



State of New Mexico
General Services Department

RISK MANAGEMENT DIVISION

Loss Prevention and Control Annual Program Audit

Fiscal Year 2015

AJ Forte, Director of Risk Management Division

4/27/2015

The state loss control manager or persons designated by the state loss control manager shall conduct loss prevention and control plan audits of state agencies as a method of providing agency heads with an evaluation of the effectiveness of an agency's total loss prevention and control effort.

Contents

1. Introduction.....	3
1.1 Statutory Authority:	3
1.2 Pre-audit notification, Training and Pre-audit tools:.....	3
1.3 Description if agency fails to Comply:.....	4
2. Participants of the audit	4
3. Scope of the assessment.....	4
4. Reports on the observed inspection.....	4
5. Summary.....	4
5.1 Audit Checklist Final Score:	5
5.2 Outstanding issues and identification of areas of improvement:.....	5
ANNEX 1.....	7

1. Introduction

1.1 Statutory Authority:

Pursuant to the New Mexico Administrative Code (NMAC) 1.6.4.15 (A & B) – Loss Prevention and Control Plan Audit:

- A. The state loss control manager or persons designated by the state loss control manager shall conduct loss prevention and control plan audits of state agencies as a method of providing agency heads with an evaluation of the effectiveness of an agency's total loss prevention and control effort. The audits shall take place with such frequency as the director of the RMD deems necessary. Following an audit, the state loss control manager shall submit a written report to the agency head which will provide an evaluation of the agency's loss prevention and control effort along with recommendations.
- B. The agency head (or the sub-agency head if the audit applies only to a sub-agency) shall respond to RMD audits within thirty (30) days citing what actions have been taken to address the issues and the recommendations noted in the report.

1.2 Pre-audit notification, Training and Pre-audit tools:

On Friday July 18, 2014 the Risk Management Division, Loss Prevention and Control Bureau (LP&CB) notified your Entity Loss Prevention and Control Coordinator of Mandatory Audit Preparedness training that the LP&CB would be conducting throughout the State of New Mexico. The statewide trainings informed attendees of the upcoming FY 2015, Quarter 4 (April, May and June) audits on entity programs. Those Trainings were located at:

- o Santa Fe, NM on July 30, 2014;
- o Albuquerque, NM on August 7, 2014;
- o Las Cruces, NM on August 17, 2014;
- o Portales, NM on September 23 and 24, 2014 ;
- o Santa Fe, NM on September 10, 2014;
- o Silver City, NM on October 15, 2014;

During those trainings attendees were given knowledge and advice on completing all aspects of the objectives that would be audited.

On Thursday November 6, 2014 the LP&CB sent a "Pre-Audit Preparation / Self Evaluation" checklist to your entity. Within that pre-audit checklist, the LP&CB listed all areas that would be audited by the LP&CB auditors. Also, within that document there was space for your Entity Loss Control Coordinator to request additional support or clarification on NMAC 1.6.4 requirements.

1.3 Description if agency fails to Comply:

If any Agency fails to adopt and promulgate an agency loss prevention and control plan in accordance with this rule, the State Loss Prevention and Control Manager shall report this matter to the Agency head, in writing, with copies to the General Services Department (GSD) Cabinet Secretary and the Director of the Risk Management Division.

Failure to comply with this rule will be included in the annual report of the Risk Management Director to the State Legislature (as required by 15-7-3(C) NMSA 1978), and to the Governor, or any other oversight organization as may be required or appropriate, will result in adjusting insurance premium rates, paid by noncompliant agencies, accordingly.

2. Participants of the audit

Adreien Jaramillo, Loss Prevention and Control Specialist-Advanced

Barbara Auten, LOPD Loss Control Coordinator

Suzanne Vigil-Lucero, LOPD HR Specialist

3. Scope of the assessment

Specific sections of the NMAC 1.6.4 that will be audited shall include, at a minimum, the following listed areas of claims management:

1. appointment and duties of a loss prevention and control coordinator (NMAC 1.6.4.9);
2. appointment and duties of a loss prevention and control committee (NMAC 1.6.4.10);
3. self-inspection and audit procedures (NMAC 1.6.4.11);
4. incident and loss investigation, including record-keeping and reporting procedures (NMAC 1.6.4.12);
5. claims analysis and management procedures (NMAC 1.6.4.14);
6. loss prevention and control education and training (NMAC 1.6.4.13);
7. employee job orientation and training programs (NMAC 1.6.4.13);
8. implementation of safety and loss prevention and control initiatives;
9. implementation of workplace alternative dispute resolution and mediation program initiatives;
10. Periodic training, at least annually, of managers and supervisors on employment-related civil rights issues. (NMAC 1.6.4.13)

4. Reports on the observed inspection

The LP&C Audit Report checklist completed during the scheduled audit is attached as an annex for future reference.

5. Summary

5.1 Audit Checklist Final Score:

Audit Checklist Score: 88% (51/58)

Date of Audit: 4/22/2015

The Law Offices of the Public Defender has achieved a **PASS**.

The minimum score required for a PASS of Fiscal Year 2015's Annual Loss Prevention and Control Audit is 70% (41 out of 58 requirements on the Audit Checklist). This score was approved and defined to give all entity LP&C Programs an opportunity to reach an achievable score.

In order for this program to be successful management and the LP&C Coordinator(s) must continually support one another.

5.2 Outstanding issues and identification of areas of improvement: (To see Indicator list: View Annex 1)

Component and Sub-Component:	Describe Area of Improvement	Proposed Corrective Actions
I (A)	LC Coordinator Duties	LC Coordinator shall chair and coordinate the agency "Safety Committee". (This committee is different and separate from the Loss Control Committee) as per NMAC 1.6.4.9 (A) (3)
IV (B)	Investigation Process	Investigations should be initiated as soon as possible, but within two (2) workdays of the incident as per NMAC 1.6.4.12 (A)
IV (C)	Investigation Approval Process	A copy of the Investigative Report shall be furnished to the <u>investigator's immediate supervisor, to the agency loss prevention and control coordinator</u> , and to the division, or other level loss prevention and control coordinator as per NMAC 1.6.4.12 (B)
IV (C)	Investigation: LP&C Coordinator Duties	The agency LP&C Coordinator shall evaluate the adequacy of the action taken to avoid reoccurrence of losses. The evaluation will be accomplished within 30 days of receipt. The evaluation shall be provide to the agency LP&C Committee as per 1.6.4.12 (E)

V (C)	Policy Review	Each agency shall address and include direction for the identification and analysis of root causes of job-related injury or illness and recommended corrective action or change to prevent recurrence of such job-related illness and injury as per NMAC 1.6.4.14 (D) (4)
V (D)	General Policy Review	Each agency shall have individual and specific written policies providing for (as they apply to job-related injury or illness claims), establishment of Safety and LP&C as a line management responsibility and those supervisors are evaluated on those responsibilities as per NMAC 1.6.4.14 (C) (1)



AJ Forte,
Director

Risk Management Division, General Services Department

Date: 4-27-15

ANNEX 1

Component	Sub-component	Evaluation method
I – LP&C Coordinator Specifics	A – General Requirements	Documentation review
II – LP&C Committee Meeting Minutes	A - General Requirements	Documentation review
III – Inspections and Audit Procedures	A - General Requirements	Documentation review
	B – Inspection Process	Documentation review Spot Check- Inspection Report
IV – Incident and Loss Investigation Program	A - General Requirements	Documentation review
	B – Investigation Process	Documentation review Spot Check- Staff Identification
	C – Investigation Approval Process	Documentation review
V – Claims Analysis and Management Procedures	A - General Requirements	Documentation review
	B – Provide Entity Policy	Documentation acceptance
	C – Policy Review	Documentation review
	D – General Policy Review	Documentation review
	E – Workers Compensation Spot-Check	Documentation review Spot Check – WC Claims
	F – WC Policy Review	Documentation review
VI –Training Requirements	A – Employee and Supervisor Spot Check	Employee and Supervisor Spot Check - File review
	B – New Employee and Supervisor Spot Check	New Employee and Supervisor Spot Check - File review
VII – Safety and LP&C Initiatives	A – Program Enhancement	Discussion and Document Review
VIII – Alternative Dispute and Resolution Initiatives	8A – Conflict Resolution Enhancement	Discussion and Document Review



1.6.4 LP&C Program Annual Audit

Date Audit Completed:

04/22/2015

Agency Name

Law Offices of the Public Defender

This is a mandatory Audit conducted by: Adreien Jaramillo, LP&C Specialist with the Risk Management Division, General Services Department.

The number of "PASS" needed for 100% completion: 58

The number of "PASS" needed for minimum 70% completion: 41

Additional information that may have assisted with the implementation of your agency programs.

- LP&C Resource Library
- LP&C Audit Power Point (found on the Resource Library)
- LP&C Plan Template (found on the Resource Library)
- NMAC 1.6.4 LP&C Rule (found on the Resource Library)

Enter the Total Number of "PASS"

51

Enter the Total Number of "FAIL"

7

Auditor Comments:

PASSED with 88% - AS

Completed By:

Primary Auditor:

Adreien Jaramillo

Date:

4/22/2015

Sign:

Secondary Auditor:

Suzanne Vigil-Lucero

Date:

4-22-15

Sign:

Suzanne Vigil-Lucero

LP&C Coordinator:

Barbara V. Auten

Date:

4/22/2015

Sign:

Barbara V. Auten

D) LP&C Coordinator Specifics: (Choose one: PASS or FAIL)

A) General Requirements

1) Show he / she is an active member of the Agency Loss Prevention and Control Committee. ☒ PASS ☐ FAIL

2) Show E-mails of correspondence or briefs to the Agency Head on LP&C Issues ☒ PASS ☐ FAIL

3) Show meeting minutes or brief summaries of Agency Safety Committee meetings
- Minutes should show LP&C Coordinator as Chair ☐ PASS ☒ FAIL

4) Show your process in reviewing your Agency Loss Runs (Claims Analysis) ☒ PASS ☐ FAIL
- Currently has access to LP&C Bureau Web site (LP&C Coordinator Corner's web page)

- Has recently reviewed and analyzed quarterly information for discussion with the Agency Committee.

5) Organize, supervise and assist in Agency Self-Inspections ☒ PASS ☐ FAIL
- Review the current Inspection and Audit procedures

- Show examples of appropriate inspection checklists

- Show the receiving of Semi-Annual Inspection Report(s)

6) Show the acceptance and continued reporting of required documents to the State LP&C Manager ☒ PASS ☐ FAIL
- Show the acceptance of the Agency's current LP&C Plan

- Show the acceptance of recent Agency LP&C Committee Meeting Minutes

Auditor Comments:

Information: A Loss Prevention and Control Coordinator is Appointed for the agency and each location responsible to the Agency Head. The Coordinator reports to the agency head all matters pertaining to management of the LP&C Program. The Coordinator conducts and coordinates the LP&C Program, he/she performs those duties specified in Subsection A of 1.6.4 NMAC full-time.

II) LP&C Committee Meeting Minutes: (Choose one: PASS or FAIL)

A) General Requirements

1) Show a copy of the Agency Quarterly LP&C Meetings ☒ PASS ☐ FAIL

- Secretary shall keep meeting minutes - Minutes are devoted exclusively to committee business

- Show that the minutes are signed by the Agency Head

- Show that minutes were distributed to all current committee members and to the State Loss Prevention and Control Manager within the 30 day time frame

- Show the names of the Agency's current elected Committee Chair and Secretary

Auditor's Comments:

Information: Separate committees can be created on any level of an agency. All major components of the agency's organizational structure is represented on the committee. The CHAIR and SECRETARY should be elected annually by the committee members. The SECRETARY should write and keep the meeting minutes, the Agency Head or his/her designee must approve those meeting minutes.

Meeting Minutes will be distributed to all members and forwarded to the State LP&C Manager within 30 days of the meeting.

The Coordinator should compile, analyze and evaluate agency loss information to ensure adequate measures are being taken to prevent recurrence. The committee should establish, evaluate, and make recommendations for for improvement ofg agency LP&C activities.

III) Self-Inspection and Audit Procedures: (Choose one: PASS or FAIL)

A) General Requirements

1) Extends to all Agency Levels and operations ☒ PASS ☐ FAIL

- Show all the checklists developed and used, specific to each operation

- Show the Audit procedures used for each inspection report

B) Inspection Process

1) Semi-Annual Inspections conducted:

- Show a recent Written Inspection Report completed by designated inspector(s) ☒ PASS ☐ FAIL

Inspection Report Type:

Inspection Date

Inspection Report Completed By:

Office Inspection

03/30/2015

Rhonda Sanchez

- Show how any repeat deficiencies are identified and reported to Agency Head ☒ PASS ☐ FAIL

- Show with each noted deficiency, a Corrective Action was taken or initiated ☒ PASS ☐ FAIL

- Show the response that the immediate supervisor of the inspected operation/property wrote to the inspection findings (NLT 30 days) ☒ PASS ☐ FAIL

- Show that the Corrective Action report is attached to the appropriate Inspection report or audit ☒ PASS ☐ FAIL

- Show when the recent Inspection report was sent to the Agency LP&C Coordinator (That coordinator shall keep all records as per Agency and state policy) ☒ PASS ☐ FAIL

Auditor's Comments:

Information: The Coordinator organizes, supervises and assists the entire agency on self-inspection and audit procedures. All Coordinators of a single agency are using the developed agency inspection checklists. Self-inspections and Audit programs should have implemented those program within all operations within the agency.

Self-Inspections and audits are conducted at least semi-annually.

All inspection records should be available to RMD for review. Sub-agencies are also required to maintain records.

IV) Incident and Loss Investigation Program: (Choose one: PASS or FAIL)

A) General Requirements

- 1) Establish and Implement procedures for in depth Investigation, analysis, and evaluation of incidents and losses ☒ PASS ☐ FAIL

B) Investigation Process

- 1) Incidents and losses investigated by the supervisory person immediately responsible or by trained investigation personnel.

- Who is assigned to conduct investigations? ☒ PASS ☐ FAIL
(Supervisors / Trained Personnel)

Identify Staff Member

Supervisors

- Show that staff member's training certifications and or credentials. ☒ PASS ☐ FAIL

- 2) Show an example of an Investigation conducted within two work days; show that investigation report and the time the incident was reported. ☐ PASS ☒ FAIL

- 3) Show the Investigation Report format that includes (at a minimum): ☒ PASS ☐ FAIL

- Investigative Facts
- Investigators analysis (immediate and root cause)
- Investigators recommendations for correcting problem or preventing further losses
- Any and all supplemental data (photos, sketches, other reports, etc.)

C) Investigation Approval Process

- 1) Show an Investigation Report that was sent to:

- The investigator's immediate supervisor ☐ PASS ☒ FAIL

- The Agency Loss Prevention and Control Coordinator ☐ PASS ☒ FAIL

- Any other level of Loss Prevention and Control Coordinators (Divisional, Bureau, Sectional) ☒ PASS ☐ FAIL

- 2) Show an Agency LP&C Coordinator Evaluation of preventable actions of an investigation report that took place within thirty (30) days of receipt. ☐ PASS ☒ FAIL

- The Evaluation shall be provided to the Agency LP&C Committee

3) Show how Corrective Actions are communicated and implemented to all other activities or programs within the Agency. ☒ PASS ☐ FAIL

Auditor's Comments:

Information: *The Coordinator can conduct his/her own investigations on incidents and losses to determine cause or prevent recurrence. A Supervisor will review the investigative report for adequacy of findings and recommended corrective actions, as well as annotate his/her comments on that report.*

All Investigation and procedures should be established and implemented for each agency.

- Investigations are initiated within two (2) workdays (Maximum).*
- Confidential Material is handled with care.*
- All Investigation documentation is kept as a part of the Claim record.*

Claims Analysis and Management Procedures: (Choose one: PASS or FAIL)

A) General Requirements

1) Show a copy of the most recent summary of an Annual Loss Analysis and Explanation of why those losses occurred. ☒ PASS ☐ FAIL

- The Summary should be distributed to department management and supervisory personnel annually.

2) Show how those analyses have assisted in the targeting of supplemental safety and LP&C trainings. ☒ PASS ☐ FAIL

B) Provide Entity Policy

1) Provide a copy of each required policy:

- Agency Workers' Compensation Claims Management Policy and Procedures ☒ PASS ☐ FAIL

- An Early Return to Work Policy or Procedures (for workers with job-related injuries or illnesses) ☒ PASS ☐ FAIL

- New Employee Orientation Programs ☒ PASS ☐ FAIL
(Shall include information on job safety, Workers' Compensation, and Employment Related Civil Rights)

C) Policy Review

Show how the policies provided above (B - Policy Review) of this section address and include direction for the following:

1) Injured Employee responsibilities: (shall include at a minimum) ☒ PASS ☐ FAIL

- Injury reporting procedures;
- Administration and documentation details, and;
- Compliance with medical treatment plan;

2) Employer Responsibilities: (shall include at a minimum) ☒ PASS ☐ FAIL

- Job-related injury or illness reactive procedures;
- Contact protocols;
- Employer involvement in all phases of job-related injury or illness claim management, and;
- Accountability measures;

3) Identification of jobs or the modification of jobs to accommodate the job-related injured or ill worker who is placed on restricted or modified work status; *this criterion shall include the procedures and authorities to implement such procedures;* ☒ PASS ☐ FAIL

- 4) Identification and analysis of root causes of job-related injury or illness and recommended corrective action or change to prevent recurrence of such job-related illness or injury. ☐ PASS ☒ FAIL

D) General Policy Review

Show the individual and specific written policies providing for the following items as they apply to job-related injury or illness claims:

- 1) Establishment of Safety and LP&C as a Line Management responsibility and those supervisors are evaluated on those responsibilities (Standards in writing at Agency level) ☐ PASS ☒ FAIL

- 2) Training on supervisor's role and what the supervisor is responsible for accomplishing (appropriate to each supervisor) ☒ PASS ☐ FAIL

- 3) Assignment of individual(s) (at Agency level) responsible for maintaining Job-related and illness claims records for the purpose of upkeep, monitoring, and analysis. ☒ PASS ☐ FAIL

- Sub-Agencies are also required to maintain job-related injury and illness records)

- Assigned individual's names shall be submitted to the State Loss Control Manager and be the contacts for RMD Workers' Compensation Bureau)

Identify Staff Member:

Suzanne Vigil

E) Workers Compensation Spot-Check

- 1) Spot check two (2) randomly selected claims records retained by the Agency or Sub-agencies that contain the following mandatory documents:

- Notice of Accident (WCA form NOA-1, as may be amended)
- Employer's First Report of Injury or Illness (WCA form E 1.2, as may be amended)
- Authorization to Release Medical Information (WCA mandatory form)

- Claim Number of 1st Spot Check: ☒ PASS ☐ FAIL

Claim Number 15-01350

- Claim Number of 2nd Spot Check: ☒ PASS ☐ FAIL

Claim Number 15-00657

F) WC Policy Review

1) Show any policies or procedures that specify:

- That an employee with a job-related injury or illness will not be terminated unless advance notice is given to the state risk management division, attention to: workers' compensation claims specialist assigned. ☒ PASS ☐ FAIL

- Except as provided in Paragraphs (a) and (b) of this subsection, vacant positions resulting from job-related injuries or illnesses shall not be filled, except by temporary employment. ☒ PASS ☐ FAIL

"a. A position may be permanently filled if there is documented medical diagnosis or evidence that an employee with a job-related injury or illness has reached maximum medical improvement or that the employee's impairment or condition is permanent and that employee cannot perform the essential functions of the particular job.

b. A position may be permanently filled if there is a critical need and that need cannot be satisfied with temporary employment, and the Agency has made a "good faith" effort to do so, and the provisions of Subsection (F) (1) of this section have been satisfied."

Auditor's Comments:

Waiting for policies to be approved by NMAC. Mirrors the SPO Rules.

Information: The Coordinator conducts presentations on to agency personnel regarding statistical data records and analysis, training, and incident/loss prevention and control.

Reviewing Loss Run Reports ensures that claims are appropriately closed or should remain opened. Loss Runs are being used as a tool to determine what types of accidents and injuries are taking place so that corrective actions can take place.

VI) Training Requirements: (Choose one: PASS or FAIL)

A) Spot Check 2 Employees and 2 Supervisor's training files:

Employee Name / Number:

11382

- a. Safety: ☒ PASS ☐ FAIL
- b. LP&C: ☒ PASS ☐ FAIL
- c. Employment-Related Civil Rights: ☒ PASS ☐ FAIL

Employee Name / Number:

107298

- a. Safety: ☒ PASS ☐ FAIL
- b. LP&C: ☒ PASS ☐ FAIL
- c. Employment-Related Civil Rights: ☒ PASS ☐ FAIL

Supervisor Name / Number:

102061

- a. Safety: ☒ PASS ☐ FAIL
- b. LP&C: ☒ PASS ☐ FAIL
- c. Employment-Related Civil Rights: ☒ PASS ☐ FAIL

Supervisor Name / Number:

300643

- a. Safety: ☒ PASS ☐ FAIL
- b. LP&C: ☒ PASS ☐ FAIL
- c. Employment-Related Civil Rights: ☒ PASS ☐ FAIL

B) Spot Check 2 New Employees training files:

1) Show the Agency Employee Orientation and Training Programs

Employee Name / Number:

338794

- New Employee Orientation

☒ PASS ☐ FAIL

- Continued Education

☒ PASS ☐ FAIL

Employee Name / Number:

341191

- New Employee Orientation

☒ PASS ☐ FAIL

- Continued Education

☒ PASS ☐ FAIL

Auditor's Comments:

Information: The Coordinator provides technical information to employees and management concerning NMOSHA Act requirements and RMD policies. The Coordinator conducts Loss Prevention and Control Training which includes New Employee Orientation and assess the adequacy of those trainings.

A Training list with scheduled requirements should be developed and maintained (Training Matrix).

Supervisor's should facilitate ongoing training in and enforce the proper use and their inspection of Personal Protective Equipment (PPE) with their staff.

Managers and Supervisors are trained on a continuous basis in employment-related civil rights.

VII) Safety and LP&C Initiatives: (Choose one: PASS or FAIL)

A) Program Enhancements

1) Show examples of Safety and LP&C Initiatives: ☒ PASS ☐ FAIL

Initiative One (Required)

Employee Badges

Initiative Two (Required)

Client Feedback

Other Initiatives

Auditor's Comments:

VIII) Alternative Dispute and Resolution (ADR) Initiatives: (Choose one: PASS or FAIL)

A) Conflict Resolution Enhancement

1) Show examples of ADR Initiatives: ☒ PASS ☐ FAIL

Initiative One (Required)

ADR Coordinator and completing reports

Initiative Two (Required)

Double ADR Staff and training

Other Initiatives

Examples of ADR initiatives:

- Can show Entity is currently providing Access to ADR for all Entity Personnel
- Currently have an ADR Coordinator - Following all required functions
- Currently use ADR when conducting Claims Management or Claims Analysis
- Currently have personnel trained in ADR or Mediator practices

Auditor's Comments:

If you have any questions or concerns regarding the completion of this audit, please contact me by phone (505) 827-3296 or by E-Mail at adrien.jaramillo1@state.nm.us

