library do not)
- Family and Community Services
- Finance and Administrative Services
- Human Resources
- Internal Audit
- Legal
- Mayor/Chief Administrative Office

- Planning
- Senior Affairs

Some City Departments have Departmental Safety Committees but they are either not meeting regularly, not meeting at all, or are unable to provide copies of meeting minutes to document that they are meeting and that safety issue concerns were discussed. These

include:

Corrections
Public Works
Transit

This is a repeat finding from Management Audit Report No. 93-119, Loss Prevention/Employee Health Services, issued April 2, 1993. The report states, "The committees were requested to provide copies of the meeting minutes to the LPS . . . Some of the safety committees may not be meeting regularly. However, without the authority to require the committees to provide reports, the LPS cannot monitor the frequency of their meetings." This is also a repeat finding from Audit Report No. 96-102, dated October 2, 1996. That report states, "The RMD manager should monitor departmental safety committees, accident review functions, OSHA compliance and other required activities. As a means of overseeing departmental activities, RMD should require that copies of minutes of DSC [departmental safety committee] meetings be forwarded to LPS."

Loss Prevention does not have the authority to require the safety committees to meet or to provide minutes of safety committee meetings. Without this authority, Loss Prevention personnel cannot monitor the frequency of the meetings and are unable to determine if safety issues are addressed at the department level or if there is safety coverage at the department level. By reviewing the meeting minutes, Loss Prevention could determine if department employees are informed of current and future/upcoming safety issues.

Risk Management was tasked with the job to reduce losses to the City. To achieve this, Loss Prevention needs the authority to tell the departments what is adequate and what needs to be improved.

RECOMMENDATION

DFAS should propose revisions to both the Administrative Instruction and the Risk Manual that will give Loss Prevention the authority to provide guidance and perform analysis City-wide. The revisions should also require all City department provide Loss Prevention with reports of activities including safety violations, injuries, OSHA

inspections and fines and safety committee meeting minutes so that City-wide safety efforts can be tracked. These revisions should also require all City departments to send copies of their safety inspection reports to Loss Prevention.

The proposed revisions should be submitted to the Executive Safety Committee for review prior to adoption by the CAO.

The CAO should clearly delegate authority to Loss Prevention to guide all City departments' safety efforts in order to get uniformity and consistency.

The City departments that do not have Department Safety Committees should appoint committees. All Department Safety Committees should meet at least monthly. Department Safety Committee meeting minutes should be prepared with a copy sent to Loss Prevention.

EXECUTIVE RESPONSE FROM THE DFAS

“The Administrative Instruction and Risk Management Manual will both be reviewed to identify required updates and clear identification of requirements, roles and responsibilities. DFAS will address these issues with the Executive Safety Committee.”

“With particular regard to reporting, the Loss Prevention Manager will meet with all safety staff in order to design an appropriate system of reporting by mid November 2002. When an agreed upon approach is developed, the information will be presented to the Executive Safety Committee for appropriate action.”

EXECUTIVE RESPONSE FROM THE CAO

“Due to the substantial turnover in staff in the last two years the Risk Management Division will be instructed to provide training on the applicable Administrative Instructions and Risk Management Manual. Both will be reviewed to identify areas needing revisions or updating.”

“Risk Management/Loss Prevention will be reminded of their responsibility in this area and the requirement to notify the DFAS Director when they know Departments are not complying with Risk Management rules and regulations.”

EXECUTIVE RESPONSE FROM THE CONVENTION CENTER

“The Albuquerque Convention Center does have a Safety Committee, however, because of a significant amount of personnel changes the Committee has not met regularly in recent months. The Department has assigned new individuals to the Committee, which is chaired by the Director and includes a representative from management, the union and

blue collar. The Committee is scheduled to meet the first Tuesday of each month. The next scheduled meeting is October 1, 2002. The Department will forward a copy of the Safety Committee minutes to the Loss Prevention Division.”

EXECUTIVE RESPONSE FROM THE CORRECTIONS & DETENTION DEPARTMENT

“The City will benefit from more sharing of information and uniformity of action with regard to safety issues if the Loss Prevention office has the capability to process the information and create productive programming.

- *BCDC has not been inspected nor penalized by OSHA, though our Safety Supervisor has consulted with their office on several occasions.*
- *We will welcome training in conducting Root Cause Analysis for the members of our Safety Committee.*
- *A schedule of required inspections is attached to this memo, and could be provided to Loss Prevention. Rather than copying and delivering documentation to Loss Prevention, a periodic audit of inspection records could be afforded. The audit report does not address the question of what would happen to all of the information that will be delivered to the Loss Prevention office.*
- *BCDC has been in substantial compliance with the requirement for monthly meetings since April of 2001. BCDC Policy and Procedure specifies that the Safety Committee is chaired by the Safety Supervisor. A copy of the agenda, attendance and a summary of the meetings are preserved and could be audited by Loss Prevention.*

“We support the recommendation that the role and authority of Loss Prevention be clarified. We further recommend that the capabilities of Loss Prevention be enhanced so that they can increase the quantity and quality of the services they offer. It will be much easier to attract the Departments to a unified safety effort if they are shown the value of a strong Loss Prevention office.”

EXECUTIVE RESPONSE FROM THE COUNCIL SERVICES DEPARTMENT

“The Office of Council Services does not have an official safety committee. Rather it is handled by the Director of Council Services during meetings with staff. At least on a quarterly basis, safety reviews and issues are discussed and attended to.”

EXECUTIVE RESPONSE FROM THE CULTURAL SERVICES DEPARTMENT

“The Cultural Services Department will reconvene the duties of the safety committee with a representative from each division and initiate safety programs. The task will be in compliance by 12/12/02.”

EXECUTIVE RESPONSE FROM THE FAMILY & COMMUNITY SERVICES DEPARTMENT

“The Department of Family and Community Services concurs with the audit finding and will take the necessary steps to establish a Safety Committee. As a preliminary step, the Department has scheduled a meeting with the Risk Management Division for September 24, 2002. At this time, the Risk Management Division will provide our Department’s Division Managers with an overview of the Risk Management Manual. A copy of the Risk Management Manual has been distributed to each Division Manager.”

EXECUTIVE RESPONSE FROM THE HUMAN RESOURCES DEPARTMENT

“HR is in agreement with IA recommendations to revise the authority and processes that are currently in place. (The HR Director met with the former Risk Manager in December of 2001 to advise/discuss concerns regarding the lack of authority, process, departmental safety manuals training and reporting.) It is imperative that City employees work in a safe environment, and that the manner in which safety policies and programs are regulated, communicated and documented citywide be clear and consistent. Our recommendation is for HR to engage in a collaborative effort with Risk Management to develop a safety policy and any relevant documents.

“HR would also collaborate in the development of a template (based upon OSHA regulations) that City departments could utilize to develop department/division specific safety manuals. A department Safety Coordinator and/or Team would be identified and trained. The Coordinator and/or Team would be responsible for developing the manual with guidance/review from Risk Management.

“HR would modify its current New Employee Orientation program to incorporate a new safety policy upon finalization.”

EXECUTIVE RESPONSE FROM THE INTERNAL AUDIT DEPT

“The Office of Internal Audit agrees that it should have a Departmental Safety Committee. Because of the small size of our staff, all employees of the Office of Internal Audit will be members of the Departmental Safety Committee and will attend monthly meetings. Our first meeting will be held on Monday, September 16, 2002. Minutes of the meetings will be promptly forwarded to the Loss Prevention Section.”

EXECUTIVE RESPONSE FROM THE LEGAL DEPARTMENT

“The Legal Department agrees fully with the audit findings and recommendations. The Legal Department has created a Safety Committee that will meet monthly to insure that they follow all safety policies. Another responsibility of this committee will be to make recommendations to the Director for improvements in promoting the health and safety of the Legal Department employees.

“The members of the Legal Department Safety Committee are as follows:

*Legal Administrator, Administration Division
Paralegal, Trial Division
Paralegal, Municipal Affairs Division*

“The committee will meet on the second Wednesday of every month at 10:30 a.m. We scheduled the first meeting for September 11, 2002.”

EXECUTIVE RESPONSE FROM THE PLANNING DEPARTMENT

“The Planning Department agrees that safety is very important especially to our field inspection crews. A Departmental Safety Committee (DSC) will be created to assure departmental compliance with city-wide safety policies. A safety committee will be appointed to work with the Director and Chief Building Official. Technical assistance will be requested from the Loss Prevention staff. The Department Director, Chief Building Official and City Engineer will conduct monthly training sessions on OSHA regulations and other safety regulations. Regular meetings will be held beginning in October.”

EXECUTIVE RESPONSE FROM THE PUBLIC WORKS DEPARTMENT

“At the time of the audit formal Safety Committees were not formed

according to the Union Contracts and were not meeting and documenting attendance of employees and retaining records for periodic review.

“Formal Safety Committees have been formed according to Union Contracts. The Committees are meeting and retaining documentation for periodic review.”

EXECUTIVE RESPONSE FROM THE SENIOR AFFAIRS DEPARTMENT

“The Department of Senior Affairs concurs with the findings of Internal Audit regarding safety committees. There is currently an accident review committee in place, which reviews all accidents and makes recommendations for corrective action. There is also a Departmental Safety Manual in place.

“The accident review committee’s title will be changed to that of Safety Committee effective immediately. The committee’s membership will be increased to reflect the makeup of employees serving in our Department. They will review the existing Safety Manual and make changes as necessary. They will recommend safety related training to assure that employees are knowledgeable in applicable OSHA and other safety regulations pertaining to their assigned tasks. They will continue to review accidents and make recommendations aimed at reducing the frequency and/or severity of accidents.”

EXECUTIVE RESPONSE FROM THE TRANSIT DEPARTMENT

“The Transit Department has no adverse comments concerning the recommendation for this section of the audit report.

“The Transit Department will reinstitute monthly safety meetings in October 2002.”

4. LOSS PREVENTION SHOULD HAVE SIGNATURE AUTHORITY AS RELATED TO THE DESIGN REVIEW COMMITTEE.

The Design Review Committee (DRC) process is designed to follow the traditional development of construction documents by reviewing documents at several development milestones along the path to completion. The milestones are: Design Report Review; Pre Design; Preliminary Plan Review; Final Plan Review; and Sign-off Review. At each milestone, the design team provides documents to the DRC Chairperson for distribution to

the appropriate parties for review and comment.

A meeting at each milestone is scheduled where comments can be discussed and resolved in the presence of the user department and the design team. At the final meeting, the original drawings are signed in a designated location on the front of the drawings by the members of the review team. The DRC is composed of members who are employees of the City of Albuquerque representing the following: the City Engineer, Transportation/Traffic, Water/Wastewater, Hydrology/Storm Drainage, and the City Architect (on an as needed basis). Once the construction project design receives administrative approval from the DRC members, the project can proceed into the bidding stage and construction stage. This is done whether or not safety issues presented to the DRC by Loss Prevention were resolved.

Loss Prevention's Design Safety Inspector, who is a licensed registered Architect, attends DRC meetings and reviews projects for safety issues. But Loss Prevention is not a required signatory on the DRC approval. Therefore, projects can and do proceed through the bid and construction phases with open and unresolved safety issues. Thus employees or the general public could be injured because unsafe conditions exist. This may expose the City to unnecessary liability.

Examples of project proceeding to the construction and completion stage with outstanding safety issues include the following:

- BALLOON FIESTA PARK LIFT STATION

The DRC reviewed this project on December 29, 1999. This project was completed with 2 outstanding/unresolved safety issues. Loss Prevention raised the issue that the Balloon Fiesta Park Lift Station violated the OSHA confined space program which is a mandated requirement for municipalities in the state of New Mexico. Loss Prevention stated that it is illegal for an employee to enter any confined space until all energy sources (electrical, hydraulic, gas, moving parts) have been de-energized and locked-out and that there was absolutely no need to subject anyone to possible death in a confined space because of a lack of engineering prowess. This project was completed with these issues outstanding.

