

Labour

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Main points

As with many other departments, 2002-03 was a year of change for the Department of Labour. It worked to implement the Government's accountability framework. In addition, its new management team made a number of key changes to its processes.

We report that the Department had adequate processes to safeguard public resources and comply with the law. Also, we report on our examination of a key aspect of the Department's operations—how it assists injured workers with their claims for compensation from the Workers' Compensation Board.

During 2003, the Department began to reduce the significant length of time workers must wait for assistance. In addition, it made other significant changes in its processes to assist injured workers.

The Department needs to set clear performance expectations and improve its processes to monitor performance. It should align resources to meet the performance expectations it establishes.

We look forward to reviewing future progress in this key area.

Introduction

The Department of Labour (Department) works with employees and employers to promote health and safety, co-operation, fairness, and equity in Saskatchewan workplaces. In co-operation with working people, unions and employers, and other organizations, the Department is responsible for:

- ◆ developing, promoting, and enforcing the legislative framework for labour relations, labour standards, and occupational health and safety;
- ◆ providing prevention, education, and training services for Saskatchewan workplaces;
- ◆ assisting in preventing and resolving workplace disputes; and
- ◆ developing policies and programs that lead to safe, fair, and productive workplaces.

The following is a list of major programs and spending reported in the *Public Accounts 2002-03: Volume 2: Details of Revenue and Expenditure* (to view a copy of this report, see <http://www.gov.sk.ca/finance/paccts>).

	<u>Original Estimates</u>	<u>Actual</u>
	(in millions of dollars)	
Occupational Health and Safety	\$ 5.0	\$ 4.8
Labour Support Services	2.5	2.5
Administration	1.4	1.6
Labour Standards	1.6	1.6
Accommodation and Central Services	1.4	1.4
Other	1.9	1.9
	<u>\$ 13.8</u>	<u>\$ 13.8</u>

Our audit conclusions and findings

In our opinion, for the year ended March 31, 2003:

- ◆ the Department had adequate rules and procedures to safeguard public resources; and
- ◆ the Department complied with authorities governing its activities relating to financial reporting, safeguarding public resources, revenue raising, spending, borrowing, and investing.

The remainder of this chapter describes the results of our audit of the Department's processes to assist injured workers with their claims for compensation from the Workers' Compensation Board.

Worker's Advocate—Assisting injured workers

The Department of Labour has a mandate to assist injured workers who seek help with their claims for compensation from the Workers' Compensation Board (WCB). The Department appoints worker's advocates under *The Workers Compensation Act, 1979*. The worker's advocates, as employees of the Department, are to provide independent assistance to workers.

The worker's advocates assist injured workers or their dependents (workers) to appeal WCB decisions on their claims for compensation. For the year ended March 31, 2003, the Department spent \$553,000 (\$487,000 in 2002) to provide worker's advocate services excluding accommodation, employee benefits, and other administrative costs.

Service delays improving

Injured workers face lengthy waits for help from worker's advocates. This is a long-standing problem.¹ The Department needs to effectively manage the assistance it provides workers to help ensure that workers receive timely assistance and appropriate benefits. By effectively managing its

¹ Page 69, *Report of the Workers' Compensation Committee of Review 1986*, cited in *Dorsey 2000*, p.47.

assistance, the Department will help maintain public confidence in the worker's advocate program.

The Department has made some progress in reducing service delays. During April 2003, the Department assisted workers who had waited 25 months for service. During September 2003, the Department assisted workers who had waited 19 months for service. It plans further changes to its processes to achieve further service improvements. We agree that improving the timeliness of service to injured workers is essential.

Audit objective and criteria

The objective of our audit was to assess whether the Department of Labour has adequate processes to assist workers (or their dependants) who seek help with their claims for compensation from the Workers' Compensation Board. We focused on the Department's processes at August 31, 2003.

To assess the adequacy of the Department's processes to assist workers, we used the criteria listed in the Exhibit. We reported these criteria in Chapter 7 of our 2003 Report – Volume 1. The Department agreed with the criteria.

Exhibit – Audit criteria

To assist workers with their claims for compensation from the Workers' Compensation Board, the Department should:

1. Develop capacity to assist
 - ◆ ensure staff have appropriate knowledge and skills
 - ◆ establish timely access to key information
 - ◆ seek necessary financial resources
 - ◆ allocate resources to maximize capacity
2. Manage requests for assistance
 - ◆ set expectations for providing assistance
 - ◆ determine eligibility of requests for assistance
 - ◆ assign requests to expedite assistance
3. Monitor performance and adjust processes
 - ◆ analyze performance
 - ◆ modify processes to improve performance

We followed *The Standards for Assurance Engagements* established by The Canadian Institute of Chartered Accountants.

Conclusion and recommendations

During 2002 and 2003, the Department made many significant changes in its processes to assist workers with their claims. The Department's processes continue to evolve.

We conclude that as of August 31, 2003, the Department had adequate processes to assist workers (or their dependents) who seek help with their claims for compensation from WCB, except for the matters reflected in the following recommendations.

We recommend:

- 1. The Department should improve its processes to assist workers with their claims for compensation. The improvements should include:**
 - ◆ **setting clear performance expectations; and**
 - ◆ **aligning resources to meet established performance expectations.**
- 2. The Department should improve its processes to monitor the achievement of its performance expectations for the worker's advocate program. The improvements should include the regular review of written analysis of performance.**

Key findings (by criteria)

In this section, we set out our expectations (in italics) for each of the criteria, together with our key findings. We describe the processes of the Department of Labour to assist workers who seek help with their claims to WCB for compensation.

Develop capacity to assist workers

To develop capacity to assist workers, we expected the following. The Department would ensure that its staff have the knowledge and skills necessary to assist workers. The Department would establish timely access to required information and would monitor access to information to address problems promptly. The Department would estimate the resources it needs to help workers with requests for assistance. The Department would identify areas where resources would make the biggest difference in helping workers and would allocate the resources accordingly.

The Department documents the competencies that advocates should have to assist workers. Documenting necessary competencies helps the Department to hire or train advocates with the appropriate knowledge and skills.

The Department expects to have learning and development plans in place for all Department staff by December 31, 2003. The Department also plans further training for worker's advocates in the future. The Department should document the resources it requires to provide training. This will help the Department ensure that worker's advocates have necessary competencies.

The Department has worked with the WCB to establish timely access to required information. The Department has a formal agreement with the WCB that provides for access—including electronic access—to WCB information. The Department and the WCB have also agreed in writing to meet monthly to discuss and remedy issues.

The Department should align its resources with its expectations for the worker's advocate program. The Department should set out its analysis of the resources it requires to meet its expectations. The analysis should document the Department's assumptions, for example, regarding the number of new requests it will receive, the number of workers from the waiting list that it will assist, and the length of time workers will wait for assistance. The analysis should consider the resources the Department requires for training. The Department should use its analysis to determine the resources it needs to provide timely assistance and to reduce the waiting list.

The Department has considered where it can best apply its existing resources. It has made changes intended to increase its capacity to assist workers. The Department's changes include assigning a more senior level manager to the worker's advocate program, focusing the Department's assistance on workers' second appeals, and assigning specific responsibilities to an intake officer and advocates to reduce the number of workers waiting for assistance.

Manage requests for assistance

To manage requests for assistance, we expected the following. The Department would set clear expectations for how it assists workers and would communicate these expectations to staff. The Department would set criteria to help it decide whether requests are eligible for assistance. The Department would sort and assign eligible requests to staff as quickly and effectively as possible.

The Department sets expectations for providing assistance. However, these expectations relate to activities (the procedures it uses to provide assistance) rather than outcomes (the performance levels it aims to achieve). The Department adequately communicates the procedures it expects of its staff.

The Department should set clear expectations for performance outcomes. These expectations should include the timeliness and quality of assistance it will offer injured workers. The expectations could specify, for example, how long workers should have to wait for assistance and the extent of assistance that workers will receive. We note that the Department plans to develop service standards by December 2003. We anticipate that these service standards will assist the Department to measure its performance.

The Department developed eligibility criteria to help it assess whether it can assist workers who ask for help with their claims for compensation from the WCB. The Department applies these criteria to determine eligibility for assistance at different times in its relationship with workers.

When workers first approach the Department for assistance, the Department assesses whether they are eligible for assistance or should be referred elsewhere. Once the Department makes the initial

determination of eligibility, it requires workers to pursue their first appeal (to the WCB Appeal Committee) themselves. The Department provides workers with printed guidance for carrying out this appeal.

After the first appeal, the Department sorts and assigns the remaining requests for assistance according to the length of time the workers have waited (those waiting the longest are assisted first). The Department also distributes difficult cases evenly among advocates.

Monitor performance and adjust processes

To monitor performance and adjust processes, we expected the following. The Department would analyze its performance by comparing its results to planned levels of service. The Department's senior management would regularly review performance reports. The Department would identify any reasons why its performance did not meet expectations. The Department would provide feedback to staff and revise its processes to improve performance.

The Department has limited processes to monitor the performance of the worker's advocate program. The Department produces monthly reports showing the number of cases opened and closed each month and the number of workers waiting for assistance from advocates. These written monthly reports do not show how long workers have waited for help from advocates. Nor do the reports show trend information. In addition, because the Department has not set expectations for its performance in assisting workers, these reports cannot compare the results achieved to planned levels of performance.

The Department provides senior management with verbal reports on performance. Verbal reports do not allow for considered analysis and make it difficult for senior management to monitor progress.

The Department should analyze its performance by comparing the results it achieves to its expectations. Regular reports should provide trend information to enable the Department to assess its progress over time. For example, the reports could indicate how long the workers had to wait for assistance. By showing trends over time, the Department could assess its progress.

The Department significantly modified its processes for assisting workers during 2002 and 2003. It plans further changes. The Department's plans identify the nature of changes required, assign responsibility for leading the change, and identify a target completion date. These planned changes should improve the Department's performance in assisting workers to pursue their claims for compensation from the WCB.

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